ANNUAL REPORT

JOJ MEDIAHOUSE

2020

JOJ MEDIAHOUSE ANNUAL REPORT 2020

CONTENT

Dear business partners and colleagues,

A year has passed that we will definitely remember. The Coronavirus pandemic overshadowed all the important topics. We had no idea how the media or marketing markets would develop further. The Corona crisis has tested our ability to adapt to a rapidly changing environment. In the end, some media outlets enjoyed the interest of the audience; the readership of news portals and the viewing of television stations, which adapted their content to the social situation, grew at a record rate. And, although it looks like we will survive the Corona crisis without fatal injury, there is much still to confirm for the coming year. In our view, the important decision for the Group was to expand our online media presence through the HyperMedia Group and to enter into the PTA Group digital media agency, thus broadening and diversifying our media portfolio.

After the outbreak of the Corona crisis, we encountered a hunger for credible information, which would mainly benefit the TV studios, the viewership, and especially news programs, rising to the highest numbers since the introduction of people-meter measurement. From one day to another, the pandemic completely changed the rules of the game, forcing the suspension of program production and also weakening the campaigns of our clients. The editors engaged with the front-line workers, their selfless performance providing fresh, serious, and reliable information on a daily basis, which proved to be their critical mission at a time of ever-changing decisions, confusion, and misinformation. JOJ is one of the most important employers in the Group, which is why the health of our employees came first. During nationwide testing, they had the opportunity to test themselves without waiting, directly on our premises and at the expense of television. In the end, we also managed to find the best way to return to television production and create a new chance for artists and people working in culture.

The main advantage of outdoor advertising is in the presentation of campaigns to people commuting between work and home, thus gaining an unrivaled advantage over other media. This positive aspect became less important for a part of the year due to the curfew. At the beginning of 2021, Slovak Akzent BigBoard acquired decisive shares in the digital advertising segment, and thus diversified the portfolio of services offered. Czech BigBoard Prague acquired a network of CLV carriers in the Prague metro from Euro AWK, and thanks to the acquisition of the entire network of carriers in the carriages and escalators of the Prague metro from JCDecaux, they already have a two-thirds share of this market. Austrian Epamedia continues making substantial investments in the innovation and digital advertising development with an emphasis on environment and sustainability.

I was also pleased with the results of Radio Services, whether given the further growth of listening, or the growth of the share of the costs spent in radio advertising in the Slovak market. Croatian and Slovak newspapers are adapting very quickly to the growing demand for information on the web, which is reflected in record growth in web traffic across all our portals.

I would like to thank our business partners and investors for their trust, and also all our employees. Thanks to you, we managed this difficult period. The chaotic year of 2020 is definitely over and I believe that with it also the worst of the Covid crisis. The year 2021 brings hope.

I wish you all good health and success.

Richard Flimel

Chairman of the Board of Directors

JOJ Media House, a.s.

1

COMPANY PROFILE

Since it was incorporated on 6 November 2010, JOJ Media House, a.s., (hereinafter referred to as the "parent company" or the "Company" and jointly with its subsidiaries as the "Group") has ranked among the leading media companies not only in Slovakia and the Czech Republic but also in Austria and Croatia. It continuously strengthens its position.

SLOVAK REPUBLIC

In Slovakia, the Company operates in the following market areas:

TELEVISION BROADCAST AND PRODUCTION SECTOR

- Slovenská produkčná, a.s. (94.96% share) – Through this company, the Company owns shares in the following companies:
- MAC TV s.r.o. (100% share) – The company is a holder of a license to broadcast the television stations TV JOJ, PLUS, WAU, RiK and Ťuki TV. It also operates Internet portals of the Group.
- DONEAL, s.r.o. (100% share) – The company holds a license to broadcast the TV station JOJ Cinema.
- Magical roof s.r.o. (80% share) – The company is a holder of a license to broadcast the TV channel JOJ FAMILY,
- Československá filmová společnost, s.r.o. (100% share) – operates television channels CS film, CS mini, Kinosvět, Horror film, War TV and online video portal Film popular.
- PMT, s.r.o. (27% share) – The company ensures the implementation of the electronic television audience measurement via people meters.
- TELEPON PLUS, spol. s r.o. (49% share)

THE OUTDOOR ADVERTISING SECTOR

- Akzent BigBoard, a.s. (100% share) – Through this company, JOJ Media House owns shares in the following companies:
- BigMedia, spol. s r.o. (100% share) – Exclusive selling ads on the carriers of its parent company and the aforementioned companies;
- RECAR Slovensko a.s. (100% share) – Advertising in means of transport.
- RECAR Bratislava a. s. (70% share) – Advertising in means of transport in Bratislava, the capital city of Slovakia.
- BHB, s.r.o. (51% share) – Selling ads of a particular character.

THE INTERNET AND APPLICATION DEVELOPMENT SECTOR

- eFabrica, a. s. (72% share) – Its business activities are focused on the development of Internet applications, web design, operation of the Internet domains and provision of technical support.

THE RADIO BROADCAST SECTOR

- Radio Services a.s. (100% share) – The company provides comprehensive services to radio broadcasters.

OTHER SECTORS

- JOJ Media House, a.s., owns a 30% share in the Starhouse Media, a.s. company, which operates in the field of artist management.
- Lafayette s. r. o. (100% share) – The company currently does not perform any business activity.
- NIVEL PLUS s.r.o. (100% share) – The company is engaged in newspaper publishing.
- PTA Group s. r. o. (70 % share) – Digital media agency.

CZECH REPUBLIC

THE OUTDOOR ADVERTISING SECTOR

As regards the outdoor advertising industry in the Czech Republic, JOJ Media House, a.s., is a 60% shareholder of the BigBoard Praha, a.s. company. Through its companies, it is the leader in the Czech outdoor advertising market. BigBoard Praha, a.s. is the owner of shares in the following companies:

- BigMedia, spol. s r.o. (100% share) – Rental of advertising space of its network.
- Czech Outdoor s.r.o. (100% share) – Rental of advertising space.
- Český billboard, s.r.o. (100% share) – Rental of advertising space.

- MG Advertising, s.r.o. (50% share) – Rental of advertising space.
- Barrandia s.r.o. (100% share) – Rental of advertising space.
- Expiria, a.s. (100% share) – Rental of advertising space.
- RAILREKLAM, spol. s r.o. (100% share) – Rental of advertising space on the property of the company České dráhy, a.s.
- outdoor akzent s.r.o. (100% share) – The company is the leader in the Czech market in the field of billboard outdoor advertising.
- Bilbo City s.r.o. (100% share) – Rental of advertising space.
- Velonet ČR, s.r.o. (100% share) – Rental of advertising space; bike sharing.
- Qeep, a.s. (100% share) – The company focuses on large-format outdoor media and LED screens in the city center of Prague.
- News Advertising s.r.o. (100% share) – Rental of advertising, especially double bigboard spaces.
- Flowee s.r.o. (65% share) – The company operates the biggest page about modern lifestyle on the Internet in the Czech Republic.
- Kitchen Lab s.r.o. (70% share) – The company operates kucharky.cz, the web and mobile application.
- Nadační fond BigBoard (100% share) – The aims of the endowment fund concern charitable activities and assistance to persons in need.
- D & C AGENCY s.r.o. (100% share) – The company owns a 48% share in the company ERFLEX, a.s.
- ERFLEX, a.s. (48% share) – The company primarily deals with building and operating networks of outdoor advertising and navigation spaces,
- MetroZoom s.r.o. (100% share) – The company sells advertising space in Prague metro stations.
- BigZoom a.s. (76.7% share) – The Company and its associated subsidiary companies' main activities are internet marketing, web representations and operation of discount and other portals;
- Hyperslevy.cz, s.r.o. (50.5% share);
- Quantio, s.r.o (66% share);
- Hyperinzerce, s.r.o. (100% share);
- Programmatic marketing, s.r.o. (100% share);
- Eremia, a.s. (100% share);
- Hyperinzercia, s.r.o. (SK) (100% share);
- Slovenskainzercia s.r.o. (SK) (100% share);
- PRAHA TV s.r.o. (34% share) – The Company operates the broadcasting of a Prague regional television channel;
- CovidPass s.r.o. (100% share)

AUSTRIA

JOJ Media House, a.s. is the sole partner of the Akcie.sk, s.r.o. company, which owns a 100% share of the EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH company (hereinafter referred to as the "EPAMEDIA"), ranked second in the outdoor advertising market in Austria. EPAMEDIA is the owner of shares in the following companies:

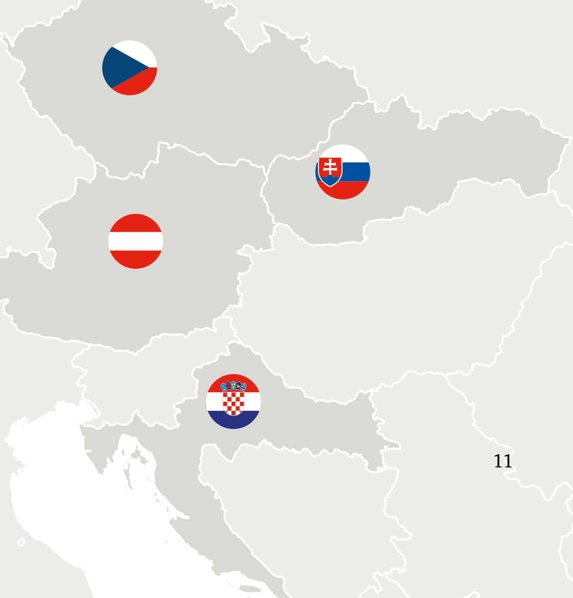
- R&C Plakatforschung und –Kontrolle Ges.m.b.H. (51% share).

CROATIA

In 2016, JOJ Media House, a.s. expanded its presence in the media market into the print segment in Croatia, where it owns shares in the following companies:

THE PRINT MEDIA SECTOR

- NOVI LIST d.d. (84%) – Novi List newspaper publishing.
- GLAS ISTRE NOVINE d. o. o. (89%) – Glas Istre newspaper publishing.



2

CORPORATE VALUES

THE VISION

JOJ Media House's vision is to become the major Central European media company and secure the long-term satisfaction of its customers with its media services and products for the effective communication of advertising to target groups.

OUR MISSION

The mission of JOJ Media House is to provide high quality media services to society in general as well as to business partners, which we want to ensure through the continuous expanding and improving our products.

STRATEGY

The JOJ Media House strategy is to expand its products via both organic and inorganic growth in Central and Eastern Europe and the streamlining of the activities of individual ompanies within the Group through synergistic links.

3

JOJ MEDIAHOUSE ANNUAL REPORT 2020

MEDIA MARKET ANALYSIS

According to the latest estimates from the European Central Bank (ECB), the Gross Domestic Product of the Eurozone fell by 6.6% in 2020. The ECB expects a significant recovery in economic activity in the Eurozone during 2021; the ECB's basic forecast expects Eurozone's GDP to grow by 4% this year. **On 11 March 2020, the World Health Organization declared the Coronavirus situation to be a pandemic**, to which the governments of individual countries reacted by adopting various measures to prevent the spread of the disease, including imposing restrictions on the cross-border movement of persons and the 'blocking' of certain sectors. The economic impacts of these events include disruption to economic activity, a decline in demand for goods and services, and an increase in asset price volatility. As the opportunities for people to meet are limited, communication is thus gaining in importance, especially through the mass media. The affected sectors include business and transport, tourism, the entertainment industry, manufacturing, construction industry, retail, the insurance industry, education, and the financial sector in particular.

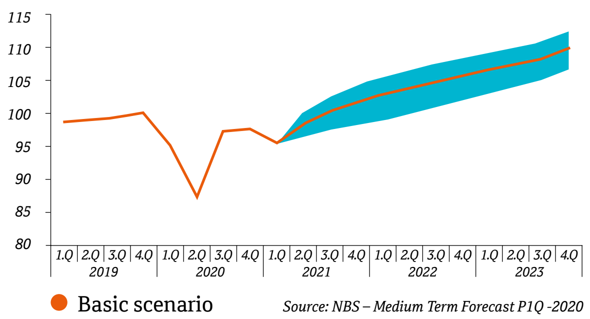
According to the latest analysis by GroupM, the **global advertising market** is likely to contract "only" by 5.8%. For comparison, the advertising business shrank by 10.9% in 2009; and even in 2001, a year of mild recession, the size of the advertising market decreased by 4.2%. Global media investment reached an estimated $591 billion in 2020. In 2021, we should return to growth of around 12%, while global GDP will grow by 7.1%, according to the latest IMF forecasts. In terms of segmentation and downturns, relatively significant changes are expected compared to the previous years. Digital advertising will significantly strengthen its share in the total media mix, which will thus increase to an estimated 61% in 2021, also including the digital superstructures of traditional media.

MEDIA MARKET IN THE SLOVAK REPUBLIC

Slovakia's gross domestic product fell by 5.2% in 2020. The recovery of the Slovak economy will continue in 2021 and we will return to pre-crisis levels. According to the latest NBS forecast, economic growth driven by foreign demand will reach 5.0%, despite a significant reduction in economic activity at the beginning of the year due to the long-lasting second wave of the pandemic. The domestic demand-oriented part of the economy has been particularly affected. The National Bank assumes that, after the gradual easing of anti-pandemic measures, losses in domestic demand will recover relatively quickly. Next year, GDP growth should accelerate to 5.6%. In 2023, the economy is expected to grow by 3.7%.

According to NBS's medium-term forecasts, world trade growth has almost come to a halt as a result of the gradual adoption of anti-pandemic measures. Of course, this was reflected in a significant drop in economic activity. **In the first quarter of 2020**, Slovakia returned, with an economic QOQ drop of 5.4%, to a level last seen in 2017. In this unprecedented situation, the Slovak government took measures to mitigate the social consequences and the impact on health care. The government's measures were mainly aimed at preserving jobs, eliminating the loss of household income and maintaining sufficient liquidity for entrepreneurs.

HDP AND SCENARIO-BASED UNCERTAINTY (ANNUAL % CHANGE)



Source: NBS – Medium Term Forecast P1Q -2020

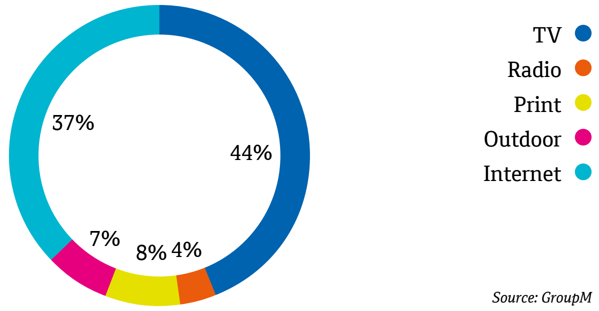
The contraction in the Eurozone economy deepened in the **second quarter**. The culmination of the anti-pandemic measures at the beginning of the second quarter and only a gradual easing in the following months was reflected in a larger economic downturn across the Eurozone. After a 3.7% decline in gross domestic product in the first quarter, its decline increased to 11.8% in the second quarter. Services, but also industry, were severely affected. The Eurozone economy returned to a level roughly equivalent to the last quarter of 2005. The decline in GDP in the second quarter was mainly due to private consumption and investment demand. However, public administration consumption and net exports also had a dampening effect.

After the downturn in the first two quarters of 2020 (cumulatively of 15.1%), the Eurozone's economy dynamically recovered in the third quarter. Gross domestic product grew by 12.6% quarter on quarter, which was a significantly more favorable development than expected by the September ECB2 forecast (expected growth of 8.4%). However, the economy still remained below pre-crisis levels. Economic developments in the **third quarter** were supported by the easing of anti-pandemic measures, the normalization of supplier-customer relations, and also the recovery of the global economy, accompanied by growth in economic activity in China.

According to the NBS, the recovery of economic losses almost stopped in **the fourth quarter** of 2020 and gross domestic product grew by only 0.2% quarter on quarter. Most of the measures taken in connection with the second wave of the pandemic concerned the services sector in particular. The industrial sector of the economy did not stop and could continue to catch up on the lost production from the spring. At the end of the year, the Slovak economy lagged behind pre-pandemic levels by 2.7%.

The Slovak media market has had **a more difficult year with a decrease in advertising expenditure of 17.7%.** According to a GroupM estimate, 298 million Euros were channeled to Slovak media, from 362 million Euros a year earlier. Based on its estimates, the media agency predicts overall growth of the Slovak media market of up to 10.7% in 2021. The pandemic has helped digital acceleration. In addition to watching television, the consumption of digital media has increased which, together with the growth of e-commerce, has led to a rapid shift in media budgets from traditional to digital media, as Zenith reports.

SHARE OF MEDIA TYPES IN THE MEDIA MARKET OF THE SLOVAK REPUBLIC IN 2020



Source: GroupM

THE TELEVISION ADVERTISING MARKET

In 2020, the Eurozone economy declined along with the Slovak economy, and this development also had a negative impact on investments in the media market. According to GroupM estimates, the television advertising sector fell by 18%. TV continues to hold its dominant position in the Slovak media market with a **market share of 44 %.**

The TV advertising market can be considered stable, as there was no entry of a new competitor or significant legislative changes in 2020. On the other hand, our biggest competitor changed hands when the **PPF Group** agreed to take over Central European Media Enterprises (CME) for some $2.1 billion. In October 2020, the European Commission approved the acquisition of the CME media company by PPF Group NV. The EC concluded that the transaction would not give rise to any competition concerns in the European Economic Area. CME includes television stations in five countries in Central and Eastern Europe, including the Slovak group Markíza.

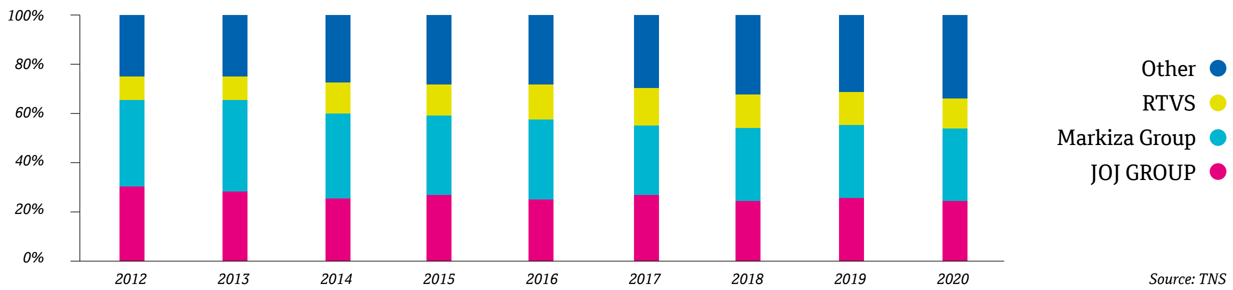
Major providers of television advertising continue to remain:

MARKÍZA – SLOVAKIA, spol. s r.o. (a member of the group Central European Media Enterprises Ltd.), which operates the broadcast of TV channels: Markíza, Doma, Dajto, and Markíza International.

Rozhlas a televízia Slovenska – Public service television that operates the broadcasting of channels Jednotka, Dvojka, and Trojka.

JOJ GROUP, which operates broadcasting channels JOJ, PLUS, WAU, Jojko, Ťuki TV, JOJ Cinema, JOJ Family and also CS film, CS mystery, CS horror, and CS history after acquiring a 100% stake in Československá filmová společnost, s.r.o.

PRIME TIME DEVELOPMENT BY YEARS (SHR % 12-54)



Source: TNS

THE OUTDOOR ADVERTISING MARKET

According to GroupM estimates, the Slovak outdoor advertising market contracted by 26% in 2020. The share of outdoor in the overall advertising market also decreased, but should return to 9% in the coming years. JOJ Media House is the leader in the outdoor advertising market, owning a 100% share in Akzent BigBoard, a.s. They started their business activities in 2008 and have managed to build a strong group of companies engaged in outdoor advertising. The Akzent BigBoard Group is **constantly strengthening its position in the outdoor advertising market**, not only by expanding its product portfolio, but also by providing complex services, streamlining its organizational structure and reducing the administrative difficulties in selling outdoor advertising.

From the point of view of the outdoor advertising segment, the year 2020 can be characterized as turbulent in several respects. It began with a very positive start to the year – a combination of political campaigns, followed by a market decline from March (the beginning of the pandemic and its consequences), then a resurgence of trade between June and September and, finally, huge uncertainty with the advent of the second wave. In our opinion, the outdoor advertising segment has been significantly affected by the frequently changing government measures to combat the pandemic, as the main advantage of OOH is the presentation of campaigns to people commuting between work and home, gaining an unrivaled advantage over other media. This advantage became insignificant for a part of the year (curfew).

THE RADIO ADVERTISING MARKET

On 21 April 2015, JOJ Media House, a.s. entered the radio advertising market by acquiring the company Harad, a.s., the parent company of Radio Services, s.r.o. This company provides comprehensive services to radio broadcasters from the sale of advertising space to ensuring the production of broadcasting content. Since 1 January 2016, Radio Services, a.s. has been exclusively selling commercial space for four established nationwide radio stations: **Rádio Vlna, Rádio Anténa Rock, Rádio Jemné, and Rádio Europa 2.** Through this connection, the company has increased market share, thus delivering an unrivaled product suitable for any advertiser. The most notable competitors include Rádio Expres, Rádio Slovensko, and Fun rádio. In 2020, Radio Services had up to a 39% share in expenses spent for radio advertising in the Slovak market. Year-on-year, the share increased slightly to the detriment of competitors. According to GroupM estimates, the radio advertising sector shrank by 30% in 2020, but is expected to grow by over 20% next year.

An important **new development is the amendment to the Broadcasting and Retransmission Act**, which was adopted in the field of media and art in 2020. The aim of the amendment to the law is to deregulate the legal environment for radio broadcasting. It allows a single owner to operate multiple radio program services, as is common in television broadcasting. We can thus expect the transformation and consolidation of the radio advertising market.

THE PRINT MEDIA MARKET

In October 2016, JOJ Media House expanded its activities to the print media segment with the purchase of a 100% share in the company NIVEL PLUS s.r.o., which publishes **Bratislavské noviny**. This is a free newspaper delivered to the mailboxes of Bratislava households. It therefore ranks as one of the most important periodicals in Slovakia. In addition, from May 2018, we also started publishing the regional periodical **Petržalské noviny**. The COVID-19 pandemic brought an end to the publishing of Bratislavské a Petržalské noviny from April to mid-June 2020. The publishing house thus transferred all its energy to the web portal, which brought exceptional results.

THE AUSTRIAN MEDIA MARKET

Progress in the fight against the pandemic has supported the recovery of the Austrian economy, but has depended to a large extent on government action. According to estimates by the WIFO (Österreichische Institut für Wirtschaftsforschung), **Austria's gross domestic product will grow by 2.3% in 2021** and by as much as 4.3% in the following year. After last year's downturn of 6.6%, the IHS (Institut für Höhere Studien) expects year-on-year growth of 2.6%.

Investments in the media sector are expected to produce a similar, positive trend, and growth in this area is likely to follow the growth in gross domestic product, assessed as growth compared to the previous year. JOJ Media House has been doing business **in the Austrian outdoor advertising market since 2012**. We consider this market to be developed and stabilized. In recent years, the focus has been on optimizing the portfolio of advertising media and streamlining organizational structure, which has resulted in positive achievements for the company.

MEDIA MARKET ANALYSIS

THE CZECH MEDIA MARKET

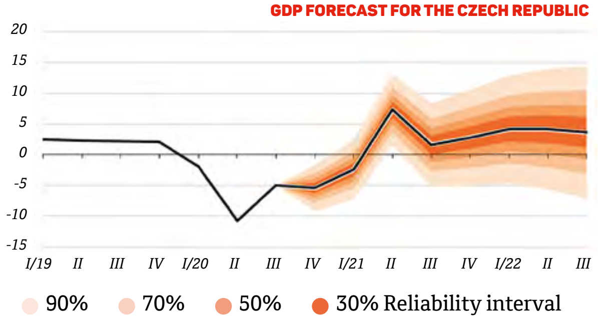
Compared to the previous year, the year-on-year rate of **economic growth fell by 5.8%**. The adverse economic effects of the pandemic are set to gradually fade away during the year, thanks also to government financial assistance. A gradually improving sentiment for households and companies is expected, and economic growth will resume. The Czech National Bank expects economic growth of more than 2%; growth should accelerate even further next year, and return overall economic activity to pre-pandemic levels.

The Coronavirus crisis has significantly dampened the Czech economy, and logically it has also affected media investment. However, they still managed to maintain full-year growth although, even after a decline of 4.2% in the middle of the year, when it looked like a downturn. **That growth, of course, fell from around 9% last year to 4.5% in 2020.** Only the two strongest media types contributed to this – TV and the Internet, while online advertising grew by almost 15%. At the opposite end, there is OOH, which has been hit hardest by the company's recurring lockdowns. After growing by 3.9% in 2019, outdoor advertising fell by 19.4% in 2020. The main months for the declines were in the second quarter; in the rest of the year, the declines were not quite so dramatic, but they could not erase the losses from the first half of the year.

The strongest media was TV, which maintained last year's growth and a dominant position in the advertising market (47.6 %). On-line advertising accounted for 30.3 %, and print advertising reached 13.2 % in advertising budgets last year. Radio advertising accounts for 5.6 % of the total, and **outdoor advertising had a share of 3.4 % in the year 2019**. Out of the ad sponsors in the last year, Kaufland, Lidl a Albert were using the highest priced ads.

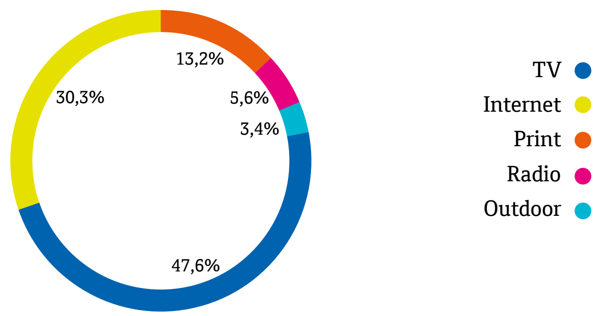
The BigBoard Group is the largest provider of outdoor advertising in the Czech Republic, and belongs to the JOJ Media House Group. **BigBoard currently has a 67.5% share** in this market which, in addition to organic growth, has also been achieved through acquisitions. The increase in the share compared to last year was mainly due to the acquisition of the network of 1,095 CLV carriers in the Prague metro from Euro AWK, and due to the acquisition of the entire network of carriers in the carriages and on the escalators of the Prague metro from JCDecaux.

GDP FORECAST FOR THE CZECH REPUBLIC



Source: Czech National Bank

SHARE PER MEDIA TYPE IN 2020



Source: SPIR, MEDIAN, Nielsen Admosphere

MEDIA MARKET ANALYSIS

MEDIA MARKET IN CROATIA

After six years of recession, the Croatian economy began to grow in 2015, the **growth ending in 2020 with a historic downturn of 8.4%.** The reason was the pandemic of the new Coronavirus, the anti-epidemic measures, and a dependence on tourism, which accounts for almost a fifth of Croatia's gross domestic product.

Croatia is still pursuing its plans to **adopt the Euro** despite the economic problems the pandemic has forced upon it. On Friday, 13 July 2020, the Republic of Croatia officially joined the European Exchange Rate Mechanism II, where it will remain for at least two years. Croatia must meet the criteria of exchange rate stability, and price/interest rate stability. In addition to these criteria, there are two other extremely important indicators related to the public finances – the budget deficit and public debt. The reference exchange rate for entering ERM II is HRK 7.53540 per Euro. This, of course, may not be the final exchange rate as, under the Mechanism, the currency may fluctuate by 15% above and below this rate. The result will largely depend on the development of the Croatian economy in the next two years, i.e., also on the pace of recovery from the current Corona crisis.

In April 2016, JOJ Media House acquired majority shares in the respected regional journals Novi List, Glas Istre, and Zadarski list. With this acquisition, we have expanded our operations in the media market into the print media segment. GroupM estimates that the **media market in Croatia contracted by 9% this year**, with growth expected of 7% next year.

4.1

EXECUTIVE SUMMARY

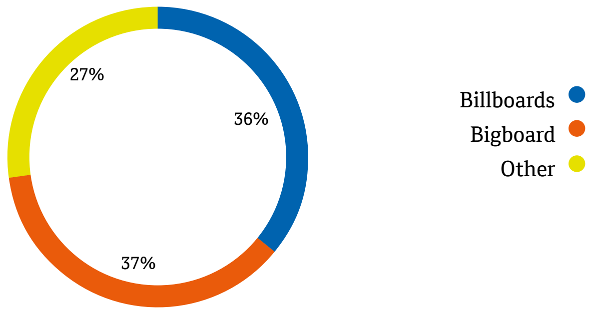
THE OUTDOOR ADVERTISING MARKET

THE OUTDOOR ADVERTISING MARKET IN THE SLOVAK REPUBLIC

In terms of the outdoor (or 'out-of-home' – OOH) advertising segment, the year 2020 can be characterized as turbulent from several points of view. First of all, there was a very positive start to the year thanks to political campaigns, followed by a market decline from March due to the onset of a pandemic, then a resurgence of trade between June and September, and finally huge uncertainty with the advent of the second wave. In our opinion, the outdoor advertising segment has been **significantly affected by the frequently changing government measures** to combat the pandemic, as the main advantage of OOH is the presentation of campaigns to people commuting between work and home, gaining an unrivaled advantage over other media. This advantage became insignificant for a part of the year (curfew). The end of the year brought a year-on-year decrease in sales; in terms of segments, the bigboard and billboard advertising channels were the most significantly affected. The citylight segment was affected by the closing of stores in shopping malls. The transport segment suffered from low passenger numbers.

The share of direct clients in percentage terms compared to agency clients moved higher year-on-year again, dominating in the Group. This is certainly also a consequence of the individual approach to key clients, where the campaigns received above-standard attention. In 2020, the Group continued to **cooperate with the capital city of Bratislava** in the construction of bus stops; two dozen stops were completed, which also serve as carriers of advertising equipment for the presentation of clients' campaigns. We believe in the continuation of this business model and, at the same time, in the symbiosis between the advertising provider and the regulatory entity.

SHARE PER TYPES OF ADVERTISING SPACES OF THE AKZENT BIGBOARD GROUP IN 2020



Source: Akzent BigBoard

The irreplaceable position of outdoor advertising is the **main positive aspect** in 2020. This segment has not been replaced by any other, and our revenues indicate that advertisers count on external advertising in the implementation of their campaigns. This knowledge gives us good prospects for the forthcoming years of trading. At the beginning of 2021, we managed to acquire controlling shares in the company **in the segment of digital advertising** and thus expand the portfolio of services offered.

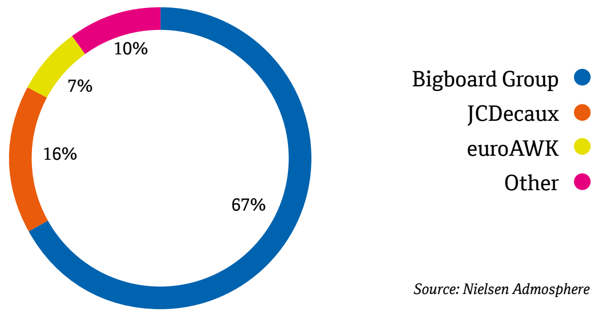
THE OUTDOOR ADVERTISING MARKET IN THE CZECH REPUBLIC

The Coronavirus crisis significantly dampened the Czech economy, which shrank by 5.6% year-on-year in 2020. Logically, this also affected media investments. However, it still managed to maintain full-year growth although, after a decline of 4.2% in the middle of the year, it did look like a downturn. **Growth, of course, fell from around 9% last year to 4.5% in 2020.** Only the two strongest media types contributed to this – TV and the Internet, while online advertising grew by almost 15%. At the opposite end, there was OOH, which was hit hardest by the company's recurring lockdowns. After growing by 3.9% in 2019, outdoor advertising fell by 19.4% in 2020. The main months of the declines were in the second quarter; in the rest of the year, the declines were not quite so dramatic, but they could not erase the losses from the first half of the year.

The organic revenues of the BigBoard Prague Group, i.e., revenues from the same carriers on a comparable basis, dropped by 16.4% year-on-year. This is a significant decrease but, in a global comparison, when e.g., the organic sales of the global OOH unit decreased by 38%, this decrease can be considered a relative success. **The overall decline in revenues was lower due to last year's acquisitions** of projects in the Prague Metro and the acquisition of HyperMedia. Thus, the overall decline, including acquisitions, was "only" 6.8%, and the year-on-year growth was even 25% after the first quarter.

The BigBoard Group is the largest provider of outdoor advertising in the Czech Republic, and belongs to the JOJ Media House Group. **BigBoard currently has a 67.5% share** in this market which, in addition to organic growth, has been also achieved through acquisitions. The increase in share compared to last year was mainly due to the acquisition of the network of 1095 CLV carriers in the Prague metro from Euro AWK, and due to the acquisition of the entire network of carriers in carriages and on the escalators of the Prague metro from JCDecaux.

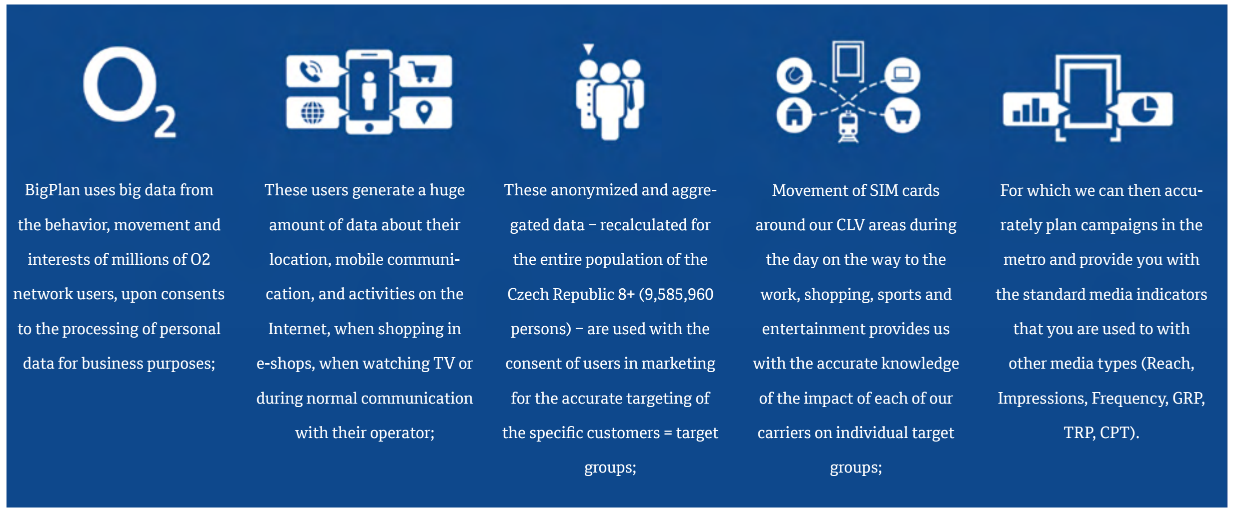
MARKET SHARE OF THE SELECTED OOH COMPANIES IN 2020



Source: Nielsen Admosphere

The year 2020 was characterized by the struggle of outdoor advertising operators for survival. We do not anticipate any developments in the market, no new projects, just an effort to minimize costs and retain as many clients as possible, who are also mostly solving their existential problems. The market did not record any acquisitions or new projects. The expected tender for the operator of urban furniture in Prague did not take place; the city decided to operate the furniture itself. The pressure on the regulation of outdoor advertising by the Prague self-government continued and resulted in the removal of the iconic LED screen on the Nuselský Bridge and an advertising tarpaulin placed below it. Outdoor advertising operators, including the BigBoard Group, will continue to focus on containing costs and a balanced cash flow. We do not expect any new projects with a strong CAPEX, or activities in the field of M&A. The situation is expected to improve in the second half of 2021.

For the first time, MetroZoom offers real-time passenger movement data to the metro, which can be used for quick and accurate campaign planning. By using the "big data" from the mobile operator, we know the flows of all types of passengers around our CLV areas in every metro station, at any time of day, every day of the week. Thanks to our BigPlan tool, we are now able to compile the most effective campaigns for each target group in the metro and provide the standard media indicators for them.



Source: BigPlan brochure

THE OUTDOOR ADVERTISING MARKET IN AUSTRIA

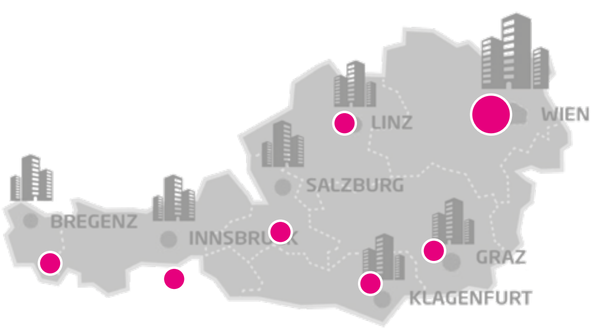
The decline of the Austrian economy in 2020 also caused a decline in the media market. The share of individual segments changed in favor of online and television. After last year's strong growth, **the outdoor advertising market fell by 16%**. Similar declines were recorded in other segments of the media market; the entire market contracted by 7%, according to Focus Tornado. The only growing segments were digital advertising and radio. Along with television and print, the online segment is a preferred method of promotion in Austria.

JOJ Media House has been doing business in this market through the company EPAMEDIA since 2012. The company has more than 90 years of tradition in this field, being a market leader in out-of-home advertising in Austria with more than 17 thousand billboards, 1 thousand citylights, 1 thousand posterlights, 31 bigboards and other special types of advertising space. Together, it owns **20,000 spaces** across Austria, belonging to market leaders with an estimated 34% share. The traditional and largest competitor is the company GEWISTA, having a 46% share, with other companies share at 20%. EPAMEDIA has focused mainly on optimizing the portfolio of advertising media and streamlining the organizational structure, which is reflected in the positive results of the company. Since 2013, the company has been strategically and operationally managed by Brigitte Ecker and Ing. Mag. Alexander Labschütz. With six regional offices and headquarters in Vienna, EPAMEDIA has **strong representation in all federal republics**.

In October 2020, EPAMEDIA started selling digital citylights in Innsbruck and Salzburg. Innovative digital areas are located in very busy places and the spread the existing products also now includes the center of Villach. From autumn 2020, we offered a total of 18 digital citylights in three important Austrian cities, and more will follow. These are technically sophisticated, high-quality products, equipped with almost borderless 75-inch displays with high brightness, high resolution, and Full HD, enabling animated moving images. High-quality color design, resolution, and contrast combined with a high level of anti-reflective coating on the screens ensure a brilliant image. In addition to the common functions, such as reporting and scheduling, the content management system offers a high degree of flexibility: the individual functions in the form of the subject and time control offer a wide range of options. For example, a campaign with different entities can be flexibly launched on a network in multiple places both, at random and in a scheduled way. Points are refreshed every 72 seconds, which means about 1,000 repetitions per area per day.

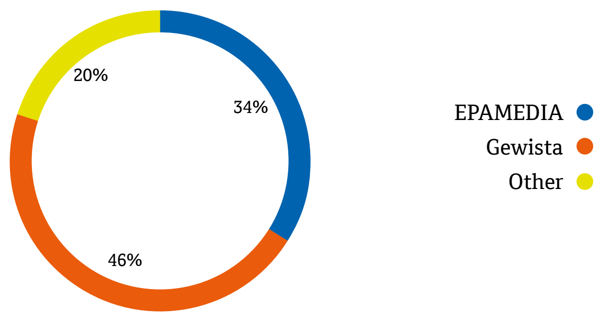
Studies show that DOOH is highly effective. An analysis of trends carried out by the German Outdoor Advertising Association shows that **digital outdoor advertising is**

VIENNA HEADQUARTERS AND 6 REGIONAL OFFICES



Source: EPAMEDIA

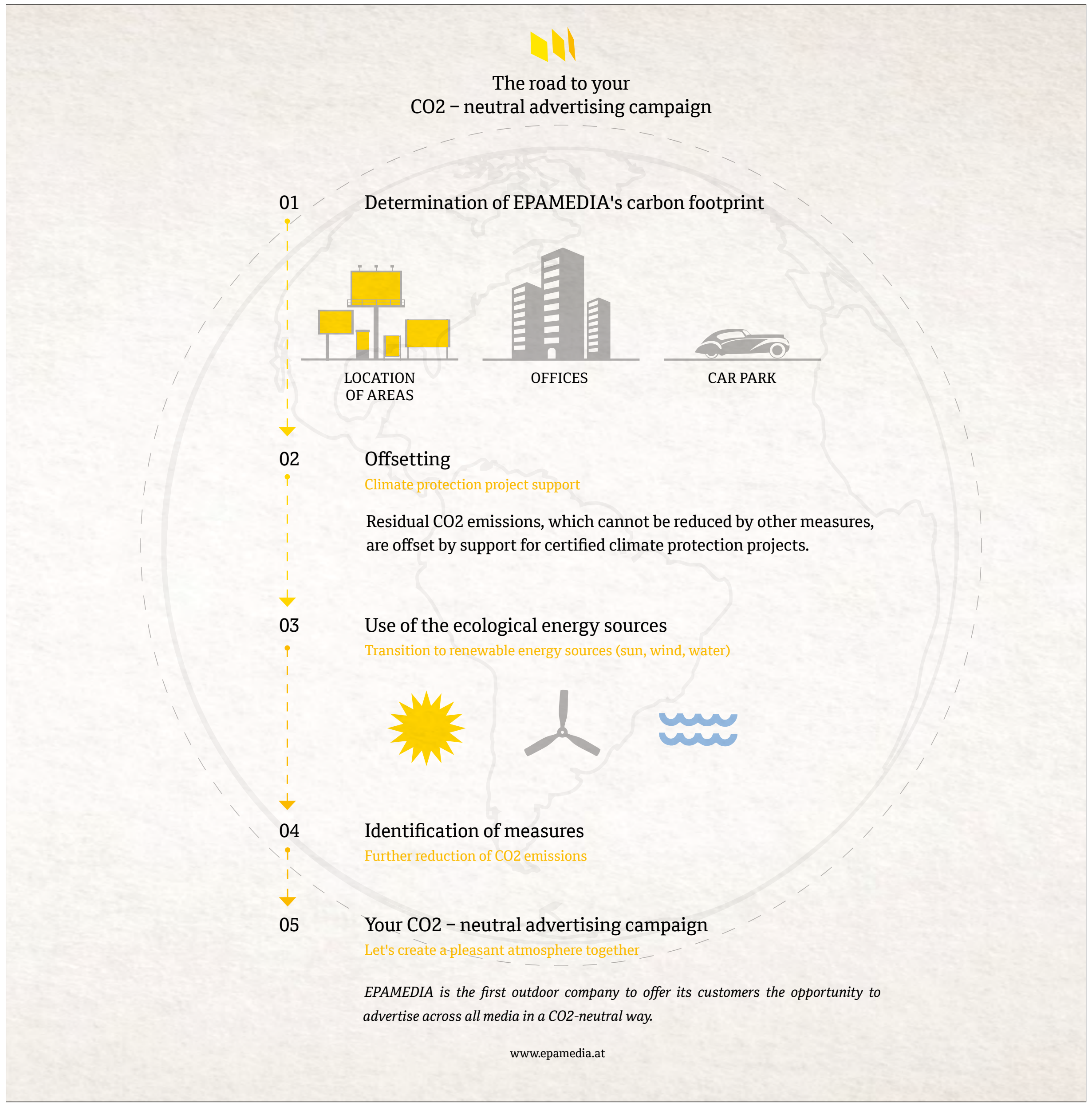
SHARES ON THE AUSTRIAN OOH MARKET IN 2020 BASED ON THE NUMBER OF CARRIERS



Source: Estimate by the management

perceived significantly better in all age groups. Digital expansion is therefore an important milestone for EPAMEDIA. The benefits for our customers are obvious. DOOH is flexible, it achieves high scores and allows a particularly focused approach to a defined target group. Our digital citylights, together with traditional advertising media, enable an innovative and eye-catching media combination of classic and digital surfaces, both nationally and regionally.

The **environment and sustainable development** play an important role in the company. Since 2017, EPAMEDIA, as a leadings outdoor company in Austria, has been producing 100% CO2-neutral campaigns and, in Vienna, has built up a first stop powered by solar panels only. It uses electric cars and saves energy and paper in paperwork. It also helps its clients and partners improve their carbon footprint. Last year, EPAMEDIA introduced its plan to light billboards using lights powered by solar panels. In the first stage, the company will equip 100 billboards with that type of energy source all over Austria, ensuring that the spaces will no longer need any grid connection. This type of lighting will also ensure better visibility in the evening, offering greater value for advertisers.



4.2

EXECUTIVE SUMMARY
THE TV JOJ GROUP

EXECUTIVE SUMMARY • THE TV JOJ GROUP

The JOJ Group is the largest media group, with the widest coverage, in Slovakia.

We have had to face the numerous challenges, new knowledge, and new orthodoxies that the Covid-19 pandemic has brought us. It has shown us that the content and information we produce and offer on all platforms is in demand not only when we are all well, but even more so when the situation before the company is deteriorating and full of uncertainty. On the one hand, we have **our always-proven information, first-line commitment and social responsibility**, and on the other, **fun, emotions, ideas and a family company** – all this was received en masse and across the country.

We offer viewers **the most domestic content, film titles and news programs**, across the entire portfolio of our and our partner **15 TV stations** and **48 online portals**, together with a strong response and communication on the social networks. We are therefore rightly proud to say that **we are the strongest media group** in the country, with the greatest reach, and in every household.

JOJ GROUP - THE BIGGEST MEDIA GROUP IN SLOVAKIA

JOJ GROUP

- **15** TV CTHANNELS
- **2,2 MIL.** VIEWERS DAILY *
- **90,1 %** MONTHLY REACH **
- **2 HOURS** DAILY VIEWING TIME (ATS) ***
- valetin **48** PARTNERS WEB SITES
- valetin **2,6 MIL.** REAL USERS ****
- **390 000** FOLLOWERS (Facebook)
- **222 000** FOLLOWERS (Instagram)
- TikTok **21 500** FOLLOWERS
- YouTube **897 000** SUBSCRIBERS

Data sources:

* *JOJ Group, AvRch (000), january – september 2020, all day, 12+, LIVE + TS 0-3, PMT/Kantar Slovakia*

** *JOJ Group, AvMRch %, january – september 2020, all day, 12+, LIVE + TS 0-3, PMT/Kantar Slovakia*

*** *exactly 117 minutes, jOJ Group, AvAud(View) %, january – september 2020, all day, 12+, LIVE + TS 0-3, PMT/Kantar Slovakia (JOJ Group = JOJ, PLUS, WAU, JOJko, Prima Plus, Film +, Minimax, Spektrum)*

**** *IAB monitor, RU monthly on VALETIN partners web sites, january – september 2020 average*

JOJ Television is a successful and popular television that broadcasts the most-watched news and the most varied program offer on the market for Slovak viewers. In Slovakia, it is the only full-format commercial television available to all viewers. Its most-watched programs are the news programs and entertainment shows and series, which viewers regularly prefer over the competition. TV JOJ guarantees its audience a premiere program throughout the year from its original production, as well as by the acquisition of blockbusters from abroad. The second **PLUS TV channel** has been broadcasting since 2008; it mainly offers films to its audience; the third WAU station, which is already seven years old, mainly broadcasts series. In 2015, JOJ Group entered the payTV segment and, at the same time, the Czech market, when it brought three new pay-TV stations – the film **JOJ Cinema** and two television businesses with programs for children in the Slovak language – **JOJko and Ťuki TV**. A year later, **JOJ Family** was added, a Slovak multi-genre family television channel intended for the Czech audience and Slovaks living in the Czech Republic. JOJ Group again expanded its portfolio in the Czech Republic in 2019, when it became the owner of the **Czechoslovak Film Company** and which, after its rebranding, broadcasts CS Film, CS Mystery, CS History and CS Horror. In addition to its own Tv channels, the business portfolio at JOJ Group also includes the representation of foreign stations in our market – the Prima Plus television of the Czech FTV Prima broadcaster, and high-quality thematic stations from the AMC Networks International company – Film+, Spektrum and Minimax.

EXECUTIVE SUMMARY • THE TV JOJ GROUP

NEWS REPORTING

This year, we are all experiencing an unprecedented period together which, nonetheless, has also brought positives to our market – in the spring, we saw an **historic increase in the number of TV viewers** and users online. This confirmed the fact that television, together with online, is the **most significant and penetrating** alternative in communication, with the visibility of our programs and communicating brands achieving above-standard parameters.

During the pandemic, viewers were mainly looking for information, which caused an increase in audiences for television news, as well as special programs dedicated to the exceptional situation. The quality news and editorial team at TV JOJ continued to perform excellent quality, admirable work on a daily basis, whether in regular or **extraordinary news**, while maintaining the strict security measures in place to prevent the spread of the virus. Even at these critical times, it turned out that the **JOJ TV team** could bring their audience **up-to-date and verified information under any circumstances, from the front line.**

Whenever something significant happens, JOJ television news is with you, with its audience. We pay extensive and more detailed attention to extraordinary social events even in special sessions. Whether it is local disasters, such as the gas explosion in an apartment building in Prešov at the end of 2019, or the nationwide topic of the government formation after the spring 2020 elections **(News Special – New Government)**, or a global crisis such as is this year's pandemic **(News Special – Coronavirus)**. In the current situation in the fight against Coronavirus, we are continuously preparing other specials that bring viewers the necessary information **live**.

RECORDS IN 2020

TV JOJ NEWS
748,000 VIEWERS - FEBRUARY 2;
16.0% RATING;
31.4% SHARE - FEBRUARY 2;
1,067,000 VIEWERS OF ARCHIVES - MARCH 3;

SPECIAL NEWS CORONA VIRUS
713,000 VIEWERS - MARCH 15;
15.3% RATING;
26.0% SHARE - MARCH 15;
1,080,000 VIEWERS OF ARCHIVES - MARCH 17;

BEST WEATHER FORECAST
699,000 VIEWERS - MARCH 29;
15.0% RATING;
29.2% SHARE - AUGUST 9;
688,000 VIEWERS OF ARCHIVES - MARCH 29;

CRIMI
650,000 VIEWERS - JANUARY 12;
13.9% RATING;
29.0% SHARE - JANUARY 1;
852,000 VIEWERS OF ARCHIVES - FEBRUARY 9;

SPORTS
561,000 VIEWERS - MARCH 29;
12.0% RATING;
22.7% SHARE - JUNE 7;
528,000 VIEWERS OF ARCHIVES - MARCH 29;

SPECIAL NEWS NEW GOVERNMENT
345,000 VIEWERS - MARCH 24;
7.4% RATING;
13.8% SHARE - MARCH 24;
539,000 VIEWERS OF ARCHIVES - MARCH 24;

Data are presented in the 12+ target group, analyzed in the LIVE + VOSDAL + GUESTS measurements; average AvRch% hit = at least 3 minutes of uninterrupted viewing; Data source: PMT/KANTAR SLOVAKIA

VALETIN

The **VALETIN** partner platform offers **the largest and most comprehensive local video inventories** on the Slovak market combined under one roof. On **more than 40 portals** with different target groups, it can target the necessary audience for most clients. VALETIN is a place for local content and local production. This primarily creates local traffic and thus allows clients to easily connect their brand with the local audience without any unwanted overlaps, with simplified shopping in one place.

In May 2020, stream measurement was launched within the IAB Monitor, which confirms the high level of competitiveness of the local video inventory against global players. With only six publishers involved so far (as of 08/2020), the Slovak video inventory achieves 50% reach for the total Slovak online population. Of this, measured publishers involved in the VALETIN network make up about 90%. **JOJ Group** portals are based on measurements as **the absolute leader in the number of Real users**, also in terms of **the time spent on the video.**

Video content within the VALETIN network can be identified primarily as:

- **Brand safety**
- **High viewability**
- No fraud traffic
- **High audience attention** (longer time spent on the video)
- **No Autoplay** (on most portals)
- **Independent measurement** option

Please, find the current list of the portals connected in the VALETIN network and more detailed information at valetin.sk. Don't forget to subscribe to the blog at ***blog.valetin.sk****, which tries to offer all the latest information in the field of online video.*

SOCIAL & DIGITAL

JOJ Group also brings its **own quality production** across all genres and addresses relevant target groups through its **online platforms. JOJ.sk, Videoportál.sk** TV websites with online archives, the Noviny.sk news portal, HUSTE.tv, the only sports internet television in Slovakia, and the TV JOJ mobile application, are complemented by the **YouTube channel** of JOJ TV and an intensive communication on **the social networks of Facebook, Instagram, and Tik Tok**.

In 2020, most significantly during the extraordinary period of the pandemic, JOJ Group recorded a significant year-on-year increase in the number of visits and videos watched on its websites on the JOJ.sk and Videoportál.sk portals; the time spent on its websites and the number of mobile application users also increased.

JOJ Group's online performance is above average.

- → 16,432,750 video views = + 71.59% **increase** in the online archive at **videoportal.joj.sk;**
- → 7,207,768 live broadcast views = **+50.59%** increase on **joj.sk;**
- → 5,718,605 million video views = +252.93% increase in the author video content views on **joj.sk**.

Note: Year-on-year comparisons in January – August 2019 vs. 2020; Source: Google Analytics

In IABmonitor's stream measurement, JOJ Group is a leader in the average length of video views or the average time spent watching videos by one user per month.

TV JOJ FB PAGE

- → 431,000 FOLLOWERS
- → 390,000 FANS
- → 2.8 MIL. FANS OVERALL ON ALL SITES ON FB

TV JOJ INSTAGRAM

- → 222,000 FOLLOWERS
- → OFFERS SPACE TO THE CLIENTS THROUGH POSTS AND INSTASTORIES

TV JOJ TIK TOK

- → 22,500 FOLLOWERS
- → JOJ IS THE FIRST AND ONLY SLOVAK TELEVISION ON TIK TOK
- → OFFERS CLIENTS COMMUNICATION THROUGH COMPETITIONS, CHALLENGES, ETC.

TV JOJ APPLICATION

- → 4,067,000 VIEWS OF LIVE BROADCASTING THROUGH THE APPLICATION
- → 3,692,000 VIEWS OF TV JOJ ARCHIVE VIDEOS
- → 258,000 APPLICATION INSTALLATIONS

YOUTUBE
JOJ CHANNEL TELEVISION

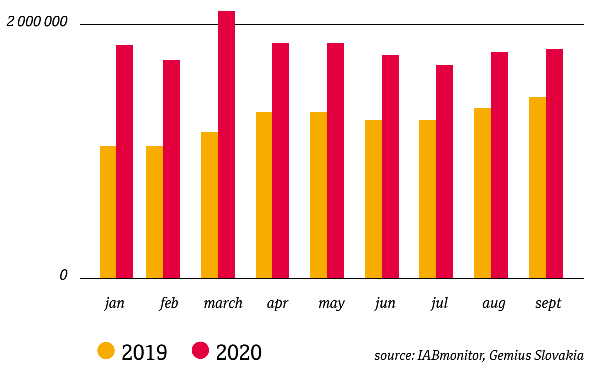
- → 897,000 SUBSCRIBERS
- → 1.5 BILLION VIEWS OF VIDEOS FROM THE START OF THE CHANNEL

Data as of early October 2020

ABOVE-AVERAGE YEAR-ON-YEAR INCREASES IN REAL USERS (GUESTS)

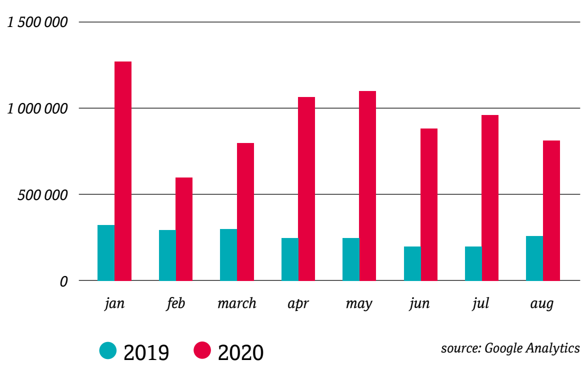
- → Almost + 50 % JOJ Group
- → + 55 % JOJ.sk
- → 74 % Noviny.sk

YEAR-ON-YEAR INCREASE IN RU PORTALS OF JOJ GROUP



source: IABmonitor, Gemius Slovakia

AUTHOR VIDEO CONTENT PUBLISHED IN ARTICLES ON JOJ.SK



source: Google Analytics

4.3

EXECUTIVE SUMMARY

RADIO ADVERTISING MARKET

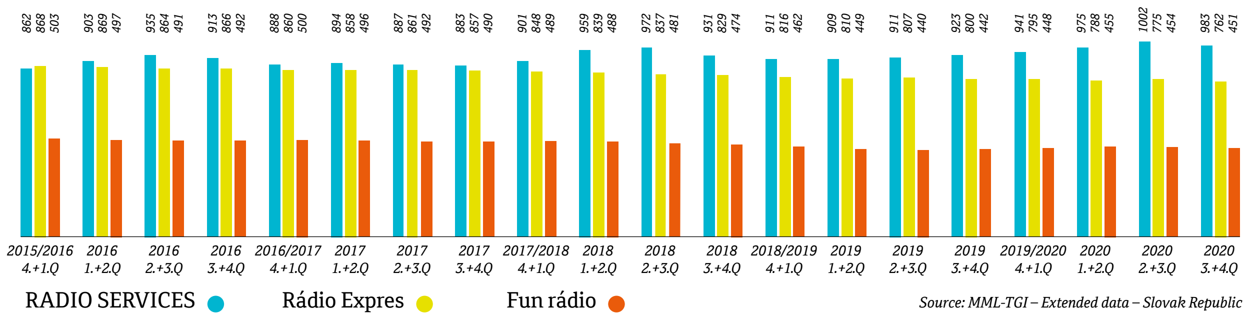
In 2015, JOJ Media House, a.s. entered the radio advertising market in Slovakia. Its subsidiary, Radio Services, a.s., provides comprehensive services to broadcasters from the sale of the advertising space to the production of broadcasting content.

We have been able to create a portfolio of products intended for target groups that do not affect each other; they are more or less homogeneous units. **Rádio Vlna** is aimed at the oldies format, with a broad range of listeners, especially people aged 35-40+. **Rádio Jemné** is targeted to women aged 30+, and **Rádio Anténa Rock** primarily to 30+ men. Since 1 January 2016, in addition to the three full-area radios, Radio Services, a.s. has been trading **Rádio Europa 2**, which is a significant revival for the target group of young people aged 14-29. It has also had a great impact on listeners aged 30+, i.e., on a good class target group. Through this new connection, Radio Services, a.s., has increased its market share and gives customers more opportunities than individual radio stations. Europa 2 perfectly fits into the strategy of the company Radio Services, a.s. and, from the perspective of a comprehensive package of products for our clients, we have gained a potent competitive tool. It is a radio that can carry out unique projects of advertisers thanks to its vigor and rapaciousness in a form that no other radio in the market can. We named this group the **"Big Four"**, enriching the market by an unrivaled product suitable for any advertiser and a precise focus on a target group and by spending funds on advertising effectively. In addition to classic radio stations, we also have a portfolio of themed radio stations: "Rádio Anténa Rock Hard", "Rádio Jemné Chillout", "Rádio Vlna GOLDEN HITS".

Daily Audience	RADIO SERVICES		RS vs X	Rádio Expres		Fun rádio		SR TOTAL
	Prj	Shr %	Prj	Prj	Shr %	Prj	Shr %	Prj
2015/2016 4. + 1.Q	862	24.2%	-7	868	23.0%	503	12.7%	3 010
2016 1. + 2.Q	903	24.8%	33	869	23.2%	497	12.8%	2 955
2016 2. + 3.Q	935	25.1%	71	864	23.2%	491	12.4%	2 957
2016 3. + 4.Q	913	25.2%	47	866	22.4%	492	12.1%	2 917
2016/2017 4. + 1.Q	888	24.3%	28	860	21.8%	500	12.0%	2 892
2017 1. + 2.Q	894	24.2%	36	858	22.2%	496	12.3%	2 874
2017 2. + 3.Q	887	25.1%	26	861	23.0%	492	12.4%	2 832
2017 3. + 4.Q	883	24.9%	26	857	23.0%	490	12.3%	2 796
2017/2018 4. + 1.Q	901	24.4%	53	848	23.1%	489	12.5%	2 763
2018 1. + 2.Q	959	25.8%	120	839	22.8%	488	12.2%	2 810
2018 2. + 3.Q	972	26.7%	135	837	22.2%	481	12.4%	2 764
2018 3. + 4.Q	931	25.8%	102	829	22.4%	474	12.8%	2 675
2018/2019 4. + 1.Q	911	25.1%	95	816	22.6%	462	12.5%	2 656
2019 1. + 2.Q	909	25.2%	99	810	22.4%	449	12.2%	2 681
2019 2. + 3.Q	911	24.7%	104	807	21.8%	440	12.3%	2 631
2019 3. + 4.Q	923	24.5%	123	800	21.7%	442	12.3%	2 515
2019/2020 4. + 1.Q	941	25,6%	146	795	21,6%	448	12,2%	2 549
2020 1. + 2.Q	975	26,1%	187	788	21,3%	455	12,2%	2 649
2020 2. + 3.Q	1 002	27,1%	227	775	21,0%	454	12,5%	2 624
2020 3. + 4.Q	983	27,2%	221	762	20,5%	451	12,5%	2 533

Source: MML-TGI – Extended data – Slovak Republic

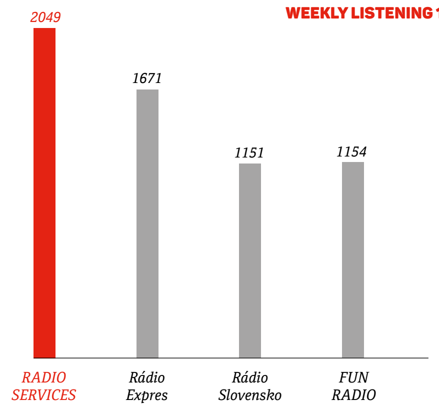
DEVELOPMENT OF DAILY LISTENING TO RADIO SERVICES COMPARED TO MAIN COMPETITORS



Source: MML-TGI – Extended data – Slovak Republic

By combining these four radio stations, **we can reach up to 2,049,000 listeners per week** in a wide range of the target groups in Slovakia. That is 983,000 unique listeners a day. In 2020, Radio Services had up to a 39% share of budgets spent for radio advertising in the Slovak market. Year-on-year, the share increased slightly to the detriment of competitors. The clients perceive Radio Services as quality worth paying for and, in the long run, we have not devalued the space and thus have not reduced revenues for the future. In its business strategy, Radio Services has always claimed to offer a significant number of listeners across a broad audience base, and we are already dominating there. The most notable competitors include Rádio Expres, Rádio Slovensko, and Fun rádio.

WEEKLY LISTENING 14+ (IN THOUSANDS)



Source: MML-TGI extended data SR 3Q – 4Q 2020

Radio Services is praised for its cooperation with clients in the case of **special projects**, which they offer at a level of quality that meets expectations while, at the same time, offers real effects in communication terms. In special projects, we focus more on ensuring that the listener, i.e., a potential buyer, has the product readily available and can buy it quickly and smoothly. At the same time, we act not only as a company that sells advertising, but also as a marketing consultant. In special projects, we focus on meeting the client's needs and the exact focus on the assigned KPI's. Radio Services has also prepared regular business breakfasts for clients in the online area. We offer solutions that move the classic radio campaign to the level of a comprehensive marketing tool to fulfill the client's KPIs. As for the business policy for the coming year, at Radio Services we try to be sensitive to every client and set prices according to the size of investment that the client wants to commit to.

This year, Rádio Jemné has significantly changed its program structure, adjusting it to fit the affinities of the target group of the radio format for women aged 30+. The "Morning Coffee" morning show is focused on lifestyle topics of guests from Slovakia, but also from abroad. The broadcast should make the morning wake up a pleasant time for listeners. The "Afternoon Restart" program is intended to evoke joy; it is aimed at more actively involving the listener in the broadcast, for example by stimulating the desire for competition. We have relied on familiar faces with affinity to the given target group (Bekim, TINA, Emma Drobná, Mária Čírová). In the broadcasts of Radio Europa 2, we have managed to rejuvenate the moderators. These are new faces that have a strong background on the social networks, such as Oliver Oswald and Jana Sláčková. We have launched a new profile on the TikTok social network, which is a new trend among young people (14+). The TikTok application is gaining more and more popularity, and Radio Europa 2 is following this trend.

EXECUTIVE SUMMARY

PRINT MEDIA INDUSTRY

THE CROATIAN PRINT MEDIA MARKET

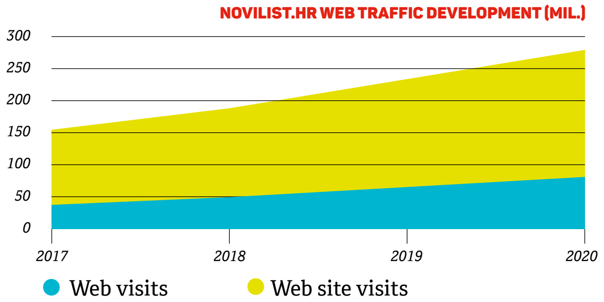
At the end of 2020, JOJ Media House, a.s. owned an 84% share in the publishing house NOVI LIST, d.d. and an 89% share in GLAS ISTRE d.o.o. With these acquisitions, the Group has expanded its operations in the media market into the Croatian print sector. The Group has thus gained the oldest Croatian daily, **Novi List**, with a history dating back to 1900, located in the city of Rijeka. It is currently the 6th bestselling daily in Croatia, with average sales of nine-thousand copies per day, and the most important market player in Primorje-Gorski Kotar County. In addition to publishing its newspaper, Novi List d.d. performs the publishing and printing activities for companies within the Group, as well as for external clients. **Glas Istre** Novine d.o.o. based in Pula has been publishing a regional daily of the same name since 1943, when it served as a Partisan leaflet during the war. It focuses on the Istrian region, where it continues to be the bestselling daily, and achieves up to 30% market share.

The biggest competitors in the daily segment are the nationwide newspapers 24 sata, Jutarnji list, Večernji list and Slobodna Dalmacija. However, both daily newspapers under JOJ Media House hold significant shares in their regions. We are the **third largest group of newspaper publishers in Croatia**, following Styria Group and the Hanza Media Group. According to the Gemius survey agency, JOJ Media House has more than 22 million views per month on its web portals in Croatia, with Novi List and Glas Istre dominating their regions and, at the same time, having a strong national influence.

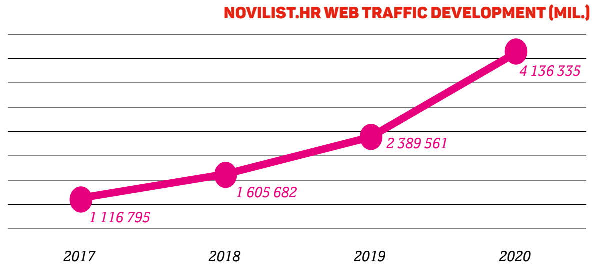
Despite the difficult situation in 2020, the companies achieved **positive results**. The companies streamlined their processes and reduced staff costs. They have been investing mainly in their Internet portals to improve their readers' access to paid as well as free content. The majority of the Croatian regional media revenues come from marketing activities which as such make up the most important component of their turnover.

Uncertainty surrounding the April 2020 pandemic almost completely halted marketing activity in Croatia. But newspapers found ways to adapt quickly. **Novi List** launched "Our Heroes", a native advertising project focused on the importance of co-ownership of companies in this extraordinary situation. The response of the advertisers was very good, thanks to which Novi List had active advertising projects even during the complete lockdown. They continued with this initiative and a new perspective on the situation, despite the very difficult conditions and the reduction in advertisers' advertising budgets. In 2020, Novi List created and produced a number of digital projects for clients, such as campaign microsites for important Croatian companies, including INA and the Tower Center Rijeka department store. As part of novilist.hr, they also launched a special issue of LIFE magazine focused on the stories and authentic experiences of their journalism team. In this challenging situation for organizing events, we managed to organize a conference on the future of maritime tourism in Croatia in cooperation with ACI, the largest Croatian maritime company. We managed to gather the best Croatian maritime entrepreneurs, as well as political figures, for a very interesting discussion about the creation of a Croatian tourism brand. In 2020, **Glas Istre** continued to restructure its business and optimize costs, especially in terms of personnel. At the same time, the structure of the advertising revenues changed significantly, with digital advertising gaining an increasing share. This trend is the result of investments in the development of the Internet portal as a new sales channel. The company is aware of the need to continue investing in the development of the digital environment, which will in turn translate into better business results in the future.

NOVILIST.HR WEB TRAFFIC DEVELOPMENT (MIL.)



NOVILIST.HR WEB TRAFFIC DEVELOPMENT (MIL.)



Source: Google Analytics

THE PRINT MEDIA MARKET IN THE SLOVAK REPUBLIC

On 17 October 2016, JOJ Media House, a.s. acquired NIVEL PLUS s.r.o. , the main activity of which is the publishing of the newspapers **Bratislavské noviny and Petržalské noviny**. In addition, they ensure the operation of the associated news portals www.bratislavskenoviny and petrzalskenoviny.sk.

Bratislavské noviny originated in 1998, following the Nova Posoniensia newspaper published by Matej Bel in Pressburg in 1721-1722 as well as the rich history of Pressburger Zeitung, which was published between 1764 and 1929. They are currently distributed free of charge and on a monthly basis to mailboxes throughout the city of Bratislava. The newspaper allows the opportunity to advertise in the whole edition or in the particular versions to be distributed in those individual districts relevant to its clients in terms of their business activities and services offered. Since May 2018, we have also been publishing a regional periodical Petržalské noviny. Newspapers have been published for twenty-six years and are distributed free of charge to the mailboxes of Petržalka residents once a month. They offer current topics and news and focus on events in the city district of Petržalka. **At the beginning of 2020**, we prepared various combinations of the print and online packages for clients. We continued to maintain the offer of the image and PR communication in our periodicals targeting the whole of Bratislava, or just the Petržalka district, through Petržalské noviny. We adjusted the formats of online positions, which we adapted to both the desktop and mobile versions. In addition to offering individual online formats and PR articles, we prepared online weekly advertising packages with a guaranteed number of visual displays.

The situation in the publishing house changed at the end of March with the onset of the COVID-19 pandemic; it brought **a halt to the publishing of Bratislavské and Petržalské noviny by mid-June**. The publishing house thus transferred all its energy to the web portal, which brought exceptional results. We attribute these to two new factors. The editorial team expanded its news coverage beyond the borders of the Bratislava region, by mapping exceptional events in not just Slovakia, but also around the world. The second factor that significantly contributed to the increase in web traffic was the events associated with the spread of the Coronavirus pandemic. During this period, Internet users were increasingly searching for news from around the world, to which the Bratislava Newspapers portal was also adapted, for example, by publishing interviews with Slovaks (mostly Bratislava residents), who were in various parts of the world during the pandemic. The portal also continued to map life in the region, i.e., transport, crime, social affairs, culture, self-government, construction, sports and the like, focusing on improving and expanding video content. New sections entitled Coronavirus, Good Tips, and For Children were also launched.

The bratislavskenoviny.sk news website recorded **a record increase in traffic** in the first half of 2020 compared to previous periods. Although the number of its users had been growing for a long time, the first half of 2020 was really exceptional. In the period from 1 January to 30 June 2020, 2,801,030 real users (Google Analytics data) visited the bratislavskenoviny.sk website, which represents an increase of 95.26 percent compared to the second half of 2019 (1,434,528 users). Compared to the same period of the previous year (i.e., the first half of 2019), it is an increase by 139.09% (in the first half of 2019, the number stood at 1,171,530 users). In the second half of the year, after the launch of measures in connection with COVID-19, we resumed the publication of Bratislavské and Petržalské noviny. After long consideration, we came to the decision to change **the periodicity of both titles**. Since September, we have officially switched from a biweekly to a monthly. Another change was the expansion of the distribution of Bratislavské noviny through newsboys in the selected points in the streets within Bratislava. The publishing house thus once again started its activities smoothly, and successfully prepared information for its readers both, in newspapers and on the web.

The bratislavskenoviny.sk portal maintained **high traffic numbers** also in the second half of 2020. However, the number of real users did not reach the record values from the first half of the year, which was a reflection of the exceptional situation in connection with the first wave of the new Coronavirus pandemic, when people searched for information on news websites. In the second half of 2020, 1,755,287 real users (Google Analytics data) visited the bratislavskenoviny.sk portal, which, nonetheless, represented an increase of 22.36% compared to the second half of 2019 (1,434,528 users). If we were to evaluate the whole of 2020 compared to 2019, the portal recorded an increase in the number of real users by 73.1% (4,136,335 real users in 2020 compared to 2,389,561 real users in 2019). The results can be indeed attributed to the events caused by the spread of the COVID-19 pandemic, but also to the fact that, in addition to detailed and high-quality regional news, the portal editorial staff continued to map events beyond the Bratislava region, especially when it came to socially significant events at home and abroad.

EXECUTIVE SUMMARY

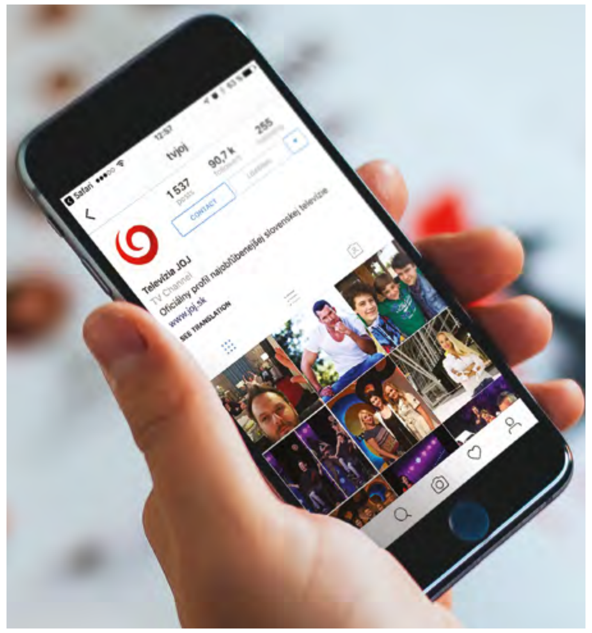
ONLINE MARKET

DEVELOPMENT OF INTERNET APPLICATIONS

JOJ Media House, a. s. does business in the online market through eFabrica, a.s. **eFabrica, a.s.** is dedicated to enterprise web development. The main activity of the company is the development of **CONTENTO CMS**, a publishing platform of the new generation built on the principle of microservices. This platform provides an entirely new, modern, 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 separately or combined into a functional unit according to client specifications, i.e., a content management system. Each application is fine-tuned and reflects the particular requirements of online editors, such as the management of articles, picture and gallery management, video and streaming management, poll management, quiz and questionnaire management, data collection and analysis, importing different kinds of content, measuring performance of the individual parts of the websites, active work with social networks, pay wall and registered/paying user administration, online transfers, online chat, and many other features. For communication between systems, Contento CMS uses API calls, which are nowadays a modern communication standard. CONTENTO CMS is a **system designed primarily for televisions, radios, publishing and large media houses**, which have numerous projects and the need to consolidate content and search for synergies.

In recent years, eFabrica, a.s. has continued to implement Contento CMS with existing clients. These were mainly TV AVOD and SVOD projects, which are integrated with the systems used in TV for TV program planning, or automatic archiving of broadcasts. Televisions are thus trying to reflect on the current situation when, thanks to the pandemic, **streaming** as a whole has increased significantly in recent years.



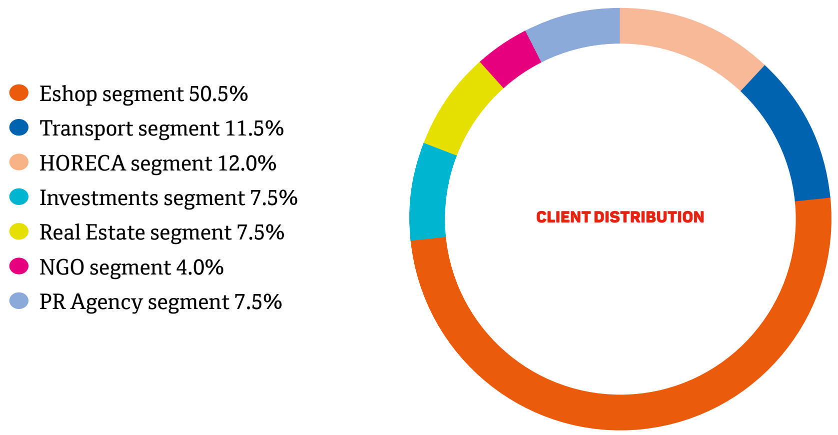
DIRECT MARKETING

PTA Group is a digital advertising agency. The company dates back to 2015, when its founders decided to make a strategic decision in terms of the agency's exclusive direction to the digital world. Over the following years, the company has become an expert in the performance marketing market. It is a certified Google Partner, BiddingFox and Mergado certified agency, and a member of the Internet Marketing Association.

The beginning of 2020 was started in the right direction in the online advertising segment. This segment became increasingly popular with clients and, therefore, more funds were allocated for this segment in the marketing budgets of individual companies compared to the previous year. However, the advent of the pandemic, which dates back to the beginning of the second quarter, quickly changed this positive development. Unclear government measures and, last but not least, the customers' purchasing behavior itself affected the planned development of sales in the online segment. The months of April and May were the most critical in terms of sales. That is why it was important that we focus all our efforts on **setting up an effective crisis plan**. This included, in particular, daily communication with our long-term clients, reassessment and adjustment of campaigns and the overall setting of the strategy individually to each client to prevent short-circuit reactions. Adjusting marketing budgets was a sensible solution given the situation. We recommended clients focus on creating appropriate content for their client base. Some companies stopped communicating in the online space almost immediately, which later turned out to be a reckless step that failed to create a positive image in the eyes of the public.

The tools used most in this period were mainly the performance PPC campaigns, remarkably optimized considering the situation at the time, and price comparators. Clients used the Facebook, Instagram and YouTube social networks for communication, where “live” content grew in particular; there, we recorded good results and high demand. In the summer months, some measures in the services segment were relaxed and revenue developments stabilized. Some clients renewed their budgets and gradually planned new campaigns.

The second wave of the pandemic, which gained strength especially in the autumn months, and the measures approved by the government again hit the business. We advised our clients to soberly evaluate the current data for their business and prepare their Plan B. It was necessary for them to think about the target groups and selected channels. We created express **digital transformation** for clients, a new product aimed at helping offline clients make good use of the potential of online space as effectively as possible.



5

PERSONNEL POLICY

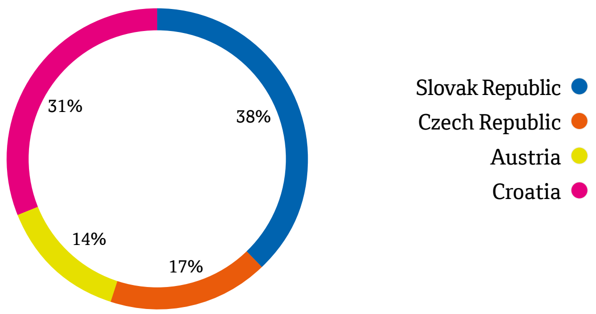
PERSONNEL POLICY

As in any other organization, the employees at JOJ Media House Group are a major component of company resources and an important element in the success of the entire Group. For this reason, the personnel policy is focused on the selection, motivation, and evaluation of employees who contribute to increasing efficiency, achieving the assigned tasks, and in the long run, achieving strategic goals. JOJ Media House concentrates its attention on all occupational categories, as each one of them participates in the achievement of the Group goals in its way.

The Companies within the JOJ Media House Group act as employers not only in Slovakia, but also in other countries, in which they perform their business activities, such as the Czech Republic, Austria, and Croatia. Compared to the previous year, the average number of employees of the entire Group decreased, mainly as regards Croatian companies.

The Company applies a **diversity policy** to its work-groups, recognizes cultural and individual differences in workplaces, and stresses the need to eliminate discrimination in areas such as employee selection, job performance assessment, pay, and opportunities for training. The objectives of the policy reflect the organization's determination to provide equal opportunities to all regardless of gender, race, nationality, belief, altered working capacity, age, or marital status. The Company respects the principle of equal opportunity, which means that it will not allow direct or indirect discrimination against any employee.

SHARE OF COUNTRIES IN THE AVERAGE NUMBER OF EMPLOYEES



OVERVIEW OF THE AVERAGE NUMBER OF THE MEDIA HOUSE EMPLOYEES BY COUNTRY

	2020	2019
Slovak Republic	276	289
Czech Republic	123	131
Austria	100	99
Croatia	219	285
Together JOJ Media House	718	804

OVERVIEW OF THE AVERAGE NUMBER OF EMPLOYEES BY INDIVIDUAL MEDIA HOUSE COMPANY

	2020	2019
JOJ Media House, a.s.	3	3
Slovenská Produkčná, a.s.	201	201
MAC TV s.r.o.	4	4
Československá filmová společnost, s.r.o.	2	2
BigMedia, spol. s r. o.	20	23
Akzent BigBoard, a. s.	26	30
Recar Slovensko a. s.	3	3
Recar Bratislava a.s.	1	2
NIVEL PLUS s.r.o.		1
BHB, s.r.o.	1	1
Radio Services a.s.	10	14
eFabrica, a.s.	6	7
PTA Group s. r. o.	1	
Big Board Praha, a.s.	22	23
Czech Outdoor, s.r.o.	21	24
BigMedia, spol. s r.o.	33	32
Outdoor akzent s.r.o.	12	10
RAILREKLAM s.r.o.	20	22
BigZoom a.s.	13	18
EPAMEDIA - EUROPÄISCHE PLAKAT - UND AUSSEN MEDIEN GMBH	96	96
R+C Plakatforschung und kontrolle GmbH	4	3
Novi List d.d.	163	190
Glas Istre Novine d.o.o. Pula	56	66
RTD, d.o.o. (Deconsolidation)		29
Total JOJ Media House	718	804

SIGNIFICANT EVENTS IN 2020

→ On 2 January 2020, the BigBoard Praha, a.s. company acquired a bigger share in **HyperMedia, a.s.** up to the amount of 76.67 %.

→ On 11 March 2020, the company JOJ Media House, a.s. acquired 70% share in the digital media agency **PTA Group s. r. o.**

→ On 11 March 2020, **the World Health Organization** declared the Coronavirus situation to be a pandemic.

→ On 16 April 2020, the company GLAS ISTRE NOVINE d. o. o. sold its 0.9 % minority stake in **INFANTINFO d.o.o.**.

→ On June 1, 2020, HyperMedia, a.s. was renamed to **BigZoom a.s.**

→ On June 25, 2020, BigBoard Praha, a.s. founded **CovidPass s.r.o.**

→ On 31 December 2020, CS filmová, s.r.o. (defunct company) **merged with** Československá filmová společnost, s.r.o. (the successor company).

Events Occurring after the Closing of the Accounting Period

→ On January 1, 2021, Akzent BigBoard, a.s. acquired a share in **QEX Plochy s. r. o.** at 80%.

→ On January 1, 2021, BigZoom a.s. co-founded **Inzeris s.r.o.**, in which it has a share of 70%.

→ On January 6, 2021, BigMedia, spol. s.r.o. acquired a share in **Muchalogy s.r.o.** of 19%.

7

RISK FACTORS AND RISK MANAGEMENT

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

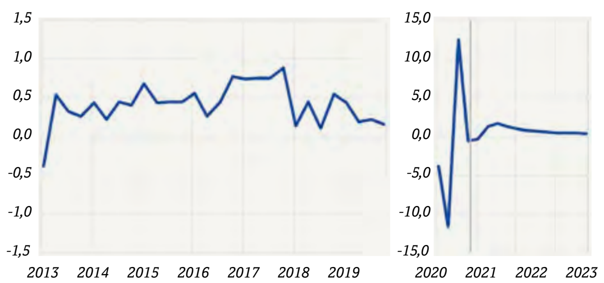
THE RISK OF THE COMPANY'S DEPENDENCE ON THE BUSINESS OF ITS SUBSIDIARIES

The primary business activity of the Company is the management and financing of participations in other companies. Therefore, the Company is dependent on income from dividends and interest on loans to subsidiaries, and these depend on the success of its subsidiaries' businesses.

THE RISK OF CRISIS/DEPENDENCE ON THE GENERAL ECONOMIC CONDITIONS AND THE RISK OF DECLINE IN ADVERTISING EXPENDITURE

Revenue from advertising makes up the majority of subsidiary revenues, which are dependent on generally favorable economic market conditions. There is a risk that in the event of an economic crisis, recession, or adverse economic conditions, there will be a general reduction in advertising expenditure, with the result being that the Group may suffer losses.

QUARTERLY EUROZONE GDP REAL/FORECAST



Source: European Central Bank (ECB)

RISK OF CHANGES IN THE STRUCTURE OF ADVERTISING EXPENDITURES

Due to the holding's focus on television advertising, the advertising expenditure structure of companies in the Slovak advertising market plays an important role in relation to future developments. According to the Group's internal analyses, historically the most used promotional medium is television and outdoor advertising, ranging at around 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 OF COMPETITIVE BROADCASTERS BEING LAUNCHED

The advent of digitization has made room for new television stations which could lead to more intense competition in the media sector and for television advertising. Due to the relatively simple process of obtaining a digital broadcasting license, new companies can enter the market, while the established companies may launch new stations. Such a competitive struggle may lead to declining viewer's ratings and the associated reduction in advertising revenue.

RISK OF REGULATION

The broadcasting and advertising sector is subject to regulation and, should the conditions of this regulation change, it cannot be guaranteed that such a change will not be reflected negatively in the economic results of the Group's businesses.

THE RISK OF A DECREASE IN VIEWERSHIP

The emergence of competing television stations with attractive ranges of programs as well as alternative forms of entertainment can lead to an outflow of viewers. The preferences and sentiment of audiences are changing and the Group runs the risk that, in this dynamic environment, it may inaccurately estimate the needs of the public. A decline in viewership would be closely associated with a decrease in advertising revenues, which could have a negative impact on the profitability and overall development of the Group.

RISK OF LICENSE REVOCATION OR NON-RENEWAL

In the event of violation of the laws and regulations in force in respect of television broadcasting, in extreme cases the competent regulator may resort to withdrawal of a broadcasting license and thereby prevent further broadcasting. Likewise, there is no legal entitlement to an extension of the license upon its expiration. Since television advertising is a key source of income for the holding company, withdrawal of the license for broadcasting or non-renewal may have a negative impact on the Group's business.

RISK OF REFINANCING EXISTING LOANS AND FINANCING NEW PROJECTS

The consolidated capital structure of the Group includes, to a large extent, debt financing that originates in the pre-crisis period. The companies within the holding initially chose an aggressive financial strategy, while the financial market crisis, has however, hindered their rapid development. The Group does not exclude the need to re-use resources other

PRIME TIME 12-54 SHR%

PRIME TIME	TV JOJ	Markíza	Jednotka	Dvojka	Plus	DOMA	Dajto!	WAU	Ostatné
Year 2011	24.3	35.0	7.3	1.7	3.9	2.9			24.9
Year 2012	26.1	29.0	6.6	2.3	4.1	6.2	0.7		25.0
Year 2013	22.5	29.3	6.9	2.0	4.5	4.2	2.8	1.1	26.7
Year 2014	19.5	27.7	8.4	2.7	5.0	3.7	3.9	1.4	27.7
Year 2015	20.9	25.2	9.3	2.3	4.7	4.1	3.9	1.7	28.1
Year 2016	19.7	23.3	10.0	3.0	4.8	4.4	4.0	2.1	28.7
Year 2017	20.9	20.4	11.3	2.5	4.5	4.0	3.6	2.5	30.3
Year 2018	18.2	22.3	10.9	2.6	3.9	4.1	3.3	2.7	32.1
Year 2019	18.7	22.8	10.3	2.7	3.6	3.7	3.5	3.1	31.6
Year 2020	17.7	22.8	10.7	1.6	3.8	4.0	3.2	2.8	33.4

Source: TNS

than its own in the future to reimburse existing or future liabilities. The use of foreign funding sources is associated not only with a more limited approach to new sources of funding but also with reduced flexibility in management decisions resulting from different provisions in loan agreements designed to protect existing creditors.

TECHNOLOGICAL PROGRESS

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

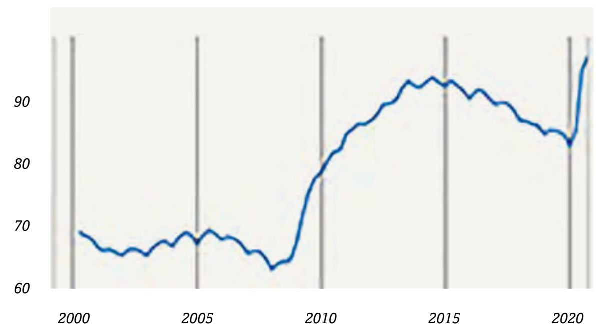
CONCENTRATION RISK

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

RISK OF AN UNSTABLE EUROZONE ENVIRONMENT

The current unstable situation in Europe and the unresolved issues of assistance to disproportionately indebted EU members exposes the Slovak Republic and Austria as Eurozone members to the risks associated with the strategy of assistance to those Eurozone countries. In the context of strengthening the power of the European (financial) stabilization mechanism, an increase in guarantees arises. In the case of failure of the EU member countries such as Greece which have the problem of repaying loans from the European (financial) stabilization mechanism risks 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 COUNTRIES INDEBTEDNESS (% OF GDP)



Source: European Central Bank (ECB)

RISK OF LITIGATION

Due to the nature of the business within the holding companies in the media industry, where often shocking information and information on the edge of the law often appear in a competitive struggle, it is not possible to exclude potential litigation of subsidiaries. Any ensuing litigation that is lost may have a negative impact on the financial position of the Group.

RISK OF LOSS OF IMPORTANT CLIENTS

Advertisers, whether in the form of advertising agencies or companies being direct advertisers, are also the cornerstones of business of the companies within the holding. The loss or termination of these relationships may result in a decrease in revenue from advertising.

RISK OF SIGNAL TRANSMISSION

The area of signal transmission is a relatively concentrated sector in Slovakia. There is a risk that, with the onset of digitization, distributing companies will gain a stronger bargaining position and will be more selective when concluding new contracts. They also may seek changes in the charges from operators of television stations Lack of signal propagation for TV JOJ, PLUS, WAU, RiK, Ťuki, JOJ Cinema and JOJ Family program structures could lead to a decline in advertising revenue.

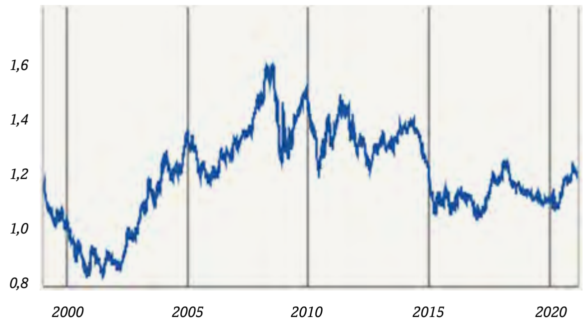
RISK OF NON-RENEWAL OF LEASING CONTRACTS

Structures with advertising sold by companies operating in the market of outdoor advertising are located on land plots that are not owned by the companies themselves, nor are they the property of the companies within the holding. These are locations which Akzent BigBoard, BigBoard Praha, EPAMEDIA and their subsidiaries rent. In most cases, relationships with lessors are governed by fixed-term agreements; therefore, there is a risk that, after the expiry of the agreed period, the agreements will not be renewed, whether due to reluctance to extend the agreement by the lessor or due to other limitations. There is therefore a risk that an adequate replacement advertising site to sell advertising space cannot be found, which could have the effect of reducing revenue from advertising.

EUR/USD EXCHANGE RATE RISK

The volatility of exchange rates, primarily the U.S. Dollar in relation to the Euro, is an internal risk factor that affects income/expense for the Group, especially of the company Slovenská produkčná, a.s. The majority of film licenses and licenses for shows are acquired from transatlantic film studios and licensing houses in U.S. dollars (USD). The company Slovenská produkčná, a.s., periodically enters into forward currency contracts to ensure the EUR/USD exchange rate and to minimize the related risks.

DEVELOPMENT OF THE EUR/USD EXCHANGE RATE



Source: European Central Bank (ECB)

NATURAL DISASTERS

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 the field of outdoor advertising, such events may significantly damage or even destroy advertising spaces, and greatly reduce their number.

RISK OF CHANGE OF LEGISLATION

As the market, society, and overall conditions evolve, national laws are also being developed. 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 – the specific legal regulations regarding changes/restrictions on the placement of advertising media, their distance from roads, and the like. Possible changes in the law will require additional expenditure for advertising space relocation, and ultimately reducing the total number of advertising media.

8

ADMINISTRATION AND MANAGEMENT

OWNERSHIP STRUCTURE

JOJ Media House is owned by the following companies:

99,9 % of its shares are owned by TV JOJ L.P.
0,1 % of its shares are owned by Mgr. Richard Flimel.

SHARE CAPITAL

The share capital of the Company is made up of the following shares:

- Number: 1,000 units
- Type: registered equity shares
- Title: Share Certificates

Nominal value: EUR 25.00, with the issue price of each share in the amount of EUR 27.50.

QUALIFYING PARTICIPATION IN THE SHARE CAPITAL

The ownership of the shares comprising the Company's share capital is divided as follows: 99.9 % of the shares are owned by TV JOJ L.P. and 0.1 % by Mgr. Richard Flimel. These shares are not freely tradable. The company HERNADO LIMITED acts as a general partner on behalf of the company TV JOJ L.P. HERNADO LIMITED's ultimate owner is Mgr. Richard Flimel.

The Company does not own and has not issued any other securities admitted to trading on a regulated market in any Member State or country of the European Economic Area except for Slovakia. The Company has executed four issues of bonds listed on the Bratislava Stock Exchange. The first issue amounted to EUR 25 million marked with the following code: ISIN: SK4120008244. These bonds were paid up to 21 December 2015. The second issue reached a level of 55 million EUR marked with the following code: ISIN: SK4120009382, these bonds were paid up as at 15/08/2018. The third issue amounted to EUR 48.5 million marked: ISIN: SK4120011222, and the fourth issue amounted to EUR 50 mil. marked: ISIN: SK4120014390.

THE GENERAL ASSEMBLY

The General Assembly is the supreme body of the Company. The scope of powers of the General Assembly is determined by Act No. 513/1991 Coll. of the Commercial Code as amended and the Articles of Association. The General Assembly consists of all attending shareholders, directors, the Supervisory Board and third persons invited by the Company's body or shareholders convening the General Assembly. Shareholders are entitled to attend the General Assembly, to vote, request information and explanations concerning the affairs of the Company or entities controlled by the Company related to the agenda of the General Assembly and to present proposals.

Shareholders may exercise their rights at the General Assembly through a proxy holder who presents a written scope of authorization. The exercise of the shareholders' right to vote is not limited by the Articles of Association. The number of shareholder votes is determined by a ratio of the nominal value of their shares to the share capital.

The General Assembly makes decisions through a majority vote from shareholders present.

In matters relating to changes to the Articles of Association, an increase or reduction of the share capital, the authorization given by the Board of Directors to increase the share capital, issue priority or convertible bonds, the dissolution of the Company, or changes in the legal form of the Company, a two-thirds majority of the votes of the shareholders present is required, and a notarial deed of these facts must be drawn up.

A two-thirds majority of the votes of the shareholders present is also necessary to adopt a decision of the General Assembly on the close of trading in the shares of the Company on the stock exchange and the Company's cessation in status as a public joint stock company and becoming a private joint stock company.

The decision of the General Assembly on the change of the rights associated with some class of shares and on the restriction of the negotiability of registered shares requires the consent of a two-thirds majority of the votes of the shareholders owning the respective shares.

An increase in the share capital can be made upon the entry of new contributions in subscribing new shares, using the Company's property, using other funds of the Company recognized as the Company's equity in the individual financial statements, or a combination thereof.

The powers of the General Assembly include:
a) Deciding on amendments to the Articles of Association by two-thirds of votes of the shareholders present.

b) Election and removal of the members of the Board of Directors by a majority of the votes of the present shareholders and the appointment of the chairman of the Board of Directors from among the members of the Board of Directors. The term of office of a member of the Board of Directors is five years. A member of the Board of Directors may only be only a natural person.
c) Election and removal of members of the Supervisory Board by a majority of the votes of the shareholders present, with the exception of members of the Supervisory Board elected and removed by employees. The term of office of the members of the Supervisory Board is five years. The chairman of the Supervisory Board is elected and removed by members of the Supervisory Board from among themselves, and the person concerned shall not vote. A member of the Supervisory Board may only be a natural person.

As at the date of compiling this report, the Company does not possess the parent accounting entity's own shares, interim certificates or business shares.

In the period from **01 January 2020 to 31 December 2020**, the General Assembly was summoned as follows:

- On 30 April 2020, the **annual meeting of the General Assembly** was held for the purpose of consulting and approving the consolidated financial statements along with the Annual Report for 2019.
  - The Company' General Assembly took note of the auditor´s report on the Company´s consolidated financial statements and annual report as at 31 December 2019 and decided to approve them.
- On 30 April 2020, the **annual meeting of the General Assembly** was held for the purpose of consultation and approval of the regular individual financial statements and the proposal to settle the loss of the Company for 2019.
  - The Company's General Assembly took note of the auditor's report on the Company's regular individual financial statements as at 31 December 2019 and decided to approve it.
  - The General Assembly of the Company decided on the settlement of the loss for 2019 amounting to -1,264,565.21 EUR as follows: The loss for the year 2019 will be transferred to the Unpaid Loss of Past Years account.
  - The Company's General Assembly decided to approve the auditor for the verification of the financial statements of the Company for 2020, which is the company KPMG Slovensko spol. s r.o.

On 16 September 2020, the **Extraordinary General Assembly** was held to dismiss and appoint the Chairman of the Board of Directors and members of the Supervisory Board.
- The General Assembly approved the dismissal of the Chairman of the Board of Directors and members of the Supervisory Board.
- The General Assembly approved the appointment of a new Chairman of the Board of Directors: Mgr. Richard Flimel.
- The General Assembly approved the appointment of new members of the Supervisory Board: Mgr. Marcel Grega, Ing. Mojmír Mlčoch, János Gaál.

On 23 December 2020, the **extraordinary meeting of the General Assembly** was held for the purpose of increasing the capital fund.
- The General Assembly approved that the majority shareholder increases its equity in the form of a contribution to Other Capital Funds.

BOARD OF DIRECTORS

The Board of Directors is a statutory body of JOJ Media House, a.s. It is authorized to act on behalf of the Company in all matters and represents the Company towards third parties, in lawsuits and in front of any other authorities. The Board of Directors manages the Company's activities and decides on all its matters unless the matters fall within the competence of the other Company bodies under law or the Articles of Association. The Board of Directors carries out commercial company governance and takes care of all of its operational and organizational matters. The Board of Directors is required to ensure the proper keeping of accounts and other records, business bookkeeping and other documents belonging to the Company. Among other things, it submits annual individual accounts and extraordinary individual financial statements, a proposal for profit distribution including determination of an amount, a dividend and royalty payment method and place, and a proposal to cover the losses to the General Assembly for approval. The Board of Directors also convenes the General Assembly of the Company.

The Board of Directors has one member:

Mgr. Richard Flimel
Chairman of the Board of Directors
(since: 06 November 2010).

THE SUPERVISORY BOARD

The Supervisory Board is the Company's main control body. It supervises activities of the Board of Directors and the Company's business activities. The Supervisory Board reviews procedures in matters pertaining to the Company and it is entitled at any time to inspect accounting documents, files, and records relating to the activities of the Company and detect the position of the Company. The Supervisory Board examines the financial statements which the Company is required to prepare under a specific regulation, the proposal for distribution of profit or coverage of losses, and is furthermore required to submit a report on the outcome to the General Assembly. In the event of serious deficiencies in the management of the Company and in other cases where doing so is in the interest of the Company, the Supervisory Board convenes the General Assembly.

Up until the date the annual report was published, the Supervisory Board was made up of three members:

Mgr. Marcel Grega
Chairman of the Supervisory Board
(since: 6 November 2010)

Ing. Mojmír Mlčoch
Member of the Supervisory Board
(since: 21 April 2016)

János Gaál
Member of the Supervisory Board
(since: 17 October 2011)

AUDIT COMMITTEE

Upon the decision of the extraordinary meeting of the General Assembly held 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.

THE CODE OF CORPORATE GOVERNANCE IN SLOVAKIA

OJ Media House is fully aware of the importance of maintaining the principles of Corporate Governance. On 11 December 2017, the Board of Directors declared compliance with the principles of the **Slovak Code of Corporate Governance**. The Compliance Statement includes complete information about the Company 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 the Company deviates 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. The Company 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. The Company 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. The Company does not provide remuneration 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. The Company 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. The Company does not provide remuneration 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, the Company 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. The company does not use voting in electronic form 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 analyzes or advice with the possibility of influencing the decisions of investors / shareholders to adopt, apply and publish procedures to minimize conflicts of interest that could impair the integrity of their analyzes or advice.

This principle has not been met. Potential conflicts of interest on the part of external consultants are resolved by agreements concluded with them, upon which they are obliged to act in the best interests of the 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. The Company does not maintain and does not publish any statement of remuneration. The members of the Supervisory Board and the Board of Directors are not paid any remuneration for performance of their offices.

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. The Company publishes information about the members of the Company bodies, but less comprehensively than required by the principle.

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 the Company.

IV.C.i.
The audit committee or a similar body of the company should oversee 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 pro-

pose them to shareholders and consider candidates nominated by shareholders who have the right to submit nominations.

This principle has been met partially. The Company has not established any appointment committee.

INTERNAL CONTROL SYSTEMS

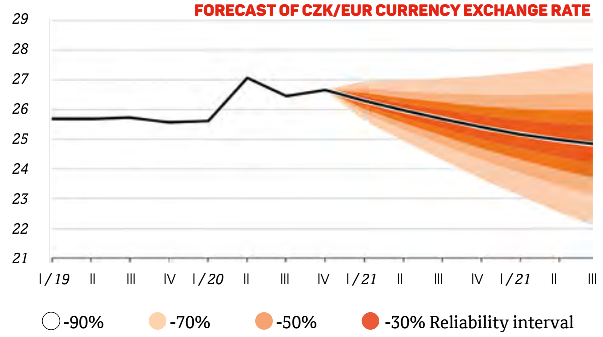
Analyses of profit, cash flow, liquidity, profitability, activity, and debts, as well as cost analyses, form part of the system of internal controls and financial management in the Group. They are connected with strict control measures in accounting and monitoring devices of a technical nature. Using a system of internal controls, we ensure compliance of the activities of the Company with the laws, internal rules, and the objectives of the Company, as well as information necessary for decision-making processes. The primary task of the audit committee is making suggestions and recommendations regarding the execution of internal controls and overseeing the observance of legal regulations and recommendations relating to financial reporting and auditing in the Company. The Company's internal rules govern the organizational framework, rules for relationships, responsibility, and performance activities within the internal control system. The Group ensures internal control by regular monitoring of the financial plan and the overall financial situation. Its role is to act preventively in accordance with internal rules and policies, to 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 realize assets at a reasonable price within a reasonable time horizon. Individual companies in the Group use a variety of methods for the management of liquidity risk. The management focuses 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 USD and CZK. Long-term acquisition agreements are denominated primarily in USD. Therefore the Group manages

FORECAST OF CZK/EUR CURRENCY EXCHANGE RATE



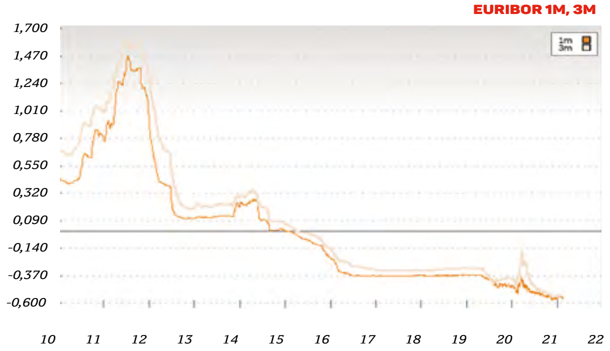
Source: Czech National Bank (CNB)

the currency risk through forward contracts. The currency risk to CZK arises mainly out of received interest-bearing loans denominated in CZK. Sensitivity analysis is used to assess the currency risk.

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 recognized if the counterparty wholly failed to meet its contractual obligations and any collateral and guarantee would be nil. This value, therefore, highly exceeds the expected losses included in the reserve for bad debts.

Interest Rate Risk – Group 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. Interest Sensitivity Analysis for Variable Rate Instruments and the Profile of Financial Instruments are used to assess interest rate risk.

EURIBOR 1M, 3M



Source: European Money Markets Institute (EMMI)

Operational Risk – The Group is also exposed to operational risk, such as a broadcast blackout. The Group manages this risk by diversification of retransmission possibilities and implements redundant technology solutions to eliminate it.

MANAGEMENT METHODS

The methods of the management of the companies in the Group include 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.

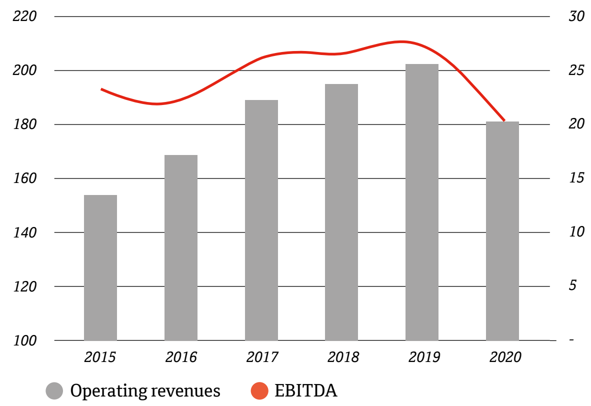
THE COMPANY'S BUSINESS MODEL

The Company's business model is based on selling advertising space, the price of which is crucially dependent on audience measurement, monitoring, and surveys in target groups of end-users, i.e. usually the target group aged 12 to 54. Measurement is ultimately used for ordering ads and ad pricing, using so-called 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 the business relationships, products, services or other activities of the Company. Each Company's activity is described in detail in the previous chapters.

EXPECTED FUTURE DEVELOPMENT OF THE COMPANY'S ACTIVITIES

The Company management assumes the development of media investments to mirror changes in GDP. The available data indicate a recovery in economic activity in those countries where the Group operates and which may have an impact on investments in the purchase of advertising space in 2021. With the efficiency of the economy undergoing changes, investments in the media industry will see shifts as well. No entry of a major competitor into this market is expected. All these factors will carry implications for the Group's revenues and operational profitability.

DEVELOPMENT OF THE GROUP'S FINANCIAL INDICATORS (IN MILLIONS OF EURO, EXCLUDING THE IMPACT OF IFRS 16)



Source: Consolidated Financial Statements of the Group

ADMINISTRATION AND MANAGEMENT

PROPOSAL FOR DISTRIBUTION OF PROFIT OR SETTLEMENT OF LOSS

The distribution of the operating result of the company JOJ Media House, a.s., in the amount of -1,191,088.04 EUR for the 2020 accounting period shall be decided on by the General Assembly. The Statutory Body's proposal submitted to the General Assembly is as follows:

- to transfer the amount of 1,191,088.04 EUR to the Unpaid Loss of Past Years account.

The individual Companies' shareholders/partners will decide on operating results of the individual subsidiaries.

OTHER ADDITIONAL INFORMATION

Last year, the company JOJ Media House, a.s., and the companies included in the consolidation did not incur any costs in the field of research and development.

The company JOJ Media House has no structural unit outside Slovakia.

The company Slovenská produkčná uses foreign exchange forward transactions to secure the financial risk of a negative development in the exchange rate of USD to EUR. The Group manages the financial and credit risks through diversified financing. Cash flow and liquidity parameters are monitored at regular intervals.

The Company has not concluded any agreement that will enter into force, change or terminate as a result of a change in control ratios in respect of a takeover bid.

There are no agreements concluded between the Company and members of its bodies or employees, based on which compensation should be provided to them if their office or employment ends by resignation from position, notice of termination given by the employee, removal from office, notice of termination by the employer without providing any reasons, or if their office or employment is terminated as a result of a takeover bid.

The Company does not deal with any activities that have an impact on the environment and have no significant impact on employment.

The Company is not aware of any agreement between the owners of securities that could lead to restrictions on voting rights and the negotiability of the securities.

The exercise of the shareholders' right to vote is not limited by the Articles of Association.

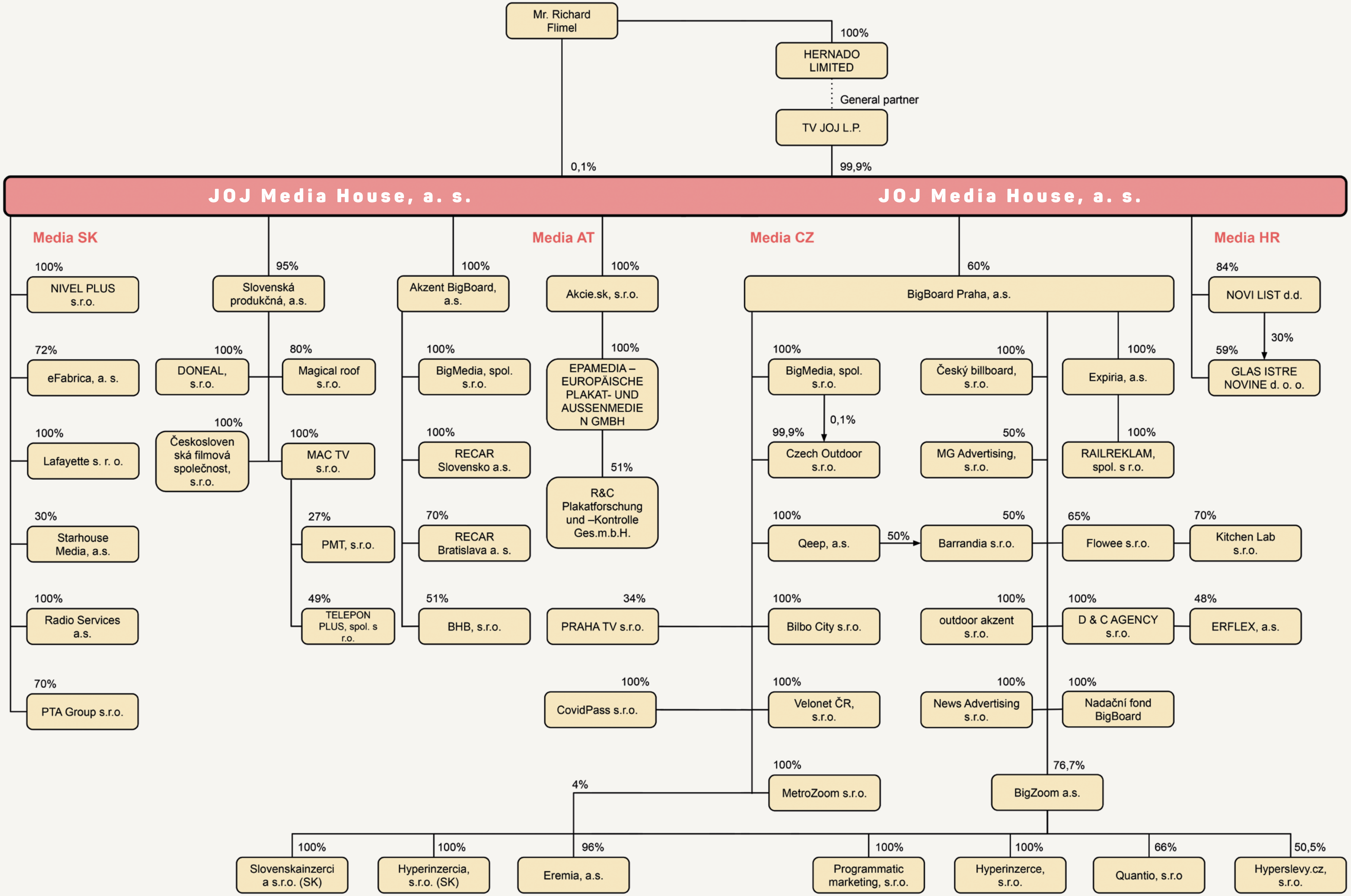
To the date of preparation of this document, no securities were issued, the owners of which would have special control rights.

In 2012, the company BigBoard Praha, a.s. carried out two issues of bonds. The first issue was in the amount of CZK 730 million marked with the following code: ISIN: CZ0003502312. The second issue reached a level of CZK 660 million marked with the following code: ISIN: CZ0003503153. The first issue was paid up during the course of the year 2019.

As at the date of this document, the Company is not aware of any additional specific regulations according to which it should add any information to the annual report.

Contact person responsible for the preparation of the annual report: Ing. Vladimír Drahovský, drahovsky@joj.sk, +421917643681

ORGANIZATIONAL STRUCTURE



Mr. Richard Flimel
100%
HERNADO LIMITED
General partner
TV JOJ L.P.
0,1%
99,9%
JOJ Media House, a. s.
JOJ Media House, a. s.
Media SK
Media AT
Media CZ
Media HR
100%
NIVEL PLUS s.r.o.
95%
Slovenská produkčná, a.s.
100%
Akzent BigBoard, a.s.
100%
Akcie.sk, s.r.o.
60%
BigBoard Praha, a.s.
84%
NOVI LIST d.d.
72%
eFabrica, a. s.
100%
DONEAL, s.r.o.
80%
Magical roof s.r.o.
100%
BigMedia, spol. s.r.o.
100%
EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIE N GMBH
100%
BigMedia, spol. s.r.o.
100%
Český billboard, s.r.o.
100%
Expiria, a.s.
30%
59%
GLAS ISTRE NOVINE d. o. o.
100%
Lafayette s. r. o.
100%
Československá filmová společnost, s.r.o.
100%
MAC TV s.r.o.
100%
RECAR Slovensko a.s.
51%
R&C Plakatforschung und –Kontrolle Ges.m.b.H.
0,1%
99,9%
Czech Outdoor s.r.o.
50%
MG Advertising, s.r.o.
100%
RAILREKLAM, spol. s r.o.
30%
Starhouse Media, a.s.
27%
PMT, s.r.o.
70%
RECAR Bratislava a. s.
100%
Qeep, a.s.
50%
50%
Barrandia s.r.o.
65%
Flowee s.r.o.
70%
Kitchen Lab s.r.o.
100%
Radio Services a.s.
49%
TELEPON PLUS, spol. s r.o.
51%
BHB, s.r.o.
34%
PRAHA TV s.r.o.
100%
Bilbo City s.r.o.
100%
outdoor akzent s.r.o.
100%
D & C AGENCY s.r.o.
48%
ERFLEX, a.s.
70%
PTA Group s.r.o.
100%
CovidPass s.r.o.
100%
Velonet ČR, s.r.o.
100%
News Advertising s.r.o.
100%
Nadační fond BigBoard
100%
MetroZoom s.r.o.
76,7%
BigZoom a.s.
4%
100%
Slovenskainzerci a s.r.o. (SK)
100%
Hyperinzercia, s.r.o. (SK)
96%
Eremia, a.s.
100%
Programmatic marketing, s.r.o.
100%
Hyperinzerce, s.r.o.
66%
Quantio, s.r.o
50,5%
Hyperslevy.cz, s.r.o.

10

CORPORATE SOCIAL RESPONSIBILITY

ESTABLISHMENT AND SETTING UP OF THE TV JOJ FOUNDATION

The TV JOJ Foundation was established on 18 June 2007 and, from August 2007, began to carry out its mission as per its motto: **"Helping those who try"**. The Governing Board designated certain areas which were defined as core objectives upon its establishment. They are:

- Pediatric 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 organizations, educational institutions, municipalities and other associations providing public services; during its existence, the **Foundation has redistributed more than EUR 2.8 mil.**, while in 2020 alone, the sum stood at 1,081,864.98 EUR. Further resources were ensured by the Foundation through direct financing of the events.

The Foundation has a nine-member Board of Directors consisting of TV JOJ staff – Marcel Grega is the Chairman; Vladimir Fatika is the Foundation Administrator; Natália Báreková is the Executive Manager.

OVERVIEW OF 2020 ACTIVITIES

The Foundation's activities this year were significantly limited by the COVID-19 pandemic and the related measures. Nevertheless, the foundation has ensured its smooth operation and will implement all activities that have been suspended in alternative terms.

GIFTED CHILDREN – SPORTS TALENTS

The main mission is to support and develop sporting activities in elementary schools, smaller towns, and municipalities.

The "Floorball SK League 2019/2020" project was dedicated only to primary schools which played in 2019 in district rounds of qualification, with a total of 338 teams participating. The regional tournaments took place with a break from March 2020 to September 2020. Due to the COVID-19 pandemic and the consequent reduction of the sporting events, the planned finals could not take place. They are due to be held after the lifting of measures.

NATIONAL CULTURAL HERITAGE

The Foundation continued a film project by collaborating on the documentary "Mr. Indestructible – One Hundred Years of Memories of a Veteran from Tobruk and Dunkirk". The documentary was prepared by director Veronika Tóthová. It was broadcast on 28 December 2020 on TV JOJ.

OTHER SUPPORT

The Foundation ensured the redistribution of funds collected from the public collection for those affected by the explosion of the apartment building on Mukačevská 7, in the amount of EUR 798,414. The Foundation remitted all donated funds from the public collection to the victims.

The Foundation participated in providing financial support to:

- The Child in Hospital civic association, to which it provided a donation of EUR 1,093.14, for the purchase of an incubator.
- Vladimír Strmeň, a pensioner and former Partisan, who used the funds to provide equipment for retirement homes in the amount of EUR 15,271.22.
- The village of Gemerská Ves for the making good the damage after a windstorm in the amount of 9,000 EUR.
- Martin Čoltek to provide treatment with stem cells in the amount of EUR 1,000.
- Tamara Turzáková to provide treatment for her daughter by purchasing a respiratory cleaner in the amount of EUR 7,086.62.
- Nunez NFE to provide dreams for the "In Seventh Heaven" project in the amount of 250,000 EUR.

ACTIVITIES PLANNED FOR 2021

In 2021, the Foundation intends to continue pursuing its activities and successful projects, preparing:

- The final of Floorball SK Liga 2019/2020
- Kick-start of Floorball SK League 2021/2022
- The 2% Naši Našim project for employees
- Assistance to mothers in need
- Support for oncology patients

- Support for children with disabilities
- Individually designed humanitarian aid for individuals or groups of people through a prepared continuous public collection that can be used immediately in emergencies such as fires, floods, landslides, and the like.

CORPORATE SOCIAL RESPONSIBILITY

The accounting entity´s activities do not imply any risks and potentially adverse consequences for corporate social responsibility.

In the field of corporate social responsibility, the Foundation ensured activities in the following areas:

Economic Area:

- The introduction of compliance, ethics, and corruption prevention by limiting cash payments.
- Transparency: through an order, invoice and payment monitoring system and registering all contracts and agreements.
- Protection of intellectual property rights in the use of goods that fall under copyright protection.
- Good relations with donors, customers, and suppliers, and a fair approach.

Social Area:

- Philanthropic activity, support through the Foundation, the development of activities for children and youth, helping socially disadvantaged and vulnerable communities, and the like.
- Communication with stakeholders and accurate communication to donors and recipients (customers).
- Respect for human rights and support for their observance.
- Compliance with labor standards and responsible behavior to our employees.

Environmental Area:

- Better handling of resources and electricity, turning off devices in standby mode, reducing the impact on the environment.
- Using electronic documents, reducing paper consumption, and recycling paper.
- Environmental protection, waste separation, and ensuring recycling beyond legal minimums.

DECLARATION OF THE COMPANY´S BOARD OF DIRECTORS

The individual and consolidated financial statements as of 31 December 2020 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 the Company.

Mgr. Richard Flimel
Chairman of the Board of Directors

Mgr. Marcel Grega
Chairman of the Supervisory Board

ANNEX 1

JOJ MEDIAHOUSE ANNUAL REPORT 2020

CONSOLIDATED FINANCIAL STATEMENTS

JOJ Media House, a. s.

Independent Auditors' Report
on the Consolidated Financial Statements and Annual Report
and
Annual report 2020

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.

Contents

KPMG Slovensko spol. s r. o.
Dvořákovo nábrežie 10
P. O. BOX 7
820 04 Bratislava 24
Slovakia

Telephone: +421 (0)2 59 98 41 11
Internet: www.kpmg.sk

Translation of the 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. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to 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 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting 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. 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.

Impairment of long-lived assets

Goodwill and other intangible assets: EUR 90,969 thousand as at 31 December 2020 (EUR 95,620 thousand as at 31 December 2019); related impairment loss as at 31 December 2020: EUR 5,972 thousand (31 December 2019: EUR 5,972 thousand).

Property, plant and equipment: EUR 77,351 thousand as at 31 December 2020 (EUR 85,043 thousand as at 31 December 2019); related impairment loss as at 31 December 2020: EUR 280 thousand (31 December 2019: EUR 298 thousand).

Right-of-use assets: EUR 124,504 thousand as at 31 December 2020 (EUR 143,624 thousand as at 31 December 2019); no impairment recognized as at 31 December 2020 or 31 December 2019.

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 the Group 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 as a result of the COVID-19 pandemic. In view of the above factors, as at 31 December 2020, 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 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.	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; • Testing 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 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, we examined 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

Due to the above factors, coupled with the significantly higher estimation uncertainty stemming from the effects of the business disruption due to the COVID-19 global pandemic, 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 activities and by reference to available historical and competitor data and macroeconomic data from the National Bank of Slovakia and European Central Bank. As part of the procedure we also considered potential effects of the COVID-19 pandemic; 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.

Going concern considerations related to COVID-19 pandemic

Refer to Note 2b) (Basis for preparation) of the consolidated financial statements.

Key Audit Matter	*Our Response*
The Group`s consolidated financial statements are prepared on a going concern basis.  As discussed in Note 2b), the outbreak of the COVID-19 pandemic and the measures adopted by the government of countries in which the Group operates to mitigate the pandemic`s spread have impacted the financial performance of the Group. Also, uncertainty remains over how the outbreak will impact the Group`s business in future periods and customer demand for its services. The Group's going concern assessment was based on cash flow forecasts which, in management's view, support the assertion that the Group will have sufficient resources to continue for a period of at least 12 months from the reporting date. The preparation of	Our procedures in the area included, among others: • Inspecting management's assessment of the going concern basis of accounting, including their evaluation of the operating and liquidity risks arising from the ongoing COVID-19 pandemic, and plans for further actions in response to the risks identified. As part of the procedure we also made inquiries of the Group's Chairman of the Board of Directors and other relevant Directors and officers; • Independently evaluating management's plans for future actions in relation to its going concern assessment, including whether the outcome of these plans is likely to improve the situation and whether they are feasible in the circumstances. As

the forecasts incorporated a number of assumptions and significant judgment, including those considered by management to be severe but plausible, such as estimating the period during which the measures implemented by the governments will be in force or when such measures might be reimposed. As part of the assessment, the Group also considered a number of actions aimed at alleviating the potential disruption to its business and liquidity position, such as the introduction of home office for significant groups of employees, negotiations with landlords to reduce lease payments, scaled-back capital expenditure for the following twelve-month period, an overall optimization of expenses, and commencement of a process of extending existing and securing additional credit lines. Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Note 2b) further explains how the judgment was formed. The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of the consolidated financial statements its effects are subject to significant levels of uncertainty. The Group's use of the going concern basis of accounting is a key audit matter due to the associated extent of uncertainty, and consequently, high level of judgment required in evaluating management plans for future actions and their financial impact.	part of the procedure, we, among other things: o Challenging the key assumptions used in the determination of the forecast financial information under various scenarios. This primarily included challenging the forecast EBITDA and capital expenditure. We performed the procedure based on our understanding of the Group's activities and by reference to available historical and current competitor data and macroeconomic data from the National Bank of Slovakia and European Central Bank; o Challenging the Group's ability to refinance significant debt maturing in 2021, primarily in respect of the bonds discussed in Note 2b), also considering the availability of other external financing (entered into or committed both before and after the reporting date). As part of the procedure, we inspected underlying documentation, such as banking facility agreements, and evidence for the current status of the bond refinancing process, and also assessed the quality and depth of the bond markets in the current circumstances; o Performing an analysis of the going concern conclusion's sensitivity to changes in the key assumptions adopted in the going concern assessment, and considering whether there were any indicators of management bias in the assessment; • Considering whether any additional relevant facts or information have become available since the date on which the Group made its assessment; • Evaluating the appropriateness of Group's disclosures in respect of the going concern assessment, subsequent events and any related uncertainties in the consolidated financial statements.

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

The statutory body is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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, related safeguards.

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 Information in the 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 2020 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 Group 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.

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 16 December 2020 on the basis of approval by the General Meeting of JOJ Media House, a. s. on 30 April 2020. 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 10 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, which was issued on the same date as the date of this report.

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 consolidated financial statements of the Group, we did not provide any other services to the Group.

30 July 2021
Bratislava, Slovak Republic

Slovenská komora audítorov
SKAU
Č.licencie 96
KPMG
Slovensko spol. s r.o.

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Peter Balážik
License UDVA No. 1178

JOJ Media House, a. s.
and Subsidiaries

Consolidated Financial Statements
for the year ended 31 December 2020

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

Translation note:
This version of the accompanying consolidated 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 consolidated financial statements takes precedence over this translation.

Contents

in thousands of EUR	*Note*	**Year ended 31 December 2020**	**Year ended 31 December 2019**
Revenue from services	*5*	178 384	201 195
Other operating income	*6*	3 376	1 431
Total operating income		**181 760**	**202 626**
Personnel expenses	*7*	-27 807	-31 992
Production and impairment costs of TV and radio broadcasting programs	*18*	-29 700	-32 468
Use and write-off of program rights	*18*	-14 515	-14 965
Posting, printing and removal of advertising	*8*	-10 022	-12 895
Depreciation of property, plant and equipment and amortisation of intangible assets	*9*	-34 629	-35 265
Other operating expenses	*10*	-61 068	-64 228
Total operating expenses		**-177 741**	**-191 813**
Profit from operating activities		**4 019**	**10 813**
Exchange rate gain / (loss), net		1 466	-37
Interest expenses, net	*11*	-16 233	-18 738
Gain from financial instruments, net		705	793
Gain from associates and joint ventures		4	28
Profit from the sale of entities	*4*	772	-
Other financial expenses, net		-236	-248
Loss before tax		**-9 503**	**-7 389**
Income tax	*12*	-575	-656
Loss for the period		**-10 078**	**-8 045**
Loss for the period attributable to:			
Shareholders of the Company		-8 154	-5 726
Non-controlling interest		-1 924	-2 319

in thousands of EUR	**Year ended 31 December 2020**	**Year ended 31 December 2019**
Other comprehensive income, after tax		
Items with subsequent reclassification into profit or loss:		
Foreign currencies translation differences	-572	186
Items without subsequent reclassification into profit or loss:		
Changes in fair value of equity securities and employee benefits recalculation (IAS 19)	-11	289
Total other comprehensive income	**-583**	**475**
Total comprehensive income for the period	**-10 661**	**-7 570**
Total comprehensive income for the period attributable to:		
Shareholders of the Company	-8 618	-5 423
Non-controlling interest	-2 043	-2 147

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

in thousands of EUR	*Note*	**31 December 2020**	**31 December 2019**
Assets			
Goodwill	*13*	13 589	13 482
Televisual format	*13*	66 792	70 966
Other intangible assets	*13*	10 588	11 172
Program rights	*18*	1 804	1 977
Accrued internal program rights	*18*	3 289	3 974
Property, plant and equipment	*15*	77 351	85 043
Investment property		569	326
Right-of-use assets	*16*	124 504	143 624
Investments in associates and joint ventures		585	598
Trade and other receivables	*19*	860	309
Loans granted	*20*	53	782
Other assets	*21*	18	27
Deferred tax asset	*27*	1 059	845
Total non-current assets		**301 061**	**333 125**
Program rights	*18*	17 520	15 642
Accrued internal program rights	*18*	29 209	33 646
Trade and other receivables	*19*	40 035	31 266
Other financial assets	*17*	1 069	952
Loans granted	*20*	3 802	2 466
Other assets	*21*	7 446	7 199
Corporate income tax asset		579	531
Cash and cash equivalents	*22*	22 197	22 611
Assets held for sale	*23*	-	556
Total current assets		**121 857**	**114 869**
Total assets		**422 918**	**447 994**

in thousands of EUR	*Note*	**31 December 2020**	**31 December 2019**
Equity			
Share capital		25	25
Other funds		62 280	61 061
Accumulated loss		-42 215	-33 877
Equity attributable to shareholders of the Company		**20 090**	**27 209**
Non-controlling interests		-675	981
Total equity	*24*	**19 415**	**28 190**
Liabilities			
Bank loans	*25*	52 653	48 858
Interest-bearing loans and borrowings	*25*	17 393	17 468
Issued bonds	*26*	56 381	99 217
Lease liabilities	*16*	73 525	84 550
Provisions	*28*	1 000	1 111
Trade liabilities and other financial liabilities	*29*	752	3 315
Other liabilities	*30*	557	550
Deferred tax liability	*27*	24 752	27 943
Total non-current liabilities		**227 013**	**283 012**
Bank loans	*25*	41 128	52 509
Interest-bearing loans and borrowings	*25*	676	263
Issued bonds	*26*	46 733	932
Lease liabilities	*16*	15 983	16 449
Provisions	*28*	1 414	1 508
Trade liabilities and other financial liabilities	*29*	55 847	54 114
Other liabilities	*30*	11 746	9 661
Corporate income tax liability		2 963	1 290
Liabilities related to assets held for sale	*23*	-	66
Total current liabilities		**176 490**	**136 792**
Total liabilities		**403 503**	**419 804**
Total equity and liabilities		**422 918**	**447 994**

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 interest**	**Total**
Balance as at 1 January 2020		**25**	**566**	**60 897**	**-341**	**-61**	**-33 877**	**27 209**	**981**	**28 190**
Total comprehensive income for the period										
Loss for the period		-	-	-	-	-	-8 154	-8 154	-1 924	-10 078
Other comprehensive income, after tax										
Foreign currencies translation differences		-	-	-	-453	-	-	-453	-119	-572
Changes in fair value of equity securities and Employee benefits recalculation (IAS 19)		-	-	-	-	-11	-	-11	-	-11
Reclassification of change in fair value of equity securities to retained earnings / (losses)		-	-	-	-	-4	4	-	-	-
Total other comprehensive income		**-**	**-**	**-**	**-453**	**-15**	**4**	**-464**	**-119**	**-583**
Total comprehensive income for the period		**-**	**-**	**-**	**-453**	**-15**	**-8 150**	**-8 618**	**-2 043**	**-10 661**
Transactions with shareholders recognized directly in equity										
Increase of other capital funds		-	-	1 560	-	-	142	1 702	298	2 000
Transfer to the legal reserve fund		-	130	-	-	-	-130	-	-	-
Dividends paid out to non-controlling interests		-	-	-	-	-	-	-	-49	-49
Effect of new acquisitions	*4*	-	-	-	-	-	-	-	11	11
Effect of disposal of subsidiaries	*4*	-	-	-	-1	-	-	-1	-	-1
Changes in ownership interest without loss of control	*24*	-	-	-	-2	-	-200	-202	127	-75
Total transactions with shareholders		**-**	**130**	**1 560**	**-3**	**-**	**-188**	**1 499**	**387**	**1 886**
Balance as at 31 December 2020		**25**	**696**	**62 457**	**-797**	**-76**	**-42 215**	**20 090**	**-675**	**19 415**

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 interest**	**Total**
Balance as at 1 January 2019		**25**	**515**	**59 337**	**-487**	**-20**	**-28 489**	**30 881**	**3 219**	**34 100**
Total comprehensive income for the period										
Loss for the period		-	-	-	-	-	-5 726	-5 726	-2 319	-8 045
Other comprehensive income, after tax										
Foreign currencies translation differences		-	-	-	146	-	-	146	40	186
Changes in fair value of equity securities and employee benefits recalculation (IAS 19)		-	-	-	-	157	-	157	132	289
Reclassification of change in fair value of equity securities to retained earnings / (losses)		-	-	-	-	-198	198	-	-	-
Total other comprehensive income		**-**	**-**	**-**	**146**	**-41**	**198**	**303**	**172**	**475**
Total comprehensive income for the period		**-**	**-**	**-**	**146**	**-41**	**-5 528**	**-5 423**	**-2 147**	**-7 570**
Transactions with shareholders recognized directly in equity										
Increase of other capital funds		-	-	1 560	-	-	256	1 816	512	2 328
Transfer to the legal reserve fund		-	51	-	-	-	-51	-	-	-
Dividends paid out to non-controlling interests		-	-	-	-	-	-	-	-88	-88
Effect of new acquisitions	*4*	-	-	-	-	-	-	-	-587	-587
Changes in ownership interest without loss of control	*24*	-	-	-	-	-	-65	-65	72	7
Total transactions with shareholders		**-**	**51**	**1 560**	**-**	**-**	**140**	**1 751**	**-91**	**1 660**
Balance as at 31 December 2019		**25**	**566**	**60 897**	**-341**	**-61**	**-33 877**	**27 209**	**981**	**28 190**

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 2020**	**Year ended 31 December 2019**
Cash flows from operating activities			
Loss for the period		-10 078	-8 045
Income tax	*12*	575	656
Interest expenses, net	*11*	16 233	18 738
Profit before interest and tax		**6 730**	**11 349**
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of intangible assets	*9*	34 629	35 265
Creation of impairment allowance for trade receivables and inventory	*10*	1 107	537
Creation of impairment allowance for loans provided	*20*	1	1
Creation of impairment allowance for accrued internal program rights	*18*	3 778	934
Write off of accrued internal program rights	*18*	1 034	1 891
Gain from associates and joint ventures		-4	-28
Profit from the sale of entities	*4*	-772	-
Gain on written-off liabilities	*6*	-95	-94
Gain on investment property revaluation		-16	-3
Gain on lease termination		-153	-4
Gain on written-off loan received		-864	-815
Change in provisions	*28*	687	635
(Profit) / loss from sale of non-current assets		1 073	-83
Other non-cash items		310	-90
Operating profit before changes in working capital		**47 445**	**49 495**
Increase in program rights and internal program rights		-1 414	-3 654
Increase in trade and other receivables and other assets		-13 768	-1 228
Increase / (decrease) in trade liabilities, other financial liabilities and other liabilities		3 437	-3 762
Cash flows from operating activities		**35 700**	**40 851**
Interest paid		-11 702	-12 356
Income tax paid		-2 070	-1 780
Net cash flows from operating activities		**21 928**	**26 715**
Cash flows from investment activities			
Disbursements on the creation of an entity / foundation	*4*	-	-8
Disbursements on business combinations	*4*	-138	-2 054
Cash outflow due to Company deconsolidation	*4*	-21	-
Proceeds on changes in ownership interests without a change of control		-	7
Proceeds from sale of property, plant and equipment and intangible assets		1 331	691
Acquisition of property, plant and equipment and intangible assets and investment property		-5 557	-11 055
Proceeds from financial instruments		64	427
Disbursements on loans granted		-1 499	-2 663
Proceeds from loans granted		1 249	2 653
Dividends received		8	8
Interest received		156	144
Net cash used in investing activities		**-4 407**	**-11 850**

in thousands of EUR	**Year ended 31 December 2020**	**Year ended 31 December 2019**
Cash flows from financing activities		
Repayments of loans	-6 403	-7 283
Drawings of loans	32	40 714
Issued bonds	6 161	1 860
Repurchase of own bonds	-5 470	-
Repayment of bonds and fees related to new bond issue	-	-28 438
Repayment of lease liabilities	-13 836	-15 586
Increase of other capital funds	1 850	2 328
Dividends paid to non-controlling interests	-49	-81
Net cash used in financing activities	**-17 715**	**-6 486**
Increase / (decrease) in cash and cash equivalents	-194	8 379
Cash and cash equivalents as at 1 January*	4 797	-3 627
Effect of exchange rate fluctuations on cash held	-165	45
Cash and cash equivalents as at 31 December*	**4 438**	**4 797**

Cash and cash equivalents include:

in thousands of EUR	*Note*	**31 December 2020**	**31 December 2019**
Cash and cash equivalents	*22*	22 197	22 611
Cash and cash equivalents included in assets held for sale	*23*	-	21
Bank overdrafts		-17 759	-17 835
Total		**4 438**	**4 797**

* 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 2020

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 2020 to 31 December 2020 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, providing services to the radio broadcasters, 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 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 Akropoleos, 59-61 SAVVIDES CENTER, 1st floor, Flat/Office 102, 2012 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 2020 a as at 31 December 2019 were as follows:

in 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**

* The company 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 2020 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 2020 to 31 December 2020.

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 31 - Risk management).

Impact of the new coronavirus COVID-19 pandemic
The Group's management continues to reasonably expect that the Group has adequate resources to continue operating for at least the next 12 months and that the going concern assumption is correct. The outbreak of the COVID-19 pandemic and the measures taken by the Slovak Government and the governments of the countries in which the Group operates to mitigate its spread have also had an impact on the Group. There is also uncertainty about how the pandemic will affect the Group's business in future periods and customer demand for its services.

The Group operates in the media sector, which was indirectly affected by the outbreak of COVID-19, the Group's activities were not interrupted. During 2020, the Group recorded a negative impact on investments in the purchase of advertising space due to the economic slowdown. This had a negative impact on the Group's financial performance during the year and on its liquidity. The going concern assumption of the Group's operations was based on cash flow projections, which, in the opinion of management, support the assertion that the Group will have sufficient resources to continue for at least 12 months from the date of preparation of the consolidated financial statements. The preparation of projections included a number of assumptions and significant judgments, including those considered by management to be significant but probable, such as an estimate of the period over which effective measures will be implemented by governments or when such measures can be reintroduced.

In order to ensure the going concern and to maintain the Group's liquidity, the Group's management has implemented several measures, including in particular: home office for a significant group of administrative employees as well as employees in the sales and procurement departments; training of employees to adhere to very strict preventive standards, including social distance; negotiations with large landlords on reducing land rents under advertising equipment, or compensation; adjusting the scope of the Group's activities in order to respond to a possible reduction in demand for services offered by the Group; reduction of capital expenditures for the next 12 months; overall optimization of costs associated with the required operation of the Group; initiating the process of expanding existing and providing additional credit lines.

For the year ended 31 December 2020, the Group recognised a net loss of EUR 10 078 thousand. The net working capital of the Group as at 31 December 2020 amounted to EUR -54 633 thousand. The Group recognizes resources in the amount of EUR 49 797 thousand in cash and cash equivalents, other highly liquid assets and unused credit lines available to the Group at the date of preparation of the consolidated financial statements.

Based on publicly available information as at the date of preparation of the consolidated financial statements, the Group's management has considered the potential development of the pandemic and its expected impact on the Group and the economic environment in which the Group operates, including measures already taken by the Slovak and other governments, in which subsidiaries of the Group operate.

2. Significant accounting policies (continued)

The correctness of the going concern assumption depends primarily on the continuous availability of financial resources. Even in a pessimistic scenario, 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 fourth issue in the amount of EUR 50 000 thousand (50 thousand pieces) ISIN: SK4120014390. As at 31 December 2020, the Group reports EUR 14 078 thousand of undrawn credit limits and as at the date of preparation of the consolidated financial statements, the Group still holds 13 522 pieces of bonds from the fourth issue with a nominal value of EUR 13 522 thousand. In addition, the Group extended the maturity of a bank loan, which was recognised as a short-term bank loan in the amount of EUR 27 176 thousand as at 31 December 2019. The maturity of this loan was extended until 29 May 2025. The short-term financial needs of the subsidiaries are also met using overdrafts.

The availability of financial loans is also assessed by credit institutions based on compliance with loan covenants. As at 31 December 2020, two bank loans of the Group in the total amount of EUR 24 371 thousand are recognised as short-term due to non-compliance with credit covenants. However, the Group received letters from the financing bank confirming that despite the non-compliance with the loan covenants, the bank will not require the immediate repayment of the loans if the Group would be in compliance with other contractual conditions.

At the same time, the Group reports JOJ Media House 2021 III. issued bonds as short-term as at 31 December 2020 at nominal value of EUR 48 500 thousand due on 7 December 2021. Based on current market conditions, the Group's management most likely expects that issued bonds due in 2021 will be partially or fully refinanced by a new bond issue during 2021. The Group is currently negotiating with the intermediary bank on the possible conditions of the new issue.

Based on these factors, the Group's management has reasonable expectations that the Group will have adequate resources and sufficient lending facilities. The Group's management has also concluded that the range of possible outcomes considered in making this judgment does not create significant uncertainties related to events or conditions that could cast significant doubt on the Group's ability to continue as a going concern. However, we cannot rule out the possibility that the extension of the restricted regime, the escalation of the severity of such measures or the consequent adverse effect of such measures on the economic environment in which the Group operates will not adversely affect the Group's financial position and results of operations. The Group's management continues to monitor the situation closely and will respond in order to mitigate the impact of such events and circumstances as they occur.

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 2019. 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 exit price).

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 recognized in the period in which the estimate is revised and in any future periods, which are affected by the revision.

2. Significant accounting policies (continued)

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 recognized 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.

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.

2. Significant accounting policies (continued)

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 realizable 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 2020, and have been applied in preparing the Group's consolidated financial statements:

Revised **Conceptual Framework** issued on 29 March 2018 is effective for accounting periods beginning on or after 1 January 2020. The main changes and improvements will be made to:

- measurement concept, including the description of different measurement bases,
- presentation and disclosure concept, including the classification of revenue and expenses in other comprehensive income,
- derecognition of assets and liabilities from financial statements,
- updated definitions of asset and liability,
- updated criteria of asset and liability recognition in financial statements.

Amendments to **IAS 1 and IAS 8** issued in October 2018 clarify the definition of 'material'. Based on new definition, the information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make based on those financial statements. Amendments are effective for annual periods beginning on or after 1 January 2020, earlier application is permitted.

Amendments to **IFRS 9 (IAS 39) and IFRS 7** Interest rate benchmark reform, issued in September 2019 deal with issues affecting financial reporting prior to replacement of existing interest rate benchmark by alternative rate benchmark. These changes constitute temporary and limited exemptions from the requirements for hedge accounting so that companies can continue to meet the requirements provided that the existing reference interest rates do not change due to the reform of interbank interest rates. The amendment is effective for annual periods beginning on or after 1 January 2020, earlier application is allowed.

Amendment to **IFRS 3**, Issued in October 2018 clarifies the definition of a business or an acquired set of assets. Amendment effective for annual business combinations on or after 1 January 2020, early application is permitted.

Amendment to **IFRS 16,** issued in May 2020, which regulates the recognition of concession provided to tenants due to the COVID-19 pandemic. The amendment is effective for annual periods beginning on or after 1 June 2020. Earlier application is permitted. The amendment simplifies recognition of concessions to rent.

2. Significant accounting policies (continued)

The amendment only applies to tenants and allows concessions / rebates arising as a direct consequence of the COVID-19 pandemic not to be recognised as modifications. The Group has not made use of the possibility of practical expedient and COVID-19 related rent concession recognises as lease modifications.

Published International Financial Reporting Standards as adopted by EU that are not yet effective

Amendment to **IFRS 9 (IAS 39), IFRS 7, IFRS 4 a IFRS 16** Interest Rate Benchmark Reform – Phase II**,** issued in August 2020, regulates the procedures for capturing possible changes in contractual cash flows due to changes in IBOR rates. The amendment is effective for annual periods beginning on or after 1 January 2021.

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

Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture. IASB decided to defer the endorsement indefinitely, but the early 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.

The Amendments to **IAS 1** Presentation of Financial Statements, Classification of Liabilities as Current or Non-Current. The amendments are effective for annual periods beginning on or after 1 January 2023 and should be applied retrospectively. Earlier application is allowed. Amendments to the classification of liabilities as current or non-current (amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position - not the amount or timing of the recognition of assets, liabilities, income or expenses or the information disclosed by entities. The Amendments

- clarify that the classification of liabilities as current or non-current should be based on rights which exist at the end of the reporting period, and align the wording in all paragraphs concerned with a reference to the "right" to defer settlement for at least twelve months and explicitly state that only rights that exist "at the end of the reporting period" should affect the classification of the liability;
- clarify that the classification is not affected by expectations whether the entity will exercise its right to defer settlement; and
- clarify that the settlement concerns the transfer of cash, equity instruments, other assets or services to a counterparty.

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.

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

2. Significant accounting policies (continued)

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.

a) 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 recognized in profit or loss immediately. Acquisition-related costs (transaction costs) are recognized 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.

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.

i. 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.

2. Significant accounting policies (continued)

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.

ii. 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.

iii. Loss of control

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

iv. 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.

v. Transactions eliminated on consolidation

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

vi. Consolidation scope

There are 52 companies included in the consolidation as at 31 December 2020 (2019: 52 companies), out of which 47 companies (2019: 47 companies) were consolidated using the full consolidation method and 5 companies (2019: 5 companies) using the equity method. All consolidated companies prepared their financial statements at 31 December 2020. These companies are listed in Note 36 – Group entities.

2. Significant accounting policies (continued)

vii. 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.

b) 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.

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.

c) 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)).

2. Significant accounting policies (continued)

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
• Machinery and equipment	
Vehicles	4 to 5 years
Other years	3 to 6 years

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.

2. Significant accounting policies (continued)

d) 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.

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 live

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.

[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)

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.

e) 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).

f) 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.

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.

2. Significant accounting policies (continued)

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 programme 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.

g) 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)

h) 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 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 assed 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.

i) 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)).

j) Inventory

Inventories 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 inventories.

k) 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 reorganization; 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 amortization, if no impairment loss had been recognised. In case of goodwill, the impairment loss cannot be decreased (reversed).

l) 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.

m) 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.

n) 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.

o) 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.

p) 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 installments less all receivables in the form of incentives,
b) index-dependent variable installments,
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 installments 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 recognized 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 installments 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 installments 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.

q) 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.

r) State aid

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

s) 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.

t) 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 utilized. 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)

u) 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 32 – 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 and other financial receivables / payables, other financial assets / liabilities and lease liabilities

For 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.

v) 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.

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.

2. Significant accounting policies (continued)

w) 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 2020

in thousands of EUR	**Media Slovakia**	**Media Czech Republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Revenue from services	99 082	46 362	24 928	9 912	*-1 900*	178 384
Other operating income	578	736	1 301	761	-	3 376
Total operating income	**99 660**	**47 098**	**26 229**	**10 673**	***-1 900***	**181 760**
Personnel expenses	-12 105	-4 551	-6 218	-4 933	-	-27 807
Production and impairment costs of TV and radio broadcasting programs	-29 507	-1 780	-	-	*1 587*	-29 700
Use and write-off of program rights	-13 645	-870	-	-	-	-14 515
Posting, printing and removal of advertising	-2 197	-3 472	-4 355	-	*2*	-10 022
Depreciation of property, plant and equipment and amortisation of intangible assets	-12 029	-15 189	-7 042	-369	-	-34 629
Other operating expenses	-25 935	-19 278	-11 757	-4 407	*309*	-61 068
Total operating expenses	**-95 418**	**-45 140**	**-29 372**	**-9 709**	***1 898***	**-177 741**
Profit / (loss) from operating activities	**4 242**	**1 958**	**-3 143**	**964**	***-2***	**4 019**
Exchange rate gain / (loss), net	1 747	-279	1	-5	*2*	1 466
Interest expenses, net	-8 395	-7 059	-628	-151	-	-16 233
Gain / (loss) from financial instruments, net	816	865	9	-3	*-982*	705
Gain from associates and joint ventures	-	4	-	-	-	4
Profit from the sale of entities	-	-	-	772	-	772
Other financial expenses, net	-103	-90	-15	-28	-	-236
Profit / (loss) before tax	**-1 693**	**-4 601**	**-3 776**	**1 549**	***-982***	**-9 503**
Income tax	-919	324	81	-61	-	-575
Profit / (loss) for the period	**-2 612**	**-4 277**	**-3 695**	**1 488**	***-982***	**-10 078**
Other comprehensive income, after tax	**-**	**-541**	**-11**	**-31**	**-**	**-583**
Foreign currencies translation differences	-	-541	-	-31	-	-572
Changes in fair value of equity securities and Employee benefits recalculation (IAS 19)	-	-	-11	-	-	-11
Total comprehensive income for the period	**-2 612**	**-4 818**	**-3 706**	**1 457**	***-982***	**-10 661**

3. Segment information (continued)

Information on operating segments – Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019

in thousands of EUR	**Media Slovakia**	**Media Czech Republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Revenue from services	105 091	54 147	31 306	11 792	*-1 141*	201 195
Other operating income	391	366	461	213	-	1 431
Total operating income	**105 482**	**54 513**	**31 767**	**12 005**	***-1 141***	**202 626**
Personnel expenses	-12 981	-6 628	-6 333	-6 050	-	-31 992
Production and impairment costs of TV and radio broadcasting programs	-32 221	-1 198	-	-	*951*	-32 468
Use and write-off of program rights	-14 029	-936	-	-	-	-14 965
Posting, printing and removal of advertising	-3 660	-3 893	-5 346	-	*4*	-12 895
Depreciation of property, plant and equipment and amortisation of intangible assets	-11 945	-15 803	-7 109	-408	-	-35 265
Other operating expenses	-25 748	-21 729	-11 637	-5 289	*175*	-64 228
Total operating expenses	**-100 584**	**-50 187**	**-30 425**	**-11 747**	***1 130***	**-191 813**
Profit from operating activities	**4 898**	**4 326**	**1 342**	**258**	***-11***	**10 813**
Exchange rate gain / (loss)net	-174	151	-	-7	*-7*	-37
Interest expenses, net	-8 063	-9 661	-851	-163	-	-18 738
Gain / (loss) from financial instruments, net	-48	815	26	-	-	793
Gain from associates and joint ventures	-	28	-	-	-	28
Other financial expenses, net	-101	-105	-7	-35	-	-248
Profit / (loss) before tax	**-3 488**	**-4 446**	**510**	**53**	***-18***	**-7 389**
Income tax	-96	-350	-222	12	-	-656
Profit / (loss) for the period	**-3 584**	**-4 796**	**288**	**65**	***-18***	**-8 045**
Other comprehensive income, after tax	**-**	**521**	**-41**	**-5**	**-**	**475**
Foreign currencies translation differences	-	191	-	-5	-	186
Changes in fair value of equity securities and employee benefits recalculation (IAS 19)	-	330	-41	-	-	289
Total comprehensive income for the period	**-3 584**	**-4 275**	**247**	**60**	***-18***	**-7 570**

3. Segment information (continued)

Information on operating segments – Consolidated statement of financial position as at 31 December 2020

in thousands of EUR	**Media Slovakia**	**Media Czech Republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Assets						
Goodwill	5 973	5 716	-	1 900	-	13 589
Televisual format	66 792	-	-	-	-	66 792
Other intangible assets	2 608	3 507	4 072	401	-	10 588
Program rights	18 745	579	-	-	-	19 324
Accrued internal program rights	32 451	47	-	-	-	32 498
Property, plant and equipment	21 331	33 331	17 314	5 375	-	77 351
Investment property	-	569	-	-	-	569
Right-of-use assets	21 132	77 541	25 534	297	-	124 504
Investment in associates and joint ventures	58	527	-	-	-	585
Trade and other receivables	27 538	12 930	986	2 255	*-2 814*	40 895
Other financial assets	200	432	437	-	-	1 069
Loans granted	9 996	396	-	1	*-6 538*	3 855
Deferred tax asset	504	503	52	-	-	1 059
Other assets	2 256	4 083	829	296	-	7 464
Corporate income tax asset	377	138	52	12	-	579
Cash and cash equivalents	9 860	6 151	5 954	232	-	22 197
Total assets	**219 821**	**146 450**	**55 230**	**10 769**	***-9 352***	**422 918**

3. Segment information (continued)

Information on operating segments – Consolidated statement of financial position as at 31 December 2020 (continued)

in thousands of EUR

	Media Slovakia	Media Czech Republic	Media Austria	Media Croatia	*Intra-segmental elimination*	Total
Liabilities						
Bank loans	63 768	30 013	-	-	-	93 781
Interest-bearing loans and borrowings	17 600	500	2 951	3 556	*-6 538*	18 069
Issued bonds	82 558	20 556	-	-	-	103 114
Lease liabilities	16 681	62 551	9 967	309	-	89 508
Provisions	976	217	879	342	-	2 414
Trade liabilities and other financial liabilities	42 277	12 609	3 050	1 477	*-2 814*	56 599
Other liabilities	4 564	2 596	3 871	1 272	-	12 303
Corporate income tax liability	2 402	520	41	-	-	2 963
Deferred tax liability	17 355	7 003	-	394	-	24 752
Total liabilities	**248 181**	**136 565**	**20 759**	**7 350**	***-9 352***	**403 503**

3. Segment information (continued)

Information on operating segments – Consolidated statement of financial position as at 31 December 2019

in thousands of EUR

	Media Slovakia	Media Czech Republic	Media Austria	Media Croatia	*Intra-segmental elimination*	Total
Assets						
Goodwill	5 650	5 904	-	1 928	-	13 482
Televisual format	70 966	-	-	-	-	70 966
Other intangible assets	2 979	3 536	4 200	457	-	11 172
Program rights	17 031	588	-	-	-	17 619
Accrued internal program rights	37 522	98	-	-	-	37 620
Property, plant and equipment	24 087	37 055	18 311	5 590	-	85 043
Investment property	-	326	-	-	-	326
Right-of-use assets	24 695	89 748	28 889	292	-	143 624
Investment in associates and joint ventures	58	540	-	-	-	598
Trade and other receivables	17 283	13 434	1 081	1 288	*-1 511*	31 575
Other financial assets	-	511	436	5	-	952
Loans granted	11 513	517	-	1	*-8 783*	3 248
Deferred tax asset	356	485	4	-	-	845
Other assets	1 787	4 088	940	411	-	7 226
Corporate income tax asset	294	174	52	11	-	531
Cash and cash equivalents	10 559	4 663	7 375	14	-	22 611
Assets held for sale	-	-	-	556	-	556
Total assets	**224 780**	**161 667**	**61 288**	**10 553**	***-10 294***	**447 994**

3. Segment information (continued)

Information on operating segments – Consolidated statement of financial position as at 31 December 2019 (continued)

in thousands of EUR	**Media Slovakia**	**Media Czech Republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Liabilities						
Bank loans	69 432	31 881	-	54	-	101 367
Interest-bearing loans and borrowings	17 505	455	4 302	3 727	*-8 258*	17 731
Issued bonds	78 991	21 158	-	-	-	100 149
Lease liabilities	19 361	69 465	11 869	304	-	100 999
Provisions	1 147	255	847	370	-	2 619
Trade liabilities and other financial liabilities	39 838	12 444	4 403	2 255	*-1 511*	57 429
Other liabilities	5 730	1 452	1 583	1 446	-	10 211
Corporate income tax liability	600	585	105	-	-	1 290
Deferred tax liability	18 882	8 650	-	411	-	27 943
Liabilities related to assets held for sale	-	-	-	573	*-507*	66
Total liabilities	**251 486**	**146 345**	**23 109**	**9 140**	***-10 276***	**419 804**

4. Acquisitions and disposals of entities

Acquisition and foundation of entities for the period from 1 January 2020 to 31 December 2020

Information about acquisition carried out and newly established entity during for the period from 1 January 2020 to 31 December 2020 are presented in notes 4.a) to 4.e).

a) Details on foundation

CovidPass s.r.o.
On 25 June 2020, the Company through the subsidiary BigBoard Praha, a.s. established CovidPass s.r.o. with a contribution of EUR 7 thousand, which represents a 100% share. The entity is consolidated using the full consolidation method.

b) Details on new acquisition

PTA Group s. r. o.
Based on an agreement on transfer of the ownership interest signed on 11 March 2020, the Company acquired a 70% share in the company PTA Group s. r. o. The share was acquired for EUR 350 thousand. The entity is consolidated using the full consolidation method.

c) Goodwill

Goodwill has been allocated to cash-generating units (CGU) that are expected to benefit from the synergies of the combination.

PTA Group s. r. o.
The goodwill in the amount of EUR 324 thousand has arisen on acquisition, see also Note d).

d) Fair value adjustments of identified net assets

As a result of the allocation of purchase prices for PTA Group s. r. o., no significant fair value adjustments of identified assets were made.

e) Effect of acquisitions

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

in thousands of EUR	**PTA Group s. r. o.**
Property, plant and equipment	9
Trade and other receivables	38
Other assets	3
Cash and cash equivalents	37
Interest-bearing loans and borrowings	-4
Trade liabilities and other financial liabilities	-29
Other liabilities	-8
Corporate income tax liability	-9
Non-controlling interest	-11
Net identifiable assets	**26**

4. Acquisitions and disposals of entities(continued)

in thousands of EUR	**PTA Group s. r. o.**
Goodwill on acquisition of new entity	324
Cost of acquisition	**350**
Consideration paid in cash	-175
Cash acquired	37
Net cash outflow	**-138**
Profit for the period after acquisition	65
Revenue for the period after acquisition	277

If the acquisition had been made as at 1 January 2020, the Group's management estimates that consolidated revenue for the period from 1 January 2020 to 31 December 2020 would amount to EUR 181 806 thousand and a consolidated loss would be in the amount of EUR 10 074 thousand.

Deconsolidation of the company for the period from 1 January 2020 to 31 December 2020

Information on the deconsolidation of the company for the period from 1 January 2020 to 31 December 2020 is provided in Notes 4.f) and 4.g).

f) Details about sold entity

RTD d.o.o. Zadar
On 1 January 2020, the Group deconsolidated a 100% share in RTD d.o.o. Zadar. Despite the fact that the Group continues to own a 100% share in RTD d.o.o. Zadar as at 31 December 2020, the Group assessed that as at 1 January 2020 no longer controls the relevant activities of this company and as at 1 January 2020 the company has been deconsolidated. As at the date of deconsolidation, the share was remeasured to fair value in the amount of EUR 200 thousand and is further recognised under Other financial assets.

g) Company deconsolidation effect

Company deconsolidation affected assets and liabilities of the Group as follows:

in thousands of EUR	**RTD d.o.o. Zadar**	**JOJ Media House, a. s.**	**NOVI LIST d.d.**	**Total**
Goodwill	-371	-	-	-371
Property, plant and equipment	-9	-	-	-9
Loans granted	-	508	-	508
Trade and other receivables	-152	-	554	402
Other financial assets	-	200	-	200
Other assets	-3	-	-	-3
Cash and cash equivalents	-21	-	-	-21
Trade liabilities and other financial liabilities	35	-	-	35
Other liabilities	31	-	-	31
Disposed net identifiable (assets)/liabilities	**-490**	**708**	**554**	**772**

4. Acquisitions and disposals of entities(continued)

in thousands of EUR	**Total**
Selling price	-
Profit from sale	**772**
Consideration received in cash	-
Decrease in cash	-21
Cash outflow	**-21**

Acquisition and foundation of entities for the period from 1 January 2019 to 31 December 2019

Information about acquisition carried out and newly established entity during for the period from 1 January 2019 to 31 December 2019 are presented in notes 4.h) to 4.l).

h) Details on foundation

MetroZoom s.r.o.
On 26 June 2019, the Company through the subsidiary BigBoard Praha, a.s. established MetroZoom s.r.o. with a contribution of EUR 8 thousand, which represents a 100% share.

i) Details on new acquisitions

Československá filmová group[1]
Based on an agreement on transfer of the ownership interest signed on 12 March 2019, the Company, through the subsidiary Slovenská produkčná, a.s. acquired a 100% share in the company Československá filmová společnost, s.r.o. The share was acquired for EUR 2 169 thousand. By the acquisition, the Group also acquired a 100% share in CS filmová, s.r.o.. As at 31 December 2019, both entities are consolidated using the full consolidation method.

HyperMedia group[2]
Based on an agreement on transfer of the ownership interest signed on 11 April 2019, the Company, through the subsidiary BigBoard Praha, a.s. acquired a 60% share in the company HyperMedia, a.s. The share was acquired for EUR 44 thousand. By the acquisition, the Group also acquired a 100% share in Programmatic marketing, s.r.o., a 100% share in Hyperinzerce, s.r.o., a 66% share in Quantio, s.r.o., a 50.5% share in Hyperslevy.cz, s.r.o.,100% share in Slovenská inzercia s. r. o., a 100% share in Hyperinzercia, s. r. o. and a 95.88% share in Eremia, a.s. As at 31 December 2019, all these entities are consolidated using the full consolidation method.

Eremia, a.s.
Based on an agreement on transfer of the ownership interest signed on 11 April 2019, the Company, through the subsidiary BigBoard Praha, a.s. acquired a 4.12% share in Eremia, a.s. The share was acquired for CZK 1. By the acquisition, the Group acquired a 100% share in this entity. As at 31 December 2019, the entity is consolidated using the full consolidation method.

PRAHA TV s.r.o.
Based on an agreement on transfer of the ownership interest signed on 12 March 2019, the Company, through the subsidiary BigBoard Praha, a.s. acquired a 34% share in the company PRAHA TV s.r.o. The share was acquired for EUR 508 thousand. As at 31 December 2019, the entity is consolidated using the equity method.

4. Acquisitions and disposals of entities(continued)

j) Goodwill

Goodwill has been allocated to cash-generating units (CGU) that are expected to benefit from the synergies of the combination.

Československá filmová group[1]
The goodwill in the amount of EUR 1 022 thousand has arisen on acquisition, see also Note 4.j).

HyperMedia group[2]
The goodwill in the amount of EUR 822 thousand has arisen on acquisition, see also Note 4.j).

PRAHA TV s.r.o.
The goodwill in the amount of EUR 513 thousand has arisen on acquisition and is recognized within Interest in associates and joint ventures, see also Note 4.j).

k) Fair value adjustments of identified net assets

The identification and determination of the fair values of assets and liabilities were performed by the Company's management with the assistance of an independent expert. The fulfillment of the fair value adjustments, as set out below, depends on the conditions which will exist in the relevant markets in the future. There is a high degree of uncertainty as to the future development of the relevant markets in which these acquired companies operate.

Adjustments to the fair values of assets and liabilities at acquisition:

in thousands of EUR	**HyperMedia group[2]**
Other intangible assets	-194
Deferred tax asset	37
Total net impact	**-157**

The following assumptions were used to determine fair values:

HyperMedia group[2]
Trade name "Hyper"
The yield method, namely the Relief from Royalty method, was used to value the trade name "Hyper". The level of the estimated royalties was set as the average value of the data observed on the market, at 1.7%. Based on the Group's management opinion, the remaining useful life was assumed to be 7 years. The discount rate was applied at 10.7%. Given the current non-profitability of the HyperMedia group[2], management estimated the onset of hypothetical royalties in 2021, i.e. when the HyperMedia group[2] is expected to be profitable again. The financial forecast assumes that the HyperMedia group[2] will reach the level of 2018 revenue in 2021. Furthermore, revenue is expected to increase by 2% per year based on the Czech National Bank's inflation target. The result of the valuation process was a positive revaluation of EUR 150 thousand.

CRM, including customer relationships
In recent years, the HyperMedia group[2] has internally developed CRM software containing all the necessary customer data; for the purposes of this valuation, CRM software and customer relationships are considered to be the only common intangible asset. The cost approach was used for valuation. Historical internal and external development costs have been adjusted for wage growth and inflation to current values. In addition, an increase in internal costs was used to simulate third party development costs. The level of the expected increase was set as the average value of the data observed on the market at 7.6%. The fair value of these assets was determined at EUR 86 thousand, which also represents the amount of the positive revaluation.

4. Acquisitions and disposals of entities(continued)

Web portals
The HyperMedia group2 owns several web portals, three of which (HyperSlevy, HyperInzerce and HyperReality) were valued using the income method, namely the discounted cash flow (DCF) method. The revenue projection was the same as the valuation of the trade name. For the remaining part of 2019 a negative margin is expected of -77%, based on actual data for 2019. The highly negative margin is due to the termination of the HyperOdvoz project and the internal reorganisation of the HyperMedia group2. In 2020, the Group's management assumes a zero margin and from 2021 it assumes an EBIT margin of 4.1%, which is in line with the margins achieved before the HyperOdvoz project. A royalty rate of 1.7% of revenue was also assumed as an additional cost to avoid double counting of the value of the trade name. The remaining useful life of web portals is assumed to be 7 years, in line with the expected useful life of the trade name. The discount rate was applied at 9.7%. Due to the negative present value of cash flows, the fair value of web portals was set at zero, which led to a negative revaluation of EUR 430 thousand.

Income tax was applied at 19% for all categories of valued intangible assets.

As a result of the allocation of purchase prices for business combinations, no fair value adjustments were made during the period from 1 January 2019 to 31 December 2019.

l) Effect of acquisitions

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

in thousands of EUR	**HyperMedia group[2]**	**Československá filmová group[1]**	**PRAHA TV s.r.o.**	**Total**
Other intangible assets	254	5	-	259
Program rights	-	115	-	115
Accrued internal program rights	-	111	-	111
Property, plant and equipment	140	5	-	145
Right-of-use assets	-	45	-	45
Investments in associates and joint ventures	-	-	508	508
Other financial instruments	14	1	-	15
Trade and other receivables	606	378	-	984
Other assets	178	11	-	189
Corporate income tax asset	6	6	-	12
Deferred tax asset	37	-	-	37
Cash and cash equivalents	97	570	-	667
Interest-bearing loans and borrowings	-445	-	-	-445
Lease liabilities	-	-45	-	-45
Trade liabilities and other financial liabilities	-2 090	-55	-	-2 145
Other liabilities	-162	-	-	-162
Non-controlling interest	587	-	-	587
Net identifiable assets / (liabilities)	**-778**	**1 147**	**508**	**877**
Goodwill on acquisition of new entities	822	1 022	-	1 844
Cost of acquisition	**44**	**2 169**	**508**	**2 721**

4. Acquisitions and disposals of entities(continued)

in thousands of EUR	**HyperMedia group[2]**	**Československá filmová group[1]**	**PRAHA TV s.r.o.**	**Total**
Consideration paid in cash	-44	-2 169	-508	-2 721
Cash acquired	97	570	-	667
Net cash inflow / (outflow)	**53**	**-1 599**	**-508**	**-2 054**
Profit / (loss) for the period after acquisition	-1 592	463	28	-1 129
Revenue for the period after acquisition	1 686	1 816	-	3 502

Based on the Company's management expectation, if the acquisition was performed as at 1 January 2019, consolidated revenue for the period from 1 January 2019 to 31 December 2019 would be EUR 203 623 thousand and consolidated loss would be EUR 8 163 thousand.

[1] Československá filmová group includes companies Československá filmová společnost, s.r.o. a CS filmová, s.r.o.

[2] HyperMedia group includes companies HyperMedia, a.s., Programmatic marketing, s.r.o., Hyperinzerce, s.r.o., Quantio, s.r.o., Hyperslevy.cz, s.r.o., Slovenská inzercia s. r. o., Hyperinzercia, s. r. o. a Eremia, a.s.

5. Revenue from services

Revenue per major categories are as follows:

in thousands of EUR	Year ended 31 December 2020	Year ended 31 December 2019
Revenue from the segment „Media Slovakia“	97 213	103 785
Revenue from the segment „Media Czech Republic“	46 089	54 050
Revenue from the segment „Media Austria“	24 925	31 303
Revenue from the segment „Media Croatia“	9 739	11 646
Revenue from lease	418	411
Total	**178 384**	**201 195**

6. Other operating income

in thousands of EUR	Year ended 31 December 2020	Year ended 31 December 2019
Received state aid	1 217	11
Revenue from fines and penalties	459	81
Revenue from market research	378	367
Revenue from sale of inventory	254	160
Insurance claims	175	162
Gain on written-off liabilities	95	94
Other	798	556
Total	**3 376**	**1 431**

For the year ended 31 December 2020, the increase in received state aid is due to drawing Covid-19 pandemic mitigation state aid by the Group’s entities.

7. Personnel expenses

in thousands of EUR	Year ended 31 December 2020	Year ended 31 December 2019
Personnel expenses	-20 658	-24 229
Contribution to social and health insurance	-5 508	-6 215
Other wages and salaries costs	-1 641	-1 548
Total	**-27 807**	**-31 992**

The average number of employees of the Group during the period from 1 January 2020 to 31 December 2020 was 718, out of which management represents 30 (from 1 January 2019 to 31 December 2019: 804, out of which management: 31).

The number of Group employees as at 31 December 2020 was 736, out of which management represents 33 (as at 31 December 2019: 835, out of which management 34).

8. Posting, printing and removal of advertising

in thousands of EUR	**Year ended 31 December 2020**	**Year ended 31 December 2019**
Posting of advertising	-6 985	-8 860
Printing of advertising	-2 925	-4 011
Removal of advertising	-112	-24
Total	**-10 022**	**-12 895**

9. Depreciation of property, plant and equipment and amortisation of intangible assets

in thousands of EUR	*Note*	**Year ended 31 December 2020**	**Year ended 31 December 2019**
Depreciation of right-of-use assets	*16*	-20 318	-20 626
Depreciation of non-current assets	*15*	-8 630	-8 766
Amortisation	*13*	-5 681	-5 873
Total		**-34 629**	**-35 265**

10. Other operating expenses

in thousands of EUR	**Year ended 31 December 2020**	**Year ended 31 December 2019**
Lease - short-term leasing of equipment, variable (performance) lease and small-tickets lease	-8 854	-9 172
Marketing expenses	-8 707	-11 666
Retransmission	-8 511	-9 026
The right-of-use of advertising space (transport companies)	-4 052	-1 590
Repair and maintenance	-3 674	-4 519
Material and energy consumption	-3 633	-4 027
Other expenses related to publishing local daily newspapers	-2 373	-2 955
Media surveys	-2 216	-1 915
Advertising time rent	-2 129	-2 038
Other taxes and fees	-2 093	-1 945
Legal, accounting and advisory services	-1 809	-2 811
Software support and IT services	-1 618	-1 382
Outsourcing expenses	-1 584	-1 852
Fees to performing rights societies and to AVF[1]	-1 515	-1 609
Creation of impairment allowance for trade receivables and inventory	-1 107	-537
Loss on sale of property, plant and equipment	-1 073	-
Expenses related to representation, sponsoring	-662	-1 521
Telecommunication and internet services	-660	-702
Services related to rented premises	-596	-619
Transport and car insurance expenses	-586	-886
Fines and penalties	-384	-291
Insurance of property except for car insurance	-361	-357
Creation of provisions	-308	-215
Other	-2 563	-2 593
Total	**-61 068**	**-64 228**

[1]AVF – Audiovisual fund – state institution for support and development of audiovisual 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 2020 amounted to EUR 296 thousand (year ended 31 December 2019: EUR 241 thousand).

Costs for other services provided by the auditing companies KPMG Slovensko spol. s r.o., PricewaterhouseCoopers Audit, s.r.o., KPMG Austria AG and KPMG D.O.O. for the year ended 31 December 2020 amounted to EUR 9 thousand (year ended 31 December 2019: EUR 41 thousand).

11. Interest expenses and income

in thousands of EUR	*Note*	Year ended 31 December 2020	Year ended 31 December 2019
Interest income			
Loans granted		161	178
Other		16	5
Total interest income		**177**	**183**
Interest expenses			
Issued bonds	*25, 26*	-6 534	-10 627
Lease liabilities	*16*	-4 681	-4 562
Bank loans	*25*	-4 011	-2 615
Interest-bearing loans and borrowings	*25*	-893	-901
Other	*25*	-291	-216
Total interest expense		**-16 410**	**-18 921**
Interest expenses, net		**-16 233**	**-18 738**

12. Income tax

in thousands of EUR	Year ended 31 December 2020	Year ended 31 December 2019
Current income tax		
Current year	-3 740	-2 764
Corrections of previous periods	41	-1
Withholding tax	-	-4
Deferred income tax		
Creation and reversal of temporary differences and tax losses	3 124	2 113
Total income tax expense	**-575**	**-656**

12. Income tax (continued)

Reconciliation of the effective tax rate

in thousands of EUR	2020	%	2019	%
Loss before tax	**-9 503**		**-7 389**	
Income tax at local rate	-1 996	21	-1 552	21
Effect of tax rates in other countries	-83	1	108	-1
Permanent differences, net	2 032	-21	2 253	-30
Tax losses to which no deferred tax was recognised in current period	1 800	-19	651	-9
Utilisation of tax losses to which no deferred tax was previously recognised	-1 141	12	-836	11
Decrease in deferred tax asset in the current period due to its non-utilisation	-	-	25	-
Correction of income tax from previous periods	-41	-	1	-
Tax licences	4	-	2	-
Withholding tax	-	-	4	-
Total income tax expense in profit or loss	**575**	**-6**	**656**	**-8**

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% (2019: 21%). The tax rate in the Czech Republic is 19% (2019: 19%), in Austria 25% (2019: 25%) and in Croatia 18% (2019: 18%).

13. Goodwill, televisual format and other intangible assets

Year ended 31 December 2020

in thousands of EUR	Televisual format	Contractual rights	Goodwill	Trademark	Other assets	Total
Acquisition cost						
Balance as at 1 January 2020	**109 134**	**2 229**	**17 225**	**8 360**	**11 472**	**148 420**
Additions	-	-	-	-	1 052	**1 052**
Additions on acquisition	-	-	324	-	-	**324**
Disposals	-	-	-	-	-264	**-264**
Changes due to translation differences	-	-	-217	-78	-97	**-392**
Balance as at 31 December 2020	**109 134**	**2 229**	**17 332**	**8 282**	**12 163**	**149 140**
Accumulated amortisation and impairment allowances						
Balance as at 1 January 2020	**-38 168**	**-2 229**	**-3 743**	**-32**	**-8 628**	**-52 800**
Amortisation	-4 174	-	-	-31	-1 476	**-5 681**
Disposals	-	-	-	-	252	**252**
Changes due to translation differences	-	-	-	-	58	**58**
Balance as at 31 December 2020	**-42 342**	**-2 229**	**-3 743**	**-63**	**-9 794**	**-58 171**
Carrying amount						
Balance as at 1 January 2020	**70 966**	**-**	**13 482**	**8 328**	**2 844**	**95 620**
Balance as at 31 December 2020	**66 792**	**-**	**13 589**	**8 219**	**2 369**	**90 969**

13. Goodwill, televisual format and other intangible assets (continued)

Year ended 31 December 2019

in thousands of EUR	Televisual format	Contractual rights	Goodwill	Trade-mark	Other assets	Total
Acquisition cost						
Balance as at 1 January 2019	**109 134**	**71 244**	**15 322**	**8 180**	**10 264**	**214 144**
Initial application of IFRS 16	*-*	*-69 015*	*-*	*-*	*-*	*-69 015*
Balance as at 1 January 2019 - adjusted	**109 134**	**2 229**	**15 322**	**8 180**	**10 264**	**145 129**
Additions	-	-	-	-	1 079	**1 079**
Additions on acquisition	-	-	1 844	153	106	**2 103**
Disposals	-	-	-	-	-12	**-12**
Changes due to translation differences	-	-	59	27	35	**121**
Balance as at 31 December 2019	**109 134**	**2 229**	**17 225**	**8 360**	**11 472**	**148 420**
Accumulated amortisation and impairment allowances						
Balance as at 1 January 2019	**-33 867**	**-24 347**	**-3 743**	**-4**	**-7 067**	**-69 028**
Initial application of IFRS 16	*-*	*22 118*	*-*	*-*	*-*	*22 118*
Balance as at 1 January 2019 - adjusted	**-33 867**	**-2 229**	**-3 743**	**-4**	**-7 067**	**-46 910**
Amortisation	-4 301	-	-	-28	-1 544	**-5 873**
Disposals	-	-	-	-	3	**3**
Changes due to translation differences	-	-	-	-	-20	**-20**
Balance as at 31 December 2019	**-38 168**	**-2 229**	**-3 743**	**-32**	**-8 628**	**-52 800**
Carrying amount						
Balance as at 1 January 2019	**75 267**	**46 897**	**11 579**	**8 176**	**3 197**	**145 116**
Initial application of IFRS 16	*-*	*-46 897*	*-*	*-*	*-*	*-46 897*
Balance as at 1 January 2019 - adjusted	**75 267**	**-**	**11 579**	**8 176**	**3 197**	**98 219**
Balance as at 31 December 2019	**70 966**	**-**	**13 482**	**8 328**	**2 844**	**95 620**

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 all the identifiable cash-generating units.

a) Impairment testing for the year ended 31 December 2020

CGU BigBoard Praha[1]
As at 31 December 2020, goodwill in the amount of EUR 4 715 thousand and intangible asset with indefinite useful life, the trademark, in the amount of EUR 2 105 thousand, property, plant and equipment in the amount of EUR 33 330 thousand and right-of-use assets in the amount of EUR 77 514 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.

14. Impairment testing of assets (continued)

The assumptions used in the impairment testing of the CGU BigBoard Praha[1] as at 31 December 2020 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 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 expected net cash flows with the significant impact of the capital expenditures and the discount rate. 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 9% to 10% would cause the assets to be impaired by EUR 7 287 thousand. A decrease of net cash flows by 10% when compared to the management estimate would cause the assets to be impaired by EUR 8 403 thousand.

CGU Slovenská produkčná[2]
As at 31 December 2020, the Group recognises goodwill for the CGU Slovenská produkčná[2] in the amount of EUR 1 000 thousand.

The assumptions used in impairment testing of the CGU Slovenská produkčná[2] as at 31 December 2020 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,

- 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 assessed by the management, and also the most volatile ones, used in determining the value in use, were expected net cash flows with the significant impact of the capital expenditures and the discount rate. 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.

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 9% 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 2020, the Group recognised for the CGU Akzent BigBoard[3] goodwill in the amount of EUR 1 913 thousand and 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 17 236 thousand and right-of-use assets in the amount of EUR 19 973 thousand. Based on the analysis, the Company identified indicators of possible impairment of CGU 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 2020 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,

- A 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 expected net cash flows with the significant impact of the capital expenditures and the discount rate. 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 9.5% 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 EPAMEDIA[4]

As at 31 December 2020, no goodwill was recognised for CGU EPAMEDIA[4]. For the CGU EPAMEDIA[4] , As at 31 December 2020 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 17 314 thousand and right-of-use assets in the amount of EUR 25 537 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 2020 were as follows:

- Intangible assets' 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,

14. Impairment testing of assets (continued)

- The discount rate of 8.0% 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 expected net cash flows with the significant impact of the capital expenditures and the discount rate. 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 8.0% to 9.0% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates would not cause the assets to be impaired.

CGU RADIO SERVICES[5]
As at 31 December 2020, 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 2020 were as follows:

- Intangible assets' 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% 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 expected net cash flows with the significant impact of the capital expenditures and the discount rate. 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 RADIO SERVICES[5] 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 9.0% to 10.0% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates would not cause the assets to be impaired.

CGU Croatia [6]
As at 31 December 2020, the Group recognised for the CGU Croatia[6] goodwill in the amount of EUR 1 900 thousand and intangible assets with indefinite useful life, the trademark, in the amount of EUR 286 thousand.

14. Impairment testing of assets (continued)

The assumptions used in the impairment testing of the CGU Croatia[6] as at 31 December 2020 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,

- The discount rate of 10.0% 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 expected net cash flows with the significant impact of the capital expenditures and the discount rate and expected net cash flows assessed by the Management with a significant effect of the expected investments. 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 10.0% to 11.0% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates 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, s.r.o., MG Advertising, s.r.o., Barrandia 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. and CovidPass 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 Slovensko a.s. a BHB, s.r.o.

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

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

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

14. Impairment testing of assets (continued)

b) Impairment testing for year ended 31 December 2019

CGU BigBoard Praha[1]
As at 31 December 2019, goodwill in the amount of EUR 4 871 thousand and intangible asset with indefinite useful life, the trademark, in the amount of EUR 2 174 thousand were recorded by the Group relating to CGU BigBoard Praha1.

The assumptions used in the impairment testing of the CGU BigBoard Praha[1] as at 31 December 2019 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 CGU's market,

- A discount rate of 8.75% 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 expected net cash flows and the discount rate. 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 8.75% 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 Slovenská produkčná[2]
As at 31 December 2019 The Group recognizes goodwill for CGU Slovenská produkčná[2] in the amount of EUR 1 033 thousand.

The assumptions used in impairment testing of the CGU Slovenská produkčná[2] as at 31 December 2019 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.

- A discount rate of 9% 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 expected net cash flows and the discount rate. 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 9% 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 2019, the Group recognised for the CGU Akzent BigBoard[3] goodwill in the amount of EUR 1 913 thousand and intangible assets with indefinite useful life, the trademark, in the amount of EUR 1 865 thousand.

The assumptions used in impairment testing of the CGU Akzent BigBoard[3] as at 31 December 2019 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,

- A 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 expected net cash flows and the discount rate. 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 2019, no goodwill was recognised for CGU EPAMEDIA[4]. For the CGU EPAMEDIA[4] , the Group recognised intangible asset with indefinite useful life, the trademark, in the amount of EUR 3 800 thousand as at 31 December 2019.

14. Impairment testing of assets (continued)

The assumptions used in the impairment testing of the CGU EPAMEDIA[4] as at 31 December 2019 were as follows:

- Intangible assets' 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 expected net cash flows and the discount rate. 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 8.5% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates would not cause the assets to be impaired.

CGU RADIO SERVICES[5]
As at 31 December 2019, 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 2019 were as follows:

- Intangible assets' 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,

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. 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 RADIO SERVICES[5] 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 9.5% to 12% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates would not cause the assets to be impaired.

CGU Croatia [6]
As at 31 December 2019, the Group recognised for the CGU Croatia[6] a goodwill in the amount of EUR 1 928 thousand and intangible assets with indefinite useful life, the trademark, in the amount of EUR 290 thousand.

The assumptions used in the impairment testing of the CGU Croatia[6] as at 31 December 2019 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,

- The discount rate of 8.75% 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 expected net cash flows and the discount rate. 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 8.75% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates 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., 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., Nadační fond BigBoard, HyperMedia, a.s., Programmatic marketing, s.r.o., Hyperinzerce, s.r.o., Quantio, s.r.o., Hyperslevy.cz, s.r.o., Slovenská inzercia s. r. o., Hyperinzercia, s. r. o., Eremia, a.s., MetroZoom s.r.o. and PRAHA TV 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. a Československá filmová společnost, s.r.o. a CS filmová, s.r.o.

[3] The group Akzent BigBoard includes: Akzent BigBoard, a.s., BigMedia, spol. s r.o., RECAR Bratislava a.s., RECAR Slovensko a.s. and BHB, s.r.o.

[4] The group EPAMEDIA includes: EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH a R + C Plakatforschung und –kontrolle Gesellschaft mbH.

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

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

15. Property, plant and equipment

Year ended 31 December 2020

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 2020	**759**	**7 219**	**99 521**	**21 825**	**1 618**	**130 942**
Additions	153	24	1 750	1 520	833	**4 280**
Additions on acquisition	-	-	-	9	-	**9**
Transfers	-	-	276	114	-390	**-**
Transfers from the right-of-use assets to land, buildings and structures	-	-	-	309	-	**309**
Disposals	-	-2	-4 217	-1 180	-797	**-6 196**
Changes due to translation differences	-11	-91	-1 469	-133	-29	**-1 733**
Balance as at 31 December 2020	**901**	**7 150**	**95 861**	**22 464**	**1 235**	**127 611**
Accumulated depreciation and impairment allowances						
Balance as at 1 January 2020	**-**	**-1 154**	**-29 296**	**-15 449**	**-**	**-45 899**
Charge for the year	-	-335	-5 994	-2 301	-	**-8 630**
Use of impairment allowance	-	-	18	-	-	**18**
Disposals	-	-	2 759	1 040	-	**3 799**
Changes due to translation differences	-	13	384	55	-	**452**
Balance as at 31 December 2020	**-**	**-1 476**	**-32 129**	**-16 655**	**-**	**-50 260**
Carrying amount						
Balance as at 1 January 2020	**759**	**6 065**	**70 225**	**6 376**	**1 618**	**85 043**
Balance as at 31 December 2020	**901**	**5 674**	**63 732**	**5 809**	**1 235**	**77 351**

15. Property, plant and equipment (continued)

Year ended 31 December 2019

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 2019	**998**	**8 559**	**94 815**	**23 841**	**1 423**	**129 636**
Initial application of IFRS 16	*-237*	*-1 447*	*-*	*-4 259*	*-*	*-5 943*
Balance as at 1 January 2019 - adjusted	**761**	**7 112**	**94 815**	**19 582**	**1 423**	**123 693**
Additions	-	76	5 635	2 790	1 510	**10 011**
Additions on acquisition	-	46	-	97	2	**145**
Transfers	-	-	1 022	77	-1 099	**-**
Disposals	-	-1	-2 512	-766	-228	**-3 507**
Changes due to translation differences	-2	-14	561	45	10	**600**
Balance as at 31 December 2019	**759**	**7 219**	**99 521**	**21 825**	**1 618**	**130 942**
Accumulated depreciation and impairment allowances						
Balance as at 1 January 2019	**-**	**-1 119**	**-25 224**	**-16 101**	**-**	**-42 444**
Initial application of IFRS 16	*-*	*296*	*-*	*2 276*	*-*	*2 572*
Balance as at 1 January 2019 - adjusted	**-**	**-823**	**-25 224**	**-13 825**	**-**	**-39 872**
Charge for the year	-	-332	-6 231	-2 203	-	**-8 766**
Use of impairment allowance	-	-	26	-	-	**26**
Disposals	-	-	2 283	599	-	**2 882**
Changes due to translation differences	-	1	-150	-20	-	**-169**
Balance as at 31 December 2019	**-**	**-1 154**	**-29 296**	**-15 449**	**-**	**-45 899**
Carrying amount						
Balance as at 1 January 2019	**998**	**7 440**	**69 591**	**7 740**	**1 423**	**87 192**
Initial application of IFRS 16	*-237*	*-1 151*	*-*	*-1 983*	*-*	*-3 371*
Balance as at 1 January 2019 - adjusted	**761**	**6 289**	**69 591**	**5 757**	**1 423**	**83 821**
Balance as at 31 December 2019	**759**	**6 065**	**70 225**	**6 376**	**1 618**	**85 043**

Impairment of property, plant and equipment
As at 31 December 2020, the impairment provision amounted to EUR 280 thousand and will be used for the regular dismantling of advertising equipment (31 December 2019: EUR 298 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 2020 amounts to EUR 58 237 thousand (31 December 2019: EUR 58 276 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 144 pieces of advertising space of Czech Outdoor s.r.o. which net book value as at 31 December 2020 amounted to EUR 4 479 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 canceled 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 2021, 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 judgment is not yet final. The public prosecutor reserved a time limit for lodging an appeal.

For more information on the restriction in use of assets see Note 25 – Bank loans and interest-bearing borrowings.

16. Right-of-use assets and lease liabilities

The Group leases land, facades and walls of buildings under advertising equipment, office space, cars, a ship, 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 2020

in thousands of EUR	**Land under advertising equipment**	**Office spaces**	**Cars**	**Other**	**Total**
Balance as at 1 January 2020	**133 109**	**8 641**	**311**	**1 563**	**143 624**
Additions	2 231	203	224	-	**2 658**
Disposals	-2 618	-1	-21	-25	**-2 665**
Charge for the year	-17 745	-1 600	-214	-759	**-20 318**
Modifications in lease contracts	3 339	588	47	425	**4 399**
Transfers from the right-of-use assets to land, buildings and structures	-	-		-309	**-309**
Changes due to translation differences	-2 714	-156	-	-15	**-2 885**
Balance as at 31 December 2020	**115 602**	**7 675**	**347**	**880**	**124 504**

Modifications in lease contracts include decrease of right-of-use assets in the amount of EUR 1 105 thousand due to rent concessions provided due to COVID-19 pandemic.

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

Year ended 31 December 2019

in thousands of EUR	Land under advertising equipment	Office spaces	Cars	Other	Total
Balance as at 1 January 2019 – Initial application of IFRS 16	**120 128**	**10 044**	**520**	**2 557**	**133 249**
Additions	25 623	54	12	52	**25 741**
Additions on acquisition	-	45	-	-	**45**
Disposals	-1 209	-	-	-27	**-1 236**
Charge for the year	-17 798	-1 584	-221	-1 023	**-20 626**
Modifications in lease contracts	5 365	23	-	-	**5 388**
Changes due to translation differences	1 000	59	-	4	**1 063**
Balance as at 31 December 2019	**133 109**	**8 641**	**311**	**1 563**	**143 624**

Lease liabilities

Lease liabilities also include a finance lease agreement. The contract on financial leasing of the building has a defined amount of covenants. As at 31 December 2020, the Group did not meet certain covenants defined in the contract and the finance lease became payable on demand. Therefore, as at 31 December 2020, the Group reports the liability as short-term, however it does not expect the leasing company to require early repayment of the finance lease.

Lease-related costs recognised in profit or loss:

in thousands of EUR	*Note*	Year ended 31 December 2020	Year ended 31 December 2019
Interest expenses on leases	*11*	-4 681	-4 562
Rent – short-term lease	*10*	-5 280	-5 476
Rent – low value leasing	*10*	-2 332	-1 779
Rent – variable (performance) lease	*10*	-1 242	-1 917
Total		**-13 535**	**-13 734**

Cash flows from leases:

in thousands of EUR	*Note*	Year ended 31 December 2020	Year ended 31 December 2019
Interest paid on leases	*25*	-4 642	-3 925
Lease principal repayments	*25*	-13 836	-15 586
Lease payments for short-term leasing, leasing of low-value assets and variable (performance) lease		-8 854	-9 172
Total cash flows from leases		**-27 332**	**-28 683**

17. Other financial assets

in thousands of EUR	31 December 2020	31 December 2019
Equity securities measured at fair value through other comprehensive income	615	432
Mutual funds measured at fair value through profit or loss	450	450
Other financial assets measured at fair value through the profit or loss	4	70
Total	**1 069**	**952**

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

equity securities measured at fair value through other comprehensive income include an equity share in RTD d.o.o. Zadar, which was as at 1 January 2020 remeasured to fair value in the amount of 200 thousand at deconsolidation (see Note 4 – Acquisition and disposal of entities). Other equity securities measured at fair value through the other comprehensive income are recognised at acquisition costs which represent the best estimate of their fair value.

Fair value hierarchy

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

in thousands of EUR	31 December 2020	31 December 2019
Level 1	450	450
Level 2	619	502
Total	**1 069**	**952**

18. Program rights and accrued internal program rights

Year ended 31 December 2020

in thousands of EUR	Program rights	Accrued internal program rights	Total
Acquisition cost			
Balance as at 1 January 2020	**17 619**	**40 380**	**57 999**
Additions	16 238	23 828	**40 066**
Reversal	- 14 513	- 24 890	**- 39 403**
Write-off	- 2	- 1 032	**- 1 034**
Changes due to translation differences	- 18	- 2	**- 20**
Balance as at 31 December 2020	**19 324**	**38 284**	**57 608**
Impairment allowances			
Balance as at 1 January 2020	**-**	**- 2 760**	**- 2 760**
Creation	**-**	- 3 837	**- 3 837**
Release	**-**	59	**59**
Reversal	**-**	752	**752**
Balance as at 31 December 2020	**-**	**- 5 786**	**- 5 786**
Carrying amount			
Balance as at 1 January 2020	**17 619**	**37 620**	**55 239**
Balance as at 31 December 2020	**19 324**	**32 498**	**51 822**

18. Program rights and accrued internal program rights (continued)

Year ended 31 December 2019

in thousands of EUR	Program rights	Accrued internal program rights	Total
Acquisition cost			
Balance as at 1 January 2019	**17 307**	**38 710**	**56 017**
Additions	15 154	33 093	**48 247**
Additions on acquisition	115	111	**226**
Reversal	- 14 965	- 29 643	**- 44 608**
Write-off	-	- 1 891	**- 1 891**
Changes due to translation differences	8	-	**8**
Balance as at 31 December 2019	**17 619**	**40 380**	**57 999**
Impairment allowances			
Balance as at 1 January 2019	**-**	**-1 840**	**-1 840**
Creation	-	- 1 496	**- 1 496**
Release	**-**	562	**562**
Reversal	**-**	14	**14**
Balance as at 31 December 2019	**-**	**- 2 760**	**- 2 760**
Carrying amount			
Balance as at 1 January 2019	**17 307**	**36 870**	**54 177**
Balance as at 31 December 2019	**17 619**	**37 620**	**55 239**

For the year ended 31 December 2020, the main increase in internal program rights was represented by series (For the year ended 31 December 2019: series).

in thousands of EUR	31 December 2020	31 December 2019
Valid program rights or those becoming valid within 1 year after the balance sheet date	17 520	15 642
Current program rights	**17 520**	**15 642**
Program rights becoming valid more than 1 year after the balance sheet date	334	441
Program rights becoming valid more than 2 years after the balance sheet date	1 470	1 536
Non-current program rights	**1 804**	**1 977**
Total	**19 324**	**17 619**

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 are no indicators of possible impairment in non-current program rights and accrued internal program rights.

19. Trade and other receivables

in thousands of EUR	31 December 2020	31 December 2019
Trade receivables	40 943	30 547
Other receivables	2 957	3 134
Receivables subtotal	**43 900**	**33 681**
Impairment allowance for receivables	-3 005	-2 106
Total	**40 895**	**31 575**

Changes in impairment allowance during the period:

in thousands of EUR	Year ended 31 December 2020	Year ended 31 December 2019
Balance as at 1 January	**2 106**	**1 809**
Creation	1 507	758
Reversal	-84	-273
Release	-479	-204
Changes due to translation differences	-45	16
Balance as at 31 December	**3 005**	**2 106**

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

20. Loans granted

in thousands of EUR	31 December 2020	31 December 2019
Loans granted	4 355	3 755
Impairment allowance for loans granted – Level 3	-500	-507
Total	**3 855**	**3 248**

See also Note 31 - Risk management.

Changes in impairment allowance during the period:

in thousands of EUR	Year ended 31 December 2020	Year ended 31 December 2019
Balance as at 1 January	**507**	**507**
Creation	1	1
Changes due to translation differences	-8	-1
Balance as at 31 December	**500**	**507**

21. Other assets

in thousands of EUR	31 December 2020	31 December 2019
Advances paid	4 123	3 954
Prepaid expenses	1 950	1 956
Inventory	899	731
Tax assets	442	531
Receivables from employees and institutions of social security	50	54
Total	**7 464**	**7 226**

22. Cash and cash equivalents

in thousands of EUR	31 December 2020	31 December 2019
Bank accounts	19 097	22 523
Term deposits up to 3 months	3 001	-
Cash in hand	95	84
Vouchers	4	4
Total	**22 197**	**22 611**

23. Assets held for sale

The detail structure of the assets held for sale as at 31 December 2019 is as follows:

in thousands of EUR	**RTD d.o.o. Zadar**
Segment	*Media Croatia*
Assets	
Goodwill	371
Property, plant and equipment	9
Trade and other receivables	152
Other assets	3
Cash and cash equivalents	21
Total assets	**556**
Liabilities	
Trade liabilities and other financial liabilities	35
Other liabilities	31
Total liabilities	**66**

Despite owning a 100% equity share in RTD d.o.o. Zadar as at 31 December 2020, the Group has assessed that as at 1 January 2020 no longer controls the relevant activities of this company, and therefore, as at 1 January 2020 the Group has deconsolidated the entity (see also Note 4 - Acquisitions and sales of entities).

24. Equity

Share capital

As at 31 December 2020 and 31 December 2019, the Company's share capital equals EUR 25 thousand. Share capital as at 31 December 2020 and 31 December 2019 constituted of 1 000 common 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.

Non-controlling interest

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 2020	31 December 2019
		%	%
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 2020 are shown in the table below:

Year ended 31 December 2020

in thousands of EUR	BigBoard Praha, a.s.	Czech Outdoor s.r.o	outdoor akzent s.r.o.
Revenue (100%)	15 364	10 709	8 852
Profit / (loss) for period (100%)	-2 207	-304	748
Other comprehensive income (100%)	452	-265	-465
Total comprehensive income for the period (100%)	**-1 755**	**-569**	**283**
Profit / (loss) for the period attributable to non-controlling interests	-883	-122	299
Comprehensive income for the period attributable to non-controlling interests	-702	-228	113

24. Equity (continued)

31 December 2020

in thousands of EUR	**BigBoard Praha, a.s.**	**Czech Outdoor s.r.o.**	**outdoor akzent s.r.o.**
Non-current assets	79 356	25 372	7 911
Current assets	5 714	13 557	15 178
Non-current liabilities	-75 582	-26 047	-9 977
Current liabilities	-26 025	-5 184	-6 545
Net assets / (liabilities) (100%)	**-16 537**	**7 698**	**6 567**
Net assets / (liabilities) attributable to non-controlling interests	-6 615	3 079	2 627

Year ended 31 December 2020

in thousands of EUR	**BigBoard Praha, a.s.**	**Czech Outdoor s.r.o.**	**outdoor akzent s.r.o.**
Cash flows from operating activities	4 967	1 435	1 976
Cash flows used in investing activities	-1 509	-91	-30
Cash flows used in financing activities	-3 239	-1 164	-1 946
Increase in cash and cash equivalents	**219**	**180**	**-**

Summary financial information of subsidiaries before elimination of intra-group relations for the year ended 31 December 2019 are shown in the table below:

Year ended 31 December 2019

in thousands of EUR	**BigBoard Praha, a.s.**	**Czech Outdoor s.r.o**	**outdoor akzent s.r.o.**
Revenue (100%)	17 105	12 446	11 159
Profit / (loss) for period (100%)	-5 781	713	1 438
Other comprehensive income (100%)	160	100	179
Total comprehensive income for period (100%)	**-5 621**	**813**	**1 617**
Profit / (loss) for the period attributable to non-controlling interests	-2 312	285	575
Comprehensive income for period attributable to non-controlling interests	-2 248	325	647

24. Equity (continued)

31 December 2019

in thousands of EUR	**BigBoard Praha, a.s.**	**Czech Outdoor s.r.o.**	**outdoor akzent s.r.o.**
Non-current assets	80 579	30 995	11 236
Current assets	8 845	11 223	11 925
Non-current liabilities	-53 912	-28 833	-11 855
Current liabilities	-50 294	-5 119	-5 022
Net assets / (liabilities) (100%)	**-14 782**	**8 266**	**6 284**
Net assets / (liabilities) attributable to non-controlling interests	-5 913	3 306	2 514

Year ended 31 December 2019

in thousands of EUR	**BigBoard Praha, a.s.**	**Czech Outdoor s.r.o.**	**outdoor akzent s.r.o.**
Cash flows from operating activities	3 067	2 681	2 914
Cash flows used in investing activities	-2 919	-524	-758
Cash flows used in financing activities	-178	-2 213	-2 552
Increase / (decrease) in cash and cash equivalents	**-30**	**-56**	**-396**

Effect on disposal of ownership interest without a loss of control as at 31 December 2020

in thousands of EUR	
Carrying amount of non-controlling interest disposed	-127
Sale price	-75
Change of equity attributable to shareholders of the Company	**-202**

Effect on acquisition of ownership interest without a loss of control as at 31 December 2019

in thousands of EUR	
Carrying amount of non-controlling interest disposed	-72
Selling price	7
Change of equity attributable to shareholders of the Company	**-65**

25. Bank loans and interest-bearing loans and borrowings

in thousands of EUR	**31 December 2020**	**31 December 2019**
Bank loans - bearing fixed interest rates	7	28 957
Bank loans - bearing floating interest rates	93 774	72 410
Interest-bearing loans and borrowings - bearing fixed interest rates	9 681	9 807
Interest-bearing loans and borrowings - bearing floating interest rates	8 388	7 924
Total	**111 850**	**119 098**

The average interest rate of bank loans and interest-bearing borrowings as at 31 December 2020 equaled to 4.28% (as at 31 December 2019: 4.42%).

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

in thousands of EUR	**31 December 2020**	**31 December 2019**
Property, plant and equipment	32 684	235
Accrued internal program rights	32 451	37 522
Program rights	19 205	17 579
Trade and other receivables	13 414	8 030
Cash and cash equivalents	4 348	-
Other intangible assets	2 830	-
Investment property	569	-
Loans granted	397	-
Corporate income tax asset	42	-
Other financial assets	4	-
Other assets	3 870	-
Total	**109 814**	**63 366**

The increase in guarantee for the Group's assets at 31 December 2020 is related to the maturity extension of the loan from J & T Banka a.s., which was provided to BigBoard Praha, a.s. in 2019. as a bridge loan to finance the payment of the principal of withdrawn bonds ISIN CZ000350315.

25. 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**	**Equity attributable to share-holders of the parent company**	**NCI**	**Total**
Balance as at 1 January 2020	**101 263**	**100 149**	**100 999**	**27 209**	**981**	**330 601**
Changes in cash flows from financing activities						
Repayments of loans	-6 403	-	-	-	-	-6 403
Drawings of loans	32	-	-	-	-	32
Issued bonds	-	6 161	-	-	-	6 161
Repurchase of own bonds	-	-5 470	-	-	-	-5 470
Repayment of lease liabilities	-	-	-13 836	-	-	-13 836
Increase of other capital funds	-	-	-	1 702	148	1 850
Dividends paid to non-controlling interests	-	-	-	-	-49	-49
Total changes in cash flows from financing activities	***-6 371***	***691***	***-13 836***	***1 702***	***99***	***-17 715***
Other changes						
Interest expenses	4 552	6 534	4 681	-	-	15 767
Unrealised exchange rate gains, net	-1 297	-672	-1 935	-453	-119	-4 476
Interest paid	-3 120	-3 588	-4 642	-	-	-11 350
Changes from the acquisition of companies, the sale of companies and from changes in ownership without change in control	4	-	-	-203	138	-61
Other changes	-940	-	4 241	-8 165	-1 774	-6 638
Total other changes	***-801***	***2 274***	***2 345***	***-8 821***	***-1 755***	***-6 758***
Balance as at 31 December 2020	**94 091**	**103 114**	**89 508**	**20 090**	**-675**	**306 128**

25. 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	Trade liabilities, other financial liabilities and other liabilities	Equity attributable to share-holders of the parent company	NCI	Total
Balance as at 1 January 2019	**70 040**	**121 200**	**-**	**68 331**	**30 881**	**3 219**	**293 671**
Initial application of IFRS 16	*-2 406*	*-*	*85 387*	*-*	*-*	*-*	*82 981*
Balance as at 1 January 2019 - adjusted	**67 634**	**121 200**	**85 387**	**68 331**	**30 881**	**3 219**	**376 652**
Changes in cash flows from financing activities							
Repayments of loans	-7 283	-	-	-	-	-	-7 283
Drawings of loans	40 714	-	-	-	-	-	40 714
Issued bonds	-	1 860	-	-	-	-	1 860
Repayment of bonds and fees related to new bond issue	-	-28 438	-	-	-	-	-28 438
Repayment of lease liabilities	-	-	-15 586	-	-	-	-15 586
Increase of other capital funds	-	-	-	-	1 816	512	2 328
Dividends paid to non-controlling interests	-	-	-	7		-88	-81
Total changes in cash flows from financing activities	***33 431***	***-26 578***	***-15 586***	***7***	***1 816***	***424***	***-6 486***
Other changes							
Interest expenses	3 005	10 627	4 562	216	-	-	18 410
Unrealised exchange rate losses, net	329	319	627	133	146	40	1 594
Interest paid	-2 513	-5 419	-3 925	-	-	-	-11 857
Decrease in trade liabilities, other financial liabilities and other liabilities	-	-	-	-3 762	-	-	-3 762
Changes from the acquisition of companies, the sale of companies and from changes in ownership without change in control	445	-	45	2 307	-65	-515	2 217
Other changes	-1 068	-	29 889	474	-5 569	-2 187	21 539
Total other changes	***198***	***5 527***	***31 198***	***-632***	***-5 488***	***-2 662***	***28 141***
Balance as at 31 December 2019 including assets held for sale	**101 263**	**100 149**	**100 999**	**67 706**	**27 209**	**981**	**398 307**
Out of which in assets held for sale	-	-	-	66	-	-	66
Balance as at 31 December 2019	**101 263**	**100 149**	**100 999**	**67 640**	**27 209**	**981**	**398 241**

26. Issued bonds

The Company has the following bonds in issue:

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 value as at 31 December 2020	Carrying value as at 31 December 2019
Type								
Payable to bearer	CZ0003503153	4.12.2012	5.12.2024	CZK	545 041	9,53	20 556	21 158
Payable to bearer	SK4120011222	7.12.2015	7.12.2021	EUR	48 500	6,36	45 799	43 117
Payable to bearer	SK4120014390	7.8.2018	7.8.2023	EUR	36 478	5,96	36 759	35 874
							103 114	**100 149**

Issued bonds in the amount of EUR 46 733 thousand stated in the Group's statement of financial position within current liabilities, represent unpaid accrued interest and bond ISIN SK4120011222, which will be paid by the Group within 1 year.

On 28 November 2019 ***ISIN CZ0003502312*** were prematurely repaid. The bonds bore fixed interest rate that is payable semi-annually. Interest expense for the year ended 31 December 2019 amounted to EUR 4 451 thousand.

ISIN CZ0003503153 bonds bear a fixed interest rate that is payable annually. Interest expense for the year ended 31 December 2020 amounted to EUR 1 924 thousand (for the year ended 31 December 2019: 1 976 thousand).

These bonds are not issued for public offer.

Bonds in the nominal value in the amount of CZK 100 000 thousand (EUR 3 811 thousand) were repurchased by the Group on 12 August 2013 and as at 31 December 2020 they are still held by the Group.

ISIN SK4120011222 bonds represent zero coupon bonds. Interest expense for the year ended 31 December 2020 was EUR 2 683 thousand (for the year ended 31 December 2019: EUR 2 162 thousand).

As at 31 December 2020, the Group does not hold any own bonds from this issue.

ISIN SK4120014390 bonds bear a fixed interest that is payable annually. Interest expense for the year ended 31 December 2020 is in the amount of EUR 1 927 thousand (for the year ended 31 December 2019: 2 038 thousand).

From this issue, as at 31 December 2020 the Group holds own bonds of nominal value EUR 1 620 thousand.

27. Deferred tax asset / (liability)

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

in thousands of EUR	Assets		Liabilities		Total	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Temporary differences related to:						
Property, plant and equipment	51	43	-10 118	-11 186	-10 067	-11 143
Non-current intangible assets	1	25	-15 851	-16 726	-15 850	-16 701
Provisions	591	318	-	-	591	318
Leases	76	135	-7 698	-9 154	-7 622	-9 019
Tax losses	8 462	8 795	-	-	8 462	8 795
Other	852	664	-59	-12	793	652
Netting	*-8 974*	*-9 135*	*8 974*	*9 135*	*-*	*-*
Total	**1 059**	**845**	**-24 752**	**-27 943**	**-23 693**	**-27 098**

Change in deferred tax asset / (liability) for the year ended 31 December 2020:

in thousands of EUR	Balance as at 1 January 2020	Recognised in profit or loss	Recognised in other comprehensive income	Exchange rate differences	Balance as at 31 December 2020
Deferred tax asset					
Property, plant and equipment	**43**	10	-	-2	**51**
Non-current intangible assets	**25**	-23	-	-1	**1**
Provisions	**318**	272	4	-3	**591**
Leases	**135**	-60	-	1	**76**
Tax losses	**8 795**	-326	-	-7	**8 462**
Other	**664**	194	-	-6	**852**
Deferred tax liability					
Property, plant and equipment	**-11 186**	917	-	151	**-10 118**
Non-current intangible assets	**-16 726**	860	-	15	**-15 851**
Leases	**-9 154**	1 327	-	129	**-7 698**
Other	**-12**	-47	-	-	**-59**
Total	**-27 098**	**3 124**	**4**	**277**	**-23 693**

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

Change in deferred tax asset / (liability) for the year ended 31 December 2019:

in thousands of EUR	**Balance as at 1 January 2019**	**Recognised in profit or loss**	**Recognised in other comprehensive income**	**Exchange rate differences**	**Additions on acquisition**	**Balance as at 31 December 2019**
Deferred tax asset						
Property, plant and equipment	**23**	20	-	-	-	**43**
Non-current intangible assets	**-**	-12	-	-	37	**25**
Provisions	**303**	1	14	-	-	**318**
Leases	**-**	135	-	-	-	**135**
Tax losses	**9 191**	-399	-	3	-	**8 795**
Other	**1 057**	-396	-	3	-	**664**
Deferred tax liability						
Property, plant and equipment	**-11 811**	679	-	-54	-	**-11 186**
Non-current intangible assets	**-27 743**	11 032	-	-15	-	**-16 726**
Provisions	**-1**	1	-	-	-	**-**
Leases	**-**	-9 115	-	-39	-	**-9 154**
Unpaid interest	**-172**	172	-	-	-	**-**
Other	**-7**	-5	-	-	-	**-12**
Total	**-29 160**	**2 113**	**14**	**-102**	**37**	**-27 098**

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 utilized.

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

in thousands of EUR	**31 December 2020**	**31 December 2019**
Tax losses	61 408	59 975
out of which tax losses of subsidiaries	*58 856*	*57 583*

Expected periods for expiration of tax losses utilisation:

in thousands of EUR	**2021**	**2022**	**2023**	**2024**	**After 2024**
Tax losses	3 975	1 795	2 038	3 487	85 001

From 1 January 2020, the Slovak regulations for amortization of tax losses incurred after 1 January 2020 have changed. Tax losses incurred after 1 January 2020 can be amortized 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 amortized on a straight-line basis for a maximum of 4 consecutive years. The maximum period for amortization of tax loss incurred in the Czech Republic and Croatia is 5 years and the amortization of tax loss incurred in Austria is unlimited.

28. Provisions

Year ended 31 December 2020

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	**245**	**1 092**	**843**	**439**	**2 619**
Creation	-	29	250	535	**814**
Reversal	-4	-142	-331	-416	**-893**
Release	-26	-63	-30	-14	**-133**
Actuarial losses	-	15	-	-	**15**
Interest expense	-	6	-	-	**6**
Changes due to translation differences	-8	-4	-2	-	**-14**
Balance as at 31 December	**207**	**933**	**730**	**544**	**2 414**

Year ended 31 December 2019

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	**285**	**1 110**	**641**	**466**	**2 502**
Creation	-	25	278	426	**729**
Reversal	-2	-64	-63	-445	**-574**
Release	-41	-43	-13	-8	**-105**
Actuarial losses	-	55	-	-	**55**
Interest expense	-	11	-	-	**11**
Changes due to translation differences	3	-2	-	-	**1**
Balance as at 31 December	**245**	**1 092**	**843**	**439**	**2 619**

[1]RpVaR – Council for Broadcasting and Retransmission

29. Trade liabilities and other financial liabilities

in thousands of EUR	31 December 2020	31 December 2019
Trade liabilities	44 927	42 607
Liabilities from reimbursements	8 293	9 883
Accrued expenses	1 954	3 596
Other financial liabilities	1 425	1 343
Total	**56 599**	**57 429**

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 2020	31 December 2019
Overdue liabilities	7 261	6 990
Liabilities within due date	49 338	50 439
	56 599	**57 429**

One half of the overdue liabilities as at 31 December 2020 were paid by the reporting date. The Group expects that the remaining amount of the overdue liabilities will be paid by the end of 2021.

30. Other liabilities

in thousands of EUR	31 December 2020	31 December 2019
Other tax liabilities	5 514	2 230
Liabilities towards employees and institutions of social security	3 655	4 309
Contractual liabilities	2 996	3 582
Deferred income	71	23
Other	67	67
Total	**12 303**	**10 211**

As at 31 December 2020, the liabilities towards employees and institutions include a social fund liability in the amount EUR 59 thousand (as at 31 December 2019: EUR 67 thousand).

As at 1 January 2020, the opening balance of contractual liabilities amounted to EUR 3 582 thousand. For the year ended 31 December 2020, EUR 2 771 thousand of this amount was recognised as revenue of the current accounting period (from the opening balance of contractual liabilities as at 1 January 2019 in the amount of EUR 1 880 thousand, for the year ended 31 December 2019, EUR 1 554 thousand was recognized 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.

31. 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 2020 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**	**Over 5 years**
Assets						
Cash and cash equivalents	22 197	*22 197*	22 197	-	-	-
Trade and other receivables	40 895	*40 895*	40 005	30	769	91
Other financial assets	1 069	*1 069*	1 069	-	-	-
Loans granted	3 855	*4 000*	734	3 209	57	-
	68 016	***68 161***	**64 005**	**3 239**	**826**	**91**
Liabilities						
Bank loans and interest bearing loans and borrowings	-111 850	*-129 232*	-11 823	-33 489	-65 150	-18 770
Lease liabilities	-89 508	*-108 743*	-5 035	-14 210	-52 041	-37 457
Trade liabilities and other financial liabilities	-56 599	*-56 599*	-41 065	-14 782	-363	-389
Issued bonds	-103 114	*-119 229*	-	-52 370	-66 859	-
	-361 071	***-413 803***	**-57 923**	**-114 851**	**-184 413**	**-56 616**

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 utilized when needed. Current financial needs are satisfied through overdraft facilities and undrawn credit lines. As at 31 December 2020 the Group recognizes EUR 14 078 thousand (as at 31 December 2019: EUR 16 278 thousand) of undrawn credit lines.

31. Risk management (continued)

- The Group drew overdraft facilities in the amount of EUR 17 759 thousand as at 31 December 2020 (as at 31 December 2019: EUR 17 835 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 2021in a cash outflow equaling to the amount of drawn balances of overdrafts as at 31 December 2020.

- As at 31 December 2020, the Group presents as current assets Program rights and accrued internal Program rights amounting to EUR 46 729 thousand (as at 31 December 2019: EUR 49 288 thousand). Utilizing Program rights and internal Program rights, the Group will gain cash inflow, during 2021 and ongoing periods depending on license agreements.

- If necessary, the Group may also use ISIN SK4120014390 bonds in the amount of EUR 13 522 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 2020, the Group sold only bonds in the amount of EUR 36 478 thousand.

- The Group has issued bonds in the amount of EUR 48 500 thousand due in 2021. The Group's management plans to refinance these bonds at maturity by issuing new bonds and therefore the Group's management does not expect a net outflow of funds during 2021.

- As at 31 December 2020, the Group drew loans from several banks. Some loans have contractually defined cases of default and the amount of financial ratios (covenants) that the Group has undertaken to meet. As at 31 December 2020, some of these conditions were not met, and therefore the Group reports loans in the amount of EUR 24 371 thousand as short-term. However, the Group received waivers from financing banks confirming that, despite non-compliance with credit covenants, the Bank would not require immediate repayment of loans under other contractual terms and therefore the Group's management does not expect a net outflow during 2021.

The maturity of financial assets and liabilities as at 31 December 2019 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**	**Over 5 years**
Assets						
Cash and cash equivalents	22 611	*22 611*	22 611	-	-	-
Trade and other receivables	31 575	*31 575*	31 044	222	218	91
Other financial assets	952	*952*	882	70	-	-
Loans granted	3 248	*3 399*	-	2 593	806	-
	58 386	***58 537***	**54 537**	**2 885**	**1 024**	**91**
Liabilities						
Bank loans and interest bearing loans and borrowings	-119 098	*-134 804*	-17 741	-37 454	-52 028	-27 581
Lease liabilities	-100 999	*-125 586*	-6 867	-14 574	-60 896	-43 249
Trade liabilities and other financial liabilities	-57 429	*-57 429*	-45 814	-8 300	-3 315	-
Issued bonds	-100 149	*-123 273*	-	-3 915	-119 358	-
	-377 675	***-441 092***	**-70 422**	**-64 243**	**-235 597**	**-70 830**

31. Risk management (continued)

- As at 31 December 2019, the Group reports a bank loan received from J & T Banka a.s. within short-term liabilities in the amount of EUR 28 731 thousand (CZK 730 000 thousand), which was provided to BigBoard Praha, a.s. as a bridge loan to finance the repayment of the principal of withdrawn bonds ISIN CZ000350315. During 2020 loan maturity was prolonged to 29 May 2025.

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 2020 is as follows:

in thousands of EUR	**Corporations**	**Banks and financial institutions**	**Other**	**Total**
Assets				
Cash and cash equivalents	-	22 098	99	**22 197**
Trade and other receivables	40 520	43	332	**40 895**
Other financial assets	628	441	-	**1 069**
Loans granted	3 512	-	343	**3 855**
	44 660	**22 582**	**774**	**68 016**

Credit risk exposure by sector as at 31 December 2019 is as follows:

in thousands of EUR	**Corporations**	**Banks and financial institutions**	**Other**	**Total**
Assets				
Cash and cash equivalents	-	22 523	88	**22 611**
Trade and other receivables	30 618	51	906	**31 575**
Other financial assets	516	436	-	**952**
Loans granted	3 231	-	17	**3 248**
	34 365	**23 010**	**1 011**	**58 386**

As at 31 December 2020, the average interest rate on provided loans was 4.52% (as at 31 December 2019: 5.33%).

As at 31 December 2020, loans granted include 1 significant loan that represents 19% of the total loans provided (as at 31 December 2019: 2 significant loans represented 38% of total loans provided).

31. Risk management (continued)

Credit risk exposure by country as at 31 December 2020 is as follows:

in thousands of EUR	Slovakia	Czech Republic	Austria	Other	Total
Assets					
Cash and cash equivalents	9 854	6 157	5 954	232	**22 197**
Trade and other receivables	24 775	13 057	940	2 123	**40 895**
Other financial assets	-	432	437	200	**1 069**
Loans granted	2 959	396	-	500	**3 855**
	37 588	**20 042**	**7 331**	**3 055**	**68 016**

Credit risk exposure by country as at 31 December 2019 is as follows:

in thousands of EUR	Slovakia	Czech Republic	Austria	Other	Total
Assets					
Cash and cash equivalents	10 565	4 657	7 375	14	**22 611**
Trade and other receivables	14 578	13 697	1 090	2 210	**31 575**
Other financial assets	-	511	436	5	**952**
Loans granted	3 177	70	-	1	**3 248**
	28 320	**18 935**	**8 901**	**2 230**	**58 386**

Credit risk exposure – impairment of financial assets:

Trade and other receivables

in thousands of EUR	31 December 2020				31 December 2019			
	Nominal value	%	Impairment allowance	Carrying value	Nominal value	%	Impairment allowance	Carrying value
Due maturity	26 884	62	-440	26 444	22 722	67	-358	22 364
Overdue 1-30 days	3 241	7	-298	2 943	4 773	14	-54	4 719
Overdue 31-180 days	4 556	10	-184	4 372	3 909	12	-217	3 692
Overdue 181-365 days	6 378	15	-513	5 865	531	2	-239	292
Overdue more than 365 days	2 841	6	-1 570	1 271	1 746	5	-1 238	508
	43 900	**100**	**-3 005**	**40 895**	**33 681**	**100**	**-2 106**	**31 575**

31. Risk management (continued)

Loans granted

in thousands of EUR	31 December 2020				31 December 2019			
	Nominal value	**%**	**Impairment allowance**	**Carrying value**	**Nominal value**	**%**	**Impairment allowance**	**Carrying value**
Due maturity	3 894	89	-39	3 855	3 287	88	-39	3 248
Overdue more than 365 days	461	11	-461	-	468	12	-468	-
	4 355	**100**	**-500**	**3 855**	**3 755**	**100**	**-507**	**3 248**

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 2020 is as follows:

in thousands of EUR	**EUR**	**CZK**	**USD**	**HRK**
Assets				
Cash and cash equivalents	691	23	25	-
Trade and other receivables	117	71	-	-
Loans granted	53	-	-	499
	861	**94**	**25**	**499**
Liabilities				
Bank loans and interest bearing loans and borrowings	620	9 168	-	-
Trade liabilities and other financial liabilities	27	244	10 604	-
	647	**9 412**	**10 604**	**-**

Currency risk exposure as at 31 December 2019 is as follows:

in thousands of EUR	**EUR**	**CZK**	**USD**
Assets			
Cash and cash equivalents	505	64	108
Trade and other receivables	119	127	-
	624	**191**	**108**
Liabilities			
Bank loans and interest bearing loans and borrowings	709	9 028	-
Trade liabilities and other financial liabilities	227	11	9 489
	936	**9 039**	**9 489**

31. 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 2020	
CZK	847
USD	965
31 December 2019	
CZK	804
USD	856

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 2020**	**31 December 2019**
Fixed interest rate		
Cash and cash equivalents, and loans granted	25 953	25 771
Bank loans and interest-bearing loans and borrowings	-9 688	-38 764
Issued bonds	-103 114	-100 149
Lease liabilities	-89 198	-100 521
	-176 047	**-213 663**
Floating interest rate		
Bank loans and interest-bearing loans and borrowings	-102 162	-80 334
Lease liabilities	-310	-478
	-102 472	**-80 812**

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 2020**	**31 December 2019**
A decrease in interest rates by 100 bp	1 007	802
An increase in interest rates by 100 bp	-1 007	-802

31. 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 2020 in the amount of EUR 19 415 thousand (as at 31 December 2019: EUR 28 190 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 2020, other capital funds were increased by the parent company TV JOJ L.P. in the amount of EUR 1 560 thousand (for the year ended 31 December 2019, other capital funds were increased by the parent company TV JOJ L.P. in the amount of EUR 1 560 thousand).

32. 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 2020**			**31 December 2019**		
	Carrying amount	**Fair value Level 2**	**Fair value Level 3**	**Carrying amount**	**Fair value Level 2**	**Fair value Level 3**
Financial assets						
Loans granted	3 855	-	3 830	3 248	-	3 188
Financial liabilities						
Bank loans	93 781	97 145	-	101 367	103 176	-
Interest-bearing loans and borrowings	18 069	17 665	-	17 731	16 897	-
Issued bonds	103 114	104 507	-	100 149	101 019	-

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

33. 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 25 - Bank loans and Interest-bearing loans and borrowings, the Group as at 31 December 2020 guarantees in the form of payment guarantees for third party loan liabilities in the amount of EUR 5 746 thousand (as at 31 December 2019: EUR 3 222 thousand).

34. Subsequent events

On 1 January 2021, the Group acquired through its Akzent BigBoard, a.s., 80% share in QEX Plochy s. r. o. The purchase price allocation process to identifiable assets and liabilities in acquired subsidiary has not been finished yet.

Through its subsidiary BigZoom a.s., on 1 January 2021, the Group established Inzeris s.r.o. in which it will have a 70% share.

Through its subsidiary BigMedia, spol. s.r.o. (Czech Republic), on 6 January 2021, the Group acquired 19% share in Muchalogy s.r.o. Despite the fact that the effective share of the Group will be less than 50%, the Group has assessed that it will control this company through its subsidiary BigMedia, spol. s.r.o. (Czech Republic).The purchase price allocation process to identifiable assets and liabilities in acquired subsidiary has not been finished yet.

35. Other events

The contract concluded between Czech Outdoor s.r.o. and Ředitelství 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 Ředitelství 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 783 thousand (CZK 20 705 thousand). 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 and at the same time a contingent liability item is created, recognised as a prepaid expenses.

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.

36. Group entities

A list of the Group entities as at 31 December 2020 is as follows:

	Country of registration	Company share held	Control	Consolidation method
JOJ Media House, a. s.	Slovakia	100%	direct	Full
Slovenská produkčná, a.s.	Slovakia	94.96%	direct	Full
MAC TV s.r.o.	Slovakia	100%	indirect	Full
TELEPON PLUS, spol. s r.o.	Slovakia	49%	indirect	Equity
PMT, s.r.o.	Slovakia	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. [9]	Czech Republic	100%	indirect	Full
Akzent BigBoard, a.s.	Slovakia	100%	direct	Full
BigMedia, spol. s r.o.	Slovakia	100%	indirect	Full
RECAR Bratislava a.s.	Slovakia	70%	indirect	Full
RECAR Slovakia a.s.	Slovakia	100%	indirect	Full
BHB, s.r.o.	Slovakia	51%	indirect	Full
Akcie.sk, s.r.o.	Slovakia	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.	Slovakia	30%	direct	Equity
BigBoard Praha, a.s.	Czech Republic	60%	direct	Full
BigMedia, spol. s r.o.	Czech Republic	100%	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
Český billboard, 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	65%	indirect	Full
Kitchen Lab s.r.o. [5]	Czech Republic	70%	indirect	Full
Nadační fond BigBoard	Czech Republic	100%	indirect	Full
BigZoom a.s.[7,8]	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

36. Group entities (continued)

A list of the Group entities as at 31 December 2020 is as follows (continued):

	Country of registration	Company share held	Control	Consolidation method
Hyperslevy.cz, s.r.o.	Czech Republic	50.5%	indirect	Full
Slovenská inzercia, s. r. o.	Slovakia	100%	indirect	Full
Hyperinzercia, s. r. o.	Slovakia	100%	indirect	Full
MetroZoom s.r.o.	Czech Republic	100%	indirect	Full
PRAHA TV s.r.o.	Czech Republic	34%	indirect	Equity
CovidPass s.r.o.	Czech Republic	100%	indirect	Full
eFabrica, a. s.	Slovakia	72%	direct	Full
Radio Services a.s.	Slovakia	100%	direct	Full
Lafayette s. r. o.	Slovakia	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.	Slovakia	100%	direct	Full
PTA Group s. r. o.	Slovakia	70%	direct	Full

A list of the Group entities as at 31 December 2019 is as follows

	Country of registration	Company share held	Control	Consolidation method
JOJ Media House, a. s.	Slovakia	100%	direct	Full
Slovenská produkčná, a.s.	Slovakia	94.96%	direct	Full
MAC TV s.r.o.	Slovakia	100%	indirect	Full
TELEPON PLUS, spol. s r.o.	Slovakia	49%	indirect	Equity
PMT, s.r.o.	Slovakia	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
CS filmová, s.r.o. [9]	Czech Republic	100%	indirect	Full
Akzent BigBoard, a.s.	Slovakia	100%	direct	Full
BigMedia, spol. s r.o.	Slovakia	100%	indirect	Full
RECAR Bratislava a.s.	Slovakia	70%	indirect	Full
RECAR Slovakia a.s.	Slovakia	100%	indirect	Full
BHB, s.r.o.	Slovakia	51%	indirect	Full
Akcie.sk, s.r.o.	Slovakia	100%	direct	Full
EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH	Austria	100%	indirect	Full

36. Group entities (continued)

A list of the Group entities as at 31 December 2019 is as follows (continued):

	Country of registration	Company share held	Control	Consolidation method
R + C Plakatforschung und –kontrolle Gesellschaft mbH	Austria	51%	indirect	Full
Starhouse Media, a. s.	Slovakia	30%	direct	Equity
BigBoard Praha, a.s.	Czech Republic	60%	direct	Full
BigMedia, spol. s r.o.	Czech Republic	100%	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
Český billboard, 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	65%	indirect	Full
Kitchen Lab s.r.o. [5]	Czech Republic	70%	indirect	Full
Nadační fond BigBoard	Czech Republic	100%	indirect	Full
HyperMedia, a. s. [7,8]	Czech Republic	60%	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.	Slovakia	100%	indirect	Full
Hyperinzercia, s. r. o.	Slovakia	100%	indirect	Full
MetroZoom s.r.o.	Czech Republic	100%	indirect	Full
PRAHA TV s.r.o.	Czech Republic	34%	indirect	Equity
eFabrica, a. s.	Slovakia	72%	direct	Full
Radio Services a.s.	Slovakia	100%	direct	Full
Lafayette s. r. o.	Slovakia	100%	direct	Full
NOVI LIST d.d.	Croatia	84.32%	direct	Full
Glas Istre Novine d.o.o. [2]	Croatia	89.05%	direct	Full
RTD d.o.o. Zadar	Croatia	100%	direct	Full
NIVEL PLUS s.r.o.	Slovakia	100%	direct	Full

[1] The Group owns a 50% share in Barrandia s.r.o. through its subsidiary BigBoard Praha, a.s. and a 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. a 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 a 0.1% share through its subsidiary BigMedia, spol. s r.o. (Czech Republic).

36. Group entities (continued)

[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. and a 95.88% share through its subsidiary HyperMedia, a. s.

[7] On 1 January 2020, the Group acquired an additional 16.67% interest in HyperMedia, a. s. On 31 May 2020, the company name was changed from HyperMedia, a. s. to BigZoom a.s.

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

[9] During 2020, CS filmová, s.r.o. merged with Československá filmová společnost, s.r.o.

37. 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 2020, the key management personnel of the Company received a remuneration in the amount of EUR 51 thousand (for the year ended 31 December 2019: EUR 103 thousand).

Other transactions with related parties

For the year ended 31 December 2020, the Group reported receivables from associates in the amount of EUR 2 thousand and receivables from other related parties in the amount of EUR 1 063 thousand (as at 31 December 2019, the Group did not recognise any receivables nor liabilities to related parties).

For the year ended 31 December 2020, the Group recognised revenue to associates in the amount of EUR 94 thousand and expenses in the amount of EUR 416 thousand. The Group recognised revenue from other related parties in the amount of EUR 227 thousand (for the year ended 31 December 2019: revenues from associates in the amount of EUR 8 thousand).

For the year ended 31 December 2020 the parent company TV JOJ L.P. increased other capital funds in the amount of EUR 1 560 thousand (for the year ended 31 December 2019 the parent company TV JOJ L.P. increased other capital funds in the amount of EUR 1 560 thousand).

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

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

38. Approval of consolidated financial statements

The financial statements, on pages 1 to 93 for the year ended 31 December 2020 were prepared and approved by the Board of Directors for issue on 30 July 2021.

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Mgr. Richard Flimel
Chairman of the Board of
Directors