JOJ Media House, a. s.

Independent Auditors' Report
on the Consolidated Financial Statements and Annual Report
and
Annual report 2021

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

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

Independent Auditors' Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

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

- the consolidated statement of financial position as at 31 December 2021;

and, for the period then ended:

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

and

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

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, 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 of our report. We are independent of the Group in accordance with the ethical requirements of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended ("the Act on Statutory Audit") including the Code of Ethics for an Auditor that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have determined the following key audit matter:

Impairment of long-lived assets

Goodwill and other intangible assets: EUR 86,306 thousand as at 31 December 2021 (EUR 90,969 thousand as at 31 December 2020); related impairment loss as at 31 December 2021: EUR 8,472 thousand (31 December 2020: EUR 5,972 thousand).

Property, plant and equipment: EUR 77,770 thousand as at 31 December 2020 (EUR 77,351 thousand as at 31 December 2020); related impairment loss as at 31 December 2021: EUR 310 thousand (31 December 2020: EUR 280 thousand).

Right-of-use assets: EUR 118,850 thousand as at 31 December 2021 (EUR 124,504 thousand as at 31 December 2020); no impairment recognized as at 31 December 2021 or 31 December 2020.

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

Key audit matter	*Our response*
Pursuant to the relevant provisions of the financial reporting standards, annual impairment testing is required for intangible assets with an indefinite useful life or not yet available for use, and for the cash-generating units ("CGUs") to which goodwill has been allocated. In addition, as discussed in Note 14, the Group identified impairment indicators in respect of its intangible assets with finite useful lives, property, plant and equipment and right-of-use assets, mainly related to weaker performance during the year. In view of the above factors, as at 31 December 2021, the Group tested intangible assets, property, plant and	Our procedures in the area included, among others: • Evaluating against the requirements of the relevant financial reporting standards the Group's accounting policy for identification of impairment, and measurement and recognition of any impairment losses in respect of long-lived assets; • Evaluating the design and implementation of selected internal control relating to the identification of impairment indicators and to the process of impairment testing; • Assessing the appropriateness of asset grouping into CGUs, based on our

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.

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 operations and business units;

- Assessing the Group's discounted cash flow model against the relevant financial reporting standards, market practice and for internal consistency;
- Evaluating the quality of the Group's forecasting by comparing historical projections with actual outcomes;
- Assisted by our own valuation specialists, challenging the key assumptions and data used in the impairment tests. This included, among other things:
  - Assessing reasonableness of the assumptions relating to future EBITDA and capital expenditures. We performed the procedure based on our understanding of the Group's activities and by reference to available historical and competitor data and macroeconomic data from the National Bank of Slovakia and European Central Bank. As part of the procedure we also considered potential effects of the COVID-19 pandemic;
  - Challenging reasonableness of the discount rates used, based, among other things, on data from publicly available market sources;
- Assessing susceptibility of the impairment model and the resulting impairment conclusion to management bias, by challenging the Group's analysis of the model's sensitivity to changes in key underlying assumptions;
- Assessing the appropriateness and completeness of impairment-related disclosures in the consolidated financial statements against the requirements of the financial reporting standards.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body;
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Reporting on other information in the 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 2021 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.

Reporting on other information related to European Single Electronic Format

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

We have been engaged by the Company to conduct a reasonable assurance engagement to verify the compliance of the presentation of the consolidated financial statements of Group for the year ended 31 December 2021 included in the Annual Financial Report (the "Presentation of the Consolidated Financial Statements") with the requirements of the ESEF Regulation.

Description of subject matter and applicable criteria

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

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

Responsibility of the management and those charged with governance

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

This responsibility includes:

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

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

Our responsibility

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

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

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

Our quality control and independence requirements

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

We comply with independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

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

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

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

Conclusion

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

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

Appointment and approval of an auditor

We have been appointed as a statutory auditor by the statutory body of JOJ Media House, a. s. on 29 November 2021 on the basis of approval by the General Meeting of JOJ Media House, a. s. held on 30 July 2021. 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 11 years.

Consistency with the additional report to the audit committee

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

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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.

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

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

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

Bratislava, 29 April 2022

JOJ Media House, a. s.
and Subsidiaries

Consolidated Financial Statements
for the year ended 31 December 2021

prepared in accordance with
International Financial Reporting Standards
as adopted by the 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 2021**	**Year ended 31 December 2020**
Revenue from the sale of merchandise and services	*5*	212 401	178 384
Other operating income	*6*	7 607	3 376
Total operating income		**220 008**	**181 760**
Gain on bargain purchase	*4*	196	-
Personnel expenses	*7*	-29 505	-27 807
Production and impairment costs of TV and radio broadcasting programs	*18*	-33 740	-29 700
Use and write-off of program rights	*18*	-13 745	-14 515
Posting, printing and removal of advertising	*8*	-10 739	-10 022
Depreciation, amortisation and impairment of non-current assets	*9*	-37 339	-34 629
Other operating expenses	*10*	-66 714	-61 068
Total operating expenses		**-191 782**	**-177 741**
Profit from operating activities		**28 422**	**4 019**
Exchange rate gain / (loss), net		-828	1 466
Interest expenses, net	*11*	-16 051	-16 233
Gain / (loss) from financial instruments, net		-1 780	705
Gain from associates and joint ventures		-	4
Profit from the sale of entities	*4*	-	772
Other financial income / (expenses), net		-543	-236
Profit / (loss) before tax		**9 220**	**-9 503**
Income tax	*12*	-4 391	-575
Profit / (loss) for the period		**4 829**	**-10 078**
Profit / (loss) for the period attributable to:			
Shareholders of the Company		3 465	-8 154
Non-controlling interests		1 364	-1 924

in thousands of EUR	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Other comprehensive income, after tax		
Items with subsequent reclassification into profit or loss:		
Foreign currencies translation differences	660	-572
Items without subsequent reclassification into profit or loss:		
Changes in fair value of equity securities and employee benefits recalculation (IAS 19)	-507	-11
Total other comprehensive income	**153**	**-583**
Total comprehensive income for the period	**4 982**	**-10 661**
Total comprehensive income for the period attributable to:		
Shareholders of the Company	3 660	-8 618
Non-controlling interests	1 322	-2 043

The notes presented on pages 9 to 92 form an integral part of the consolidated financial statements.

in thousands of EUR	*Note*	**31 December 2021**	**31 December 2020**
Assets			
Goodwill	*13*	12 316	13 589
Televisual format	*13*	62 744	66 792
Other intangible assets	*13*	11 246	10 588
Program rights	*18*	1 838	1 804
Accrued internal program rights	*18*	746	3 289
Property, plant and equipment	*15*	77 770	77 351
Investment property		257	569
Right-of-use assets	*16*	18 850	124 504
Investments in associates and joint ventures		615	585
Trade and other receivables	*19*	949	860
Loans granted	*20*	1 077	53
Other assets	*21*	736	18
Deferred tax asset	*26*	1 097	1 059
Total non-current assets		**290 241**	**301 061**
Program rights	*18*	13 465	17 520
Accrued internal program rights	*18*	28 472	29 209
Trade and other receivables	*19*	40 613	40 035
Other financial assets	*17*	446	1 069
Loans granted	*20*	1 904	3 802
Other assets	*21*	6 305	7 446
Corporate income tax asset		365	579
Cash and cash equivalents	*22*	22 418	22 197
Assets held for sale		103	-
Total current assets		**114 091**	**121 857**
Total assets		**404 332**	**422 918**

in thousands of EUR	*Note*	**31 December 2021**	**31 December 2020**
Equity			
Share capital		25	25
Other funds		63 085	62 280
Accumulated loss		-39 004	-42 215
Equity attributable to shareholders of the Company		**24 106**	**20 090**
Non-controlling interests		638	-675
Total equity	*23*	**24 744**	**19 415**
Liabilities			
Bank loans	*24*	60 918	52 653
Interest-bearing loans and borrowings	*24*	8 991	17 393
Issued bonds	*25*	74 534	56 381
Lease liabilities	*16*	71 158	73 525
Provisions	*27*	1 084	1 000
Trade liabilities and other financial liabilities	*28*	2 106	752
Other liabilities	*29*	216	557
Deferred tax liability	*26*	23 248	24 752
Total non-current liabilities		**242 255**	**227 013**
Bank loans	*24*	45 547	41 128
Interest-bearing loans and borrowings	*24*	10 271	676
Issued bonds	*25*	931	46 733
Lease liabilities	*16*	15 977	15 983
Provisions	*27*	1 098	1 414
Trade liabilities and other financial liabilities	*28*	49 592	55 847
Other liabilities	*29*	9 772	11 746
Corporate income tax liability		4 143	2 963
Liabilities related to assets held for sale		2	-
Total current liabilities		**137 333**	**176 490**
Total liabilities		**379 588**	**403 503**
Total equity and liabilities		**404 332**	**422 918**

The notes presented on pages 9 to 92 form an integral part of the consolidated financial statements.

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

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 from 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 recognised 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	*23*	-	-	-	-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**

The notes presented on pages 9 to 92 form an integral part of the consolidated financial statements.

in thousands of EUR	*Note*	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Cash flows from operating activities			
Profit / (loss) for the period		4 829	-10 078
Income tax	*12*	4 391	575
Interest expenses, net	*11*	16 051	16 233
Profit before interest and tax		**25 271**	**6 730**
Adjustments for:			
Depreciation, amortisation and impairment of non-current assets	*9*	37 339	34 629
Creation of impairment allowance for trade receivables and inventory	*10*	1 610	1 107
Creation of impairment allowance for loans provided	*20*	583	1
Creation of impairment allowance for accrued internal program rights	*18*	3 066	3 778
Write off of accrued internal program rights and program rights	*18*	1 314	1 034
Gain from associates and joint ventures		-	-4
Profit from the sale of entities	*4*	-	-772
Gain on bargain purchase	*4*	-196	-
Gain on written-off liabilities	*6*	-115	-95
Gain on investment property revaluation		-7	-16
Gain on lease termination	*6*	-363	-153
Gain on loan modification		-	-864
Change in provisions	*27*	406	687
(Profit) / loss from sale of non-current assets		-132	1 073
Other non-cash items		251	310
Operating profit before changes in working capital		**69 027**	**47 445**
(Increase) / decrease in program rights and internal program rights		2 951	-1 414
Increase in trade and other receivables and other assets		-4 286	-13 768
Increase / (decrease) in trade liabilities, other financial liabilities and other liabilities		-6 353	3 437
Cash flows from operating activities		**61 339**	**35 700**
Interest paid		-26 789	-11 702
Income tax paid		-5 268	-2 070
Net cash flows from operating activities		**29 282**	**21 928**
Cash flows from investment activities			
Proceeds from business combinations / (disbursements) on business combinations	*4*	63	-138
Cash outflow due to Company deconsolidation	*4*	-	-21
Proceeds from sale of property, plant and equipment, intangible assets and investment property		2 751	1 331
Acquisition of property, plant and equipment and intangible assets and investment property		-11 376	-5 557
Proceeds from financial instruments		-	64
Disbursements on loans granted		-6 063	-1 499
Proceeds from loans granted		6 293	1 249
Dividends received		8	8
Interest received		233	156
Net cash used in investment activities		**-8 091**	**-4 407**

in thousands of EUR	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Cash flows from financing activities		
Repayments of loans and borrowings	-46 599	-6 403
Drawings of loans and borrowings	53 833	32
Issued bonds	16 668	6 161
Repayment of bonds	-34 432	-
Repurchase of own bonds	-	-5 470
Repayment of lease liabilities	-15 315	-13 836
Increase of other capital funds	343	1 850
Dividends paid to non-controlling interests	-64	-49
Net cash used in financing activities	**-25 566**	**-17 715**
Decrease in cash and cash equivalents	-4 375	-194
Cash and cash equivalents as at 1 January*	4 438	4 797
Effect of exchange rate fluctuations on cash held	476	-165
Cash and cash equivalents as at 31 December*	**539**	**4 438**

Cash and cash equivalents include:

in thousands of EUR	*Note*	**31 December 2021**	**31 December 2020**
Cash and cash equivalents	*22*	22 418	22 197
Cash and cash equivalents included in assets held for sale		2	-
Bank overdrafts		-21 881	-17 759
Total		**539**	**4 438**

* 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 92 form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2021

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 2021 to 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associate entities and joint ventures.

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

The Company's bodies

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

Information about the parent 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 2021 a as at 31 December 2020 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**

* 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 2021 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 2021 to 31 December 2021.

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

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.

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 2021, 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.

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 optimisation 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 2021, the Group recognised a net profit of EUR 4 829 thousand. The net working capital of the Group as at 31 December 2021 amounted to EUR -23 242 thousand. The Group recognises resources in the amount of EUR 32 392 thousand in cash and cash equivalents and unused credit lines available to the Group at the date of preparation of the consolidated financial statements.

There is still uncertainty on the outbreak impact on future development of the Group's business and customer demand for its services.

Based on the publicly available information at the date these consolidated financial statements were prepared, the Group's management has considered the potential development of the outbreak and its expected impact on the Group and economic environment, in which the Group operates, including the measures already taken by the Slovak government and governments in other countries, where the Group's subsidiaries are located.

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 2021, the Group reports EUR 9 973 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. 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 2021, two bank loans of the Group in the total amount of EUR 15 606 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.

Based on these factors, the Group's management has reasonable expectations that the Group will have adequate resources and sufficient lending facilities. However, we cannot rule out the possibility that the reintroduction 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 2020.

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

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

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

Functional currency

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

The use of estimates and judgments

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

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

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 recognised in the business combination during the current accounting period and the goodwill reported in the prior accounting periods for potential impairment on an annual basis as at 31 December, i.e., as at the date of the preparation of the consolidated financial statements.

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

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

(i) 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 realisable value. Also, the Group has no non-current program rights and accrued internal program rights valued above the value in use.

International Financial Reporting Standards and the related changes in accounting policies

The following International Financial Reporting Standards, amendments to standards and interpretations adopted by the EU are effective for the accounting period starting 1 January 2021, and have been applied in preparing the Group's consolidated financial statements:

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.

Amendment to **IFRS 16,** issued in March 2021, which governs how a lessee accounts for rent concessions that are a direct consequence of COVID-19 beyond 30 June 2021. The amendment is effective for annual periods beginning on or after 1 April 2021. Early application is permitted. The amendment extends by one year the Amendment IFRS 16 issued in May 2020, which reacts by with practical simplification of accounting for rent concessions that are a direct consequence of COVID-19. The amendment only applies to tenants and allows concessions / discounts resulting from a direct consequence of the COVID-19 pandemic not to be reported as modifications. The Group has not made use of the possibility of practical simplification and is accounting for rent concessions as consequence of COVID-19 pandemic as modifications.

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

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

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

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

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

2. Significant accounting policies (continued)

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

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.

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

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

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

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

Other International Financial Reporting Standards

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

2. Significant accounting policies (continued)

c) Basis for consolidation

i. Business combinations

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

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

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

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

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

ii. Subsidiaries

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

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.

iii. Non-controlling interests

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

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

iv. Loss of control

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

v. Interests in equity- accounted investees

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

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

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

vi. Transactions eliminated on consolidation

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

vii. Consolidation scope

There are 58 companies included in the consolidation as at 31 December 2021 (2020: 52 companies), out of which 53 companies (2020: 47 companies) were consolidated using the full consolidation method and 5 companies (2020: 5 companies) using the equity method. All consolidated companies prepared their financial statements at 31 December 2021. These companies are listed in Note 35 – Group entities.

2. Significant accounting policies (continued)

viii. Unification of accounting policies

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

d) Foreign currency

i. Transactions in foreign currencies

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

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

ii. Financial statements of foreign entities

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

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

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

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

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

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

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

i. Owned assets

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

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
• Machines, tools and equipment	
Vehicles	4 to 5 years
Other	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)

f) Non-current intangible assets

i. Goodwill

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

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

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

ii. Other intangible assets

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

iii. Subsequent expenditure

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

iv. Amortisation

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

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

The estimated useful lives are as follows:

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

The useful lives of televisual format, contractual relationships and trademark have been specified by an independent third party when determining the fair value of assets at acquisition of subsidiaries. The estimated useful life of televisual format reflects the time frame of the target audience that was set at the date of the acquisition between the age of 12 and 54, assuming that in 42 years the preferences of the audience will change to other forms of media.

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[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.

g) Investment property

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

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

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

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

h) Program rights

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

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 program rights

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

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

iii. Program rights write-off

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

i) Accrued internal program rights

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

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

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

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

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

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

2. Significant accounting policies (continued)

j) Financial instruments

Financial assets

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

Financial assets carried at amortised cost

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

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

Financial assets carried at fair value through other comprehensive income

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

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

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

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

Financial assets carried at fair value through profit or loss

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

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

2. Significant accounting policies (continued)

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities carried at amortised cost

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

i. Initial recognition of financial instruments

Financial 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.

k) Other assets

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

l) Inventory

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

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

m) Impairment

i. Financial assets

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

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

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

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

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

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

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

2. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

Impairment allowance is reviewed as at each reporting date.

ii. Non-financial assets

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

2. Significant accounting policies (continued)

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

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

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

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

n) Provisions

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

o) Employee benefits

The Group has both defined benefit and defined contribution plans.

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

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

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

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

2. Significant accounting policies (continued)

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

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

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

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

p) Contractual liabilities

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

q) Other liabilities

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

r) Leases

Lessee

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

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

Lease term

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

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

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

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

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

2. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

2. Significant accounting policies (continued)

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

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

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

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

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

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

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

Lessor
The Group classifies each of its leases as operating leases.

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

s) Revenue from services

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

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

2. Significant accounting policies (continued)

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

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

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

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

t) State aid

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

u) Interest expenses and interest income

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

v) Income tax

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

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

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

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

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

2. Significant accounting policies (continued)

w) Fair value estimates

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

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

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

i. Loans granted

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

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

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

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

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

x) Assets held for sale

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

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

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

2. Significant accounting policies (continued)

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

y) Operating segments

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

3. Segment information

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

Information about significant customers

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

Additional segment information

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

3. Segment information (continued)

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

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

3. Segment information (continued)

Information on operating segments – Consolidated statement of 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 the sale of merchandise and 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 from 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 financial position as at 31 December 2021

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

3. Segment information (continued)

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

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

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 non-current 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**

4. Acquisitions and disposals of entities

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

Information about acquisition carried out and newly established entity for the period from 1 January 2021 to 31 December 2021 are presented in notes 4.a) to 4.e).

a) Details on foundation

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

b) Details on new acquisition

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

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

FORWARD-MEDIA Group (including FORWARD-MEDIA, spol. s r.o. a E2 Services, a. s.)
Based on an agreement on transfer of the ownership interest signed on 20 October 2021, the Company through the subsidiary Radio Services a.s. acquired a 100% share in the registered capital of FORWARD-MEDIA, spol. s r.o. The share was acquired for EUR 1 thousand. The Company also acquired 100% share in the registered capital of E2 Services, a. s. (originally EUROPA 2, a. s.). Both entities are consolidated using the full consolidation method.

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

c) Goodwill

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

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

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

d) Fair value adjustments of identified net assets

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

4. Acquisitions and disposals of entities (continued)

e) Effect of acquisitions

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

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

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

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 for the period from 1 January 2020 to 31 December 2020 is provided in Notes 4.f) to 4.j).

f) 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.

4. Acquisitions and disposals of entities (continued)

g) 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 registered capital of PTA Group s. r. o. The share was acquired for EUR 350 thousand. The entity is consolidated using the full consolidation method.

h) Goodwill

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

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

i) 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.

j) Effect of acquisitions

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

in thousands of EUR	*Note*	**PTA Group s. r. o.**
Property, plant and equipment	*15*	9
Trade and other receivables		38
Other assets		3
Cash and cash equivalents		37
Interest-bearing loans and borrowings	*24*	-4
Trade liabilities and other financial liabilities		-29
Other liabilities		-8
Corporate income tax liability		-9
Non-controlling interest		-11
Net identifiable assets		**26**
Goodwill on acquisition of new entity	*13*	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.

4. Acquisitions and disposals of entities (continued)

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.k) and 4.l).

k) Detail about deconsolidated 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.

l) 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**
Selling price				-
Profit from sale				**772**
Consideration received in cash				-
Decrease in cash				-21
Cash outflow				**-21**

5. Revenue from the sale of merchandise and services

Revenue per major categories are as follows:

in thousands of EUR	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Revenue from contracts with customers „Media Slovakia“	108 516	97 213
Revenue from contracts with customers „Media Czech Republic“	66 812	46 089
Revenue from contracts with customers „Media Austria“	26 594	24 925
Revenue from contracts with customers „Media Croatia“	10 047	9 739
Revenue from lease	432	418
Total	**212 401**	**178 384**

6. Other operating income

in thousands of EUR	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Received state aid	3 027	1 217
Revenue from fines and penalties	2 819	459
Revenue from market research	372	378
Profit from termination of leases	363	153
Insurance claims	159	175
Gain on written-off liabilities	115	95
Revenue from sale of inventory	-	254
Other	752	645
Total	**7 607**	**3 376**

7. Personnel expenses

in thousands of EUR	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Personnel expenses	-22 810	-20 658
Contribution to social and health insurance	-5 394	-5 508
Other wages and salaries costs	-1 301	-1 641
Total	**-29 505**	**-27 807**

The average number of employees of the Group during the period from 1 January 2021 to 31 December 2021 was 649, out of which management represents 35 (from 1 January 2020 to 31 December 2020: 718, out of which management: 30).

The number of Group employees as at 31 December 2021 was 668, out of which management represents 38 (as at 31 December 2020: 736, out of which management 33).

8. Posting, printing and removal of advertising

in thousands of EUR	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Posting of advertising	-7 351	-6 985
Printing of advertising	-3 281	-2 925
Removal of advertising	-107	-112
Total	**-10 739**	**-10 022**

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

in thousands of EUR	*Note*	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Depreciation of right-of-use assets	*16*	-20 053	-20 318
Depreciation of property, plant and equipment	*15*	-9 402	-8 630
Amortisation	*13*	-5 341	-5 681
Creation of impairment allowance for goodwill	*13*	-2 500	-
Creation of impairment allowance for property, plant and equipment	*15*	-43	-
Total		**-37 339**	**-34 629**

10. Other operating expenses

in thousands of EUR	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Lease - short-term leasing of equipment, variable (performance) lease and small-tickets lease	-8 953	-8 854
Retransmission	-8 711	-8 511
Marketing expenses	-8 667	-8 707
Material and energy consumption	-4 193	-3 633
The right-of-use of advertising space (transport companies)	-3 765	-4 052
Repair and maintenance	-3 734	-3 674
Legal, accounting and advisory services	-3 001	-1 809
Other costs on COVID- 19 testing	-2 765	-
Cost of merchandise sold	-2 643	-146
Other expenses related to publishing local daily newspapers	-2 427	-2 373
Other taxes and fees	-2 077	-2 093
Software support and IT services	-1 940	-1 618
Media surveys	-1 888	-2 216
Outsourcing expenses	-1 878	-1 584
Fees to performing rights societies and to AVF[1]	-1 697	-1 515
Creation of impairment allowance for trade receivables and inventory	-1 610	-1 107
Advertising time rent	-1 472	-2 129
Expenses related to representation, sponsoring	-942	-662
Telecommunication and internet services	-626	-660
Services related to rented premises	-602	-596
Transport and car insurance expenses	-553	-586
Insurance of property except for car insurance	-337	-361
Fines and penalties	-141	-384
(Creation) / release of provisions	58	-308
Loss on sale of property, plant and equipment	-	-1 073
Other	-2 150	-2 417
Total	**-66 714**	**-61 068**

[1]AVF – Audiovisual fund – state institution for support and development of audiovisual culture and industry

For the year ended 31 December 2021, the sale of COVID-19 tests caused the most significant increase in the cost of merchandise sold.

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 2021 amounted to EUR 317 thousand (year ended 31 December 2020: EUR 296 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 2021 amounted to EUR 7 thousand (year ended 31 December 2020: EUR 9 thousand).

11. Interest expenses and income

in thousands of EUR	*Note*	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Interest income			
Loans granted		186	161
Other		6	16
Total interest income		**192**	**177**
Interest expenses			
Issued bonds	*25,24*	-6 881	-6 534
Lease liabilities	*24*	-4 280	-4 681
Bank loans		-3 925	-4 011
Interest-bearing loans and borrowings		-937	-893
Other		-220	-291
Total interest expense		**-16 243**	**-16 410**
Interest expenses, net		**-16 051**	**-16 233**

12. Income tax

in thousands of EUR	*Note*	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Current income tax			
Current year		-6 242	-3 740
Corrections of previous periods		-41	41
Withholding tax		-2	-
Deferred income tax			
Creation and reversal of temporary differences and tax losses	*26*	1 894	3 124
Total tax charge recognised		**-4 391**	**-575**

12. Income tax (continued)

Reconciliation of the effective tax rate

in thousands of EUR	2021	%	2020	%
Profit / (loss) before tax	**9 220**		**-9 503**	
Income tax at local rate	1 936	21	-1 996	21
Effect of tax rates in other countries	-140	-2	-83	1
Permanent differences, net	2 521	27	2 032	-21
Tax losses to which no deferred tax was recognised in current period	564	6	1 800	-19
Utilisation of tax losses to which no deferred tax was previously recognised	-552	-6	-1 141	12
Decrease in deferred tax asset in the current period due to its non-utilisation	17	-	-	-
Correction of income tax from previous periods	41	-	-41	-
Tax licences	2	-	4	-
Withholding tax	2	-	-	-
Total tax charge recognised	**4 391**	**46**	**575**	**-6**

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% (2020: 21%). The tax rate in the Czech Republic is 19% (2020: 19%), in Austria 25% (2020: 25%) and in Croatia 18% (2020: 18%).

13. Goodwill, televisual format and other intangible assets

Year ended 31 December 2021

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

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

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**

14. Impairment testing of assets

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

a) Impairment testing for the year ended 31 December 2021

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

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

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

14. Impairment testing of assets (continued)

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

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

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

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

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

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

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

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

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

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

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

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 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.

14. Impairment testing of assets (continued)

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

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

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

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

- 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 the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

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

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

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

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

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

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

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

14. Impairment testing of assets (continued)

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

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

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 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 2021, the Group recognised for the CGU RADIO SERVICES[5] a goodwill in the amount of EUR 3 430 thousand.

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

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

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

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

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

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

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

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

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

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

14. Impairment testing of assets (continued)

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the 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 the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

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

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 9.5% to 11.0% would not cause the assets to be impaired. A decrease of net cash flows by 10% when 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., Czech Testing s.r.o. (Český billboard, s.r.o.), outdoor akzent s.r.o., Bilbo City s.r.o., QEEP, a.s., Velonet ČR, s.r.o., D & C AGENCY s.r.o., News Advertising s.r.o., Flowee s.r.o., Kitchen Lab s.r.o., BigZoom a.s., Programmatic marketing, s.r.o., Hyperinzerce, s.r.o., Quantio, s.r.o., Hyperslevy.cz,s.r.o., Slovenskainzercia s.r.o., Hyperinzercia, s.r.o., Eremia, a.s., CovidPass s.r.o., Muchalogy s.r.o., MetroZoom s.r.o. and Inzeris s.r.o.

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

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

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

[5] The group RADIO SERVICES includes: Radio Services a.s., FORWARD-MEDIA, spol. s r.o., E2 Services, a. s. (pôvodne EUROPA 2, a. s.). and TA Services, s.r.o.

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

14. Impairment testing of assets (continued)

b) 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, 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 BigBoard Praha[1], and therefore performed an impairment testing.

The assumptions used in the impairment testing of the BigBoard Praha[1] as at 31 December 2020 were as follows:

- CGU's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.
- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGU's market.
- A discount rate of 9% was determined based on the target structure of own and external capital of comparable businesses in the industry.
- Key assumptions, and also the most volatile ones, used in determining the value in use, were the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

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

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:

14. Impairment testing of assets (continued)

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

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

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase in discount rate from 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] a goodwill in the amount of EUR 1 913 thousand, non-current intangible assets with indefinite useful life, the trademark, in the amount of EUR 1 865 thousand, property, plant and equipment in the amount of EUR 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 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 22% 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 the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

14. Impairment testing of assets (continued)

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], the Group recognised non-current intangible asset with indefinite useful life, the trademark, in the amount of EUR 3 800 thousand, property, plant and equipment in the amount of EUR 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:

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

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

- The discount rate of 8.0% 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 the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

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

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8.0% to 9.0% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

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:

- 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.

14. Impairment testing of assets (continued)

- The discount rate of 9.0% 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 the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU 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 compared to the management estimate would not cause the assets to be impaired.

CGU Croatia[6]

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

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

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

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

- The discount rate of 10.0% 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 the discount rate and expected net cash flows with the significant impact of expected capital expenditures. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

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

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 10.0% to 11.0% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

[1] The group BigBoard Praha includes: BigBoard Praha, a.s., BigMedia, spol. s r.o., Czech Outdoor s.r.o., Expiria, a.s., RAILREKLAM, spol. s r.o., MG Advertising, s.r.o., Barrandia s.r.o., 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.

14. Impairment testing of assets (continued)

[3] The group Akzent BigBoard zahŕňa spoločnosti 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 and 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. and Glas Istre Novine d.o.o.

15. Property, plant and equipment

Year ended 31 December 2021

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

15. Property, plant and equipment (continued)

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**

Impairment of property, plant and equipment

As at 31 December 2021, the impairment provision amounted to EUR 309 thousand and will be used for the regular dismantling of advertising equipment (31 December 2020: EUR 280 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 2021 amounts to EUR 74 918 thousand (31 December 2020: EUR 58 237 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 133 pieces of advertising space of Czech Outdoor s.r.o. which net book value as at 31 December 2021 amounted to EUR 4 182 thousand. The above-mentioned criminal proceedings were not conducted against the company Czech Outdoor s.r.o., nor against its current or past directors. Criminal proceedings were conducted against former executives of Ředitelství silnic a dálnic ČR, with which Czech Outdoor s.r.o. in 2010 concluded an amendment to lease agreements. On 21 September 2018, the court acquitted the defendants and cancelled the seizure of advertising space. However, the public prosecutor appealed and subsequently the Municipal Court in Prague annulled the court's decision of 21 September 2018 and returned the case to the hearing. Appeals are currently under way, which require further expert opinions to determine the usual prices of concluded leases.
On 14 June 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 public prosecutor filed an appeal against the verdict, demanding higher penalties for the defendants and also to comply with his prosposal to seize substitute value (advertising space and equipment specified in the resolution of the Police of the Czech Republic of 23 June 2014).

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

16. Right-of-use assets and lease liabilities

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

Right-of-use assets

Year ended 31 December 2021

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

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

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**

For the year ended 31 December 2020, 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.

For the year ended 31 December 2021, no rent concessions were provided due to COVID-19 pandemic.

Lease liabilities

Lease-related costs recognised in profit or loss:

in thousands of EUR	*Note*	Year ended 31 December 2021	Year ended 31 December 2020
Interest expenses on leases	*11*	-4 280	-4 681
Rent – short-term lease	*10*	-6 418	-5 280
Rent – low value leasing	*10*	-1 052	-2 332
Rent – variable (performance) lease	*10*	-1 483	-1 242
Total		**-13 233**	**-13 535**

Cash flows from leases:

in thousands of EUR	*Note*	Year ended 31 December 2021	Year ended 31 December 2020
Interest paid on leases	*24*	-4 422	-4 642
Lease principal repayments	*24*	-15 315	-13 836
Lease payments for short-term leasing, leasing of low-value assets and variable (performance) lease		-8 953	-8 854
Total cash flows from leases		**-28 690**	**-27 332**

17. Other financial assets

in thousands of EUR	**31 December 2021**	**31 December 2020**
Mutual funds measured at fair value through the profit or loss	441	450
Equity securities measured at fair value through other comprehensive income	-	615
Other financial assets measured at fair value through the profit or loss	5	4
Total	**446**	**1 069**

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

As at 31 December 2020, equity securities measured at fair value through other comprehensive income included an equity share in RTD d.o.o. Zadar in the amount of EUR 200 thousand and other equity securities in the amount of EUR 415 thousand recognised at acquisition costs which represented the best estimate of their fair value.

As at 31 December 2021, based on the assessment of the Group's management, the equity share in RTD d.o.o. Zadar in the amount of EUR 200 thousand was remeasured to zero carrying amount. Other equity securities in the amount of EUR 415 thousand were remeasured to fair value of EUR 101 thousand as at 31 December 2021 and are recognised as assets held for sale within D & C AGENCY s.r.o. as at 31 December 2021. (see also Note 33 – Subsequent events).

Fair value hierarchy

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

in thousands of EUR	**31 December 2021**	**31 December 2020**
Level 1	441	450
Level 2	5	619
Total	**446**	**1 069**

18. Program rights and accrued internal program rights

Year ended 31 December 2021

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

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**
Use	- 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**
Use	-	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)

For the year ended 31 December 2021, the main increase in internal program rights was represented by series (for the year ended 31 December 2020: series).

in thousands of EUR	**31 December 2021**	**31 December 2020**
Valid program rights or those becoming valid within 1 year after the balance sheet date	13 465	17 520
Current program rights	**13 465**	**17 520**
Program rights becoming valid more than 1 year after the balance sheet date	327	334
Program rights becoming valid more than 2 years after the balance sheet date	1 511	1 470
Non-current program rights	**1 838**	**1 804**
Total	**15 303**	**19 324**

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 2021**	**31 December 2020**
Trade receivables	41 768	40 943
Other receivables	4 180	2 957
Receivables subtotal	**45 948**	**43 900**
Impairment allowance for receivables	-4 386	-3 005
Total	**41 562**	**40 895**

Changes in impairment allowance during the period:

in thousands of EUR	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Balance as at 1 January	**3 005**	**2 106**
Creation	2 516	1 507
Usage	-384	-84
Release	-893	-479
Changes due to translation differences	142	-45
Balance as at 31 December	**4 386**	**3 005**

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

20. Loans granted

in thousands of EUR	**31 December 2021**	**31 December 2020**
Loans granted	4 069	4 355
Impairment allowance for loans granted – Level 3	-1 088	-500
Total	**2 981**	**3 855**

See also Note 30 - Risk management.

Changes in impairment allowance during the period:

in thousands of EUR	**Year ended 31 December 2021**	**Year ended 31 December 2020**
Balance as at 1 January	**500**	**507**
Creation	583	1
Changes due to translation differences	5	-8
Balance as at 31 December	**1 088**	**500**

21. Other assets

in thousands of EUR	**31 December 2021**	**31 December 2020**
Advances paid	3 512	4 123
Prepaid expenses	2 125	1 950
Inventory	835	899
Tax assets	527	442
Receivables from employees and institutions of social security	42	50
Total	**7 041**	**7 464**

22. Cash and cash equivalents

in thousands of EUR	**31 December 2021**	**31 December 2020**
Bank accounts	21 272	19 097
Term deposits up to 3 months	1 000	3 001
Cash in hand	118	95
Vouchers	28	4
Total	**22 418**	**22 197**

23. Equity

Share capital

As at 31 December 2021 and 31 December 2020, the Company's share capital equals EUR 25 thousand. Share capital as at 31 December 2021 and 31 December 2020 constituted of 1 000 ordinary shares in a nominal value of EUR 25 per share.

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

Share capital is fully paid up.

Other funds

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

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

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 2021	**31 December 2020**
		%	%
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 2021 are shown in the table below:

Year ended 31 December 2021

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

23. Equity (continued)

31 December 2021

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

Year ended 31 December 2021

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

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 period (100%)	**-1 755**	**-569**	**283**
Profit / (loss) for the period attributable to non-controlling interests	-883	-122	299
Comprehensive income for period attributable to non-controlling interests	-702	-228	113

23. 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 investment 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**	**-**

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

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

Effect on acquisition 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
Acquisition cost of interest	-75
Change of equity attributable to shareholders of the Company	**-202**

24. Bank loans and interest-bearing loans and borrowings

in thousands of EUR	31 December 2021	31 December 2020
Bank loans - bearing fixed interest rates	110	7
Bank loans - bearing floating interest rates	106 355	93 774
Interest-bearing loans and borrowings - bearing fixed interest rates	10 473	9 681
Interest-bearing loans and borrowings - bearing floating interest rates	8 789	8 388
Total	**125 727**	**111 850**

The average interest rate of bank loans and interest-bearing loans and borrowings as at 31 December 2021 equalled to 4.51% (as at 31 December 2020: 4.28%).

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

in thousands of EUR	31 December 2021	31 December 2020
Property, plant and equipment	36 834	32 684
Accrued internal program rights	29 163	32 451
Trade and other receivables	26 063	13 414
Program rights	15 184	19 205
Cash and cash equivalents	7 974	4 348
Other non-current intangible assets	3 380	2 830
Loans granted	660	397
Investment property	257	569
Corporate income tax asset	141	42
Other financial assets	5	4
Other assets	3 813	3 870
Total	**123 474**	**109 814**

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

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

in thousands of EUR	**Bank loans and Interest-bearing loans and borrowings***	**Issued bonds**	**Lease liabilities**	**Equity attributable to share-holders of the parent company**	**Non-controlling interests**	**Total**
Balance as at 1 January 2021	**94 091**	**103 114**	**89 508**	**20 090**	**-675**	**306 128**
Changes in cash flows from financing activities						
Repayments of loans and borrowings	-46 599	-	-	-	-	-46 599
Drawings of loans and borrowings	53 833	-	-	-	-	53 833
Issued bonds	-	16 668	-	-	-	16 668
Repayment of bonds	-	-34 432	-	-	-	-34 432
Repayment of lease liabilities	-	-	-15 315	-	-	-15 315
Increase of other capital funds	-	-	-	260	83	343
Dividends paid to non-controlling interests	-	-	-	-	-64	-64
Total changes in cash flows from financing activities	***7 234***	***-17 764***	***-15 315***	***260***	***19***	***-25 566***
Other changes						
Interest expenses	4 499	6 881	4 280	-	-	15 660
Unrealised exchange rate losses, net	2 127	1 146	3 144	572	88	7 077
Interest paid	-4 100	-17 912	-4 422	-	-	-26 434
Changes from the acquisition of companies, the sale of companies and from changes in ownership without change in control	13	-	694	96	-29	774
Other changes	-18	-	9 246	3 088	1 235	13 551
Total other changes	***2 521***	***-9 885***	***12 942***	***3 756***	***1 294***	***10 628***
Balance as at 31 December 2021	**103 846**	**75 465**	**87 135**	**24 106**	**638**	**291 190**

* less overdrafts

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

in thousands of EUR	**Bank loans and Interest-bearing loans and borrowings***	**Issued bonds**	**Lease liabilities**	**Equity attributable to share-holders of the parent company**	**Non-controlling interests**	**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 and borrowings	-6 403	-	-	-	-	-6 403
Drawings of loans and borrowings	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**

* less overdrafts

25. 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 2021	Carrying value as at 31 December 2020
Type								
Payable to bearer	CZ0003503153	4.12.2012	5.12.2024	CZK	545 041	9,53	21 782	20 556
Payable to bearer	SK4120011222	7.12.2015	7.12.2021	EUR	48 500	6,36	-	45 799
Payable to bearer	SK4120014390	7.8.2018	7.8.2023	EUR	36 478	5,96	36 949	36 759
Payable to bearer	SK4000019972	7.12.2021	7.12.2026	EUR	17 035	5,71	16 734	-
							75 465	**103 114**

Issued bonds in the amount of EUR 931 thousand stated in the Group's statement of financial position within current liabilities, represent unpaid accrued interest.

ISIN CZ0003503153 bonds bear a fixed interest rate that is payable annually. Interest expense for the year ended 31 December 2021 amounted to EUR 1 992 thousand (for the year ended 31 December 2020: 1 924 thousand).

These bonds are not issued for public offer.

Bonds in the nominal value in the amount of CZK 100 000 thousand (EUR 4 023 thousand) were repurchased by the Group on 12 August 2013 and as at 31 December 2021 they are still held by the Group.

ISIN SK4120011222 bonds represented zero coupon bonds. Interest expense for the year ended 31 December 2021 was EUR 2 700 thousand (for the year ended 31 December 2020: EUR 2 683 thousand).

These bonds were repaid on 7 December 2021.

ISIN SK4120014390 bonds bear a fixed interest that is payable annually. Interest expense for the year ended 31 December 2021 is in the amount of EUR 2 123 thousand (for the year ended 31 December 2020: 1 927 thousand).

From this issue, as at 31 December 2021 the Group holds own bonds of nominal value EUR 1 620 thousand.

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

26. Deferred tax asset / (liability)

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

in thousands of EUR	Assets		Liabilities		Total	
	31 December 2021	**31 December 2020**	**31 December 2021**	**31 December 2020**	**31 December 2021**	**31 December 2020**
Temporary differences related to:						
Property, plant and equipment	1	51	-9 397	-10 118	-9 396	-10 067
Non-current intangible assets	6	1	-15 024	-15 851	-15 018	-15 850
Provisions	598	591	-	-	598	591
Leases	97	76	-7 017	-7 698	-6 920	-7 622
Tax losses	7 537	8 462	-	-	7 537	8 462
Other	1 054	852	-6	-59	1 048	793
Netting	*-8 196*	*-8 974*	*8 196*	*8 974*	-	-
Total	**1 097**	**1 059**	**-23 248**	**-24 752**	**-22 151**	**-23 693**

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

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

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

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**

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

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

in thousands of EUR	**31 December 2021**	**31 December 2020**
Tax losses	62 512	61 408
out of which tax losses of subsidiaries	*59 574*	*58 856*

Expected periods for expiration of tax losses utilisation:

in thousands of EUR	**2022**	**2023**	**2024**	**2025**	**After 2025**
Tax losses	2 091	2 156	2 768	3 747	82 454

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

27. Provisions

Year ended 31 December 2021

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

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**
Usage	-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**

[1]RpVaR – Council for Broadcasting and Retransmission

28. Trade liabilities and other financial liabilities

in thousands of EUR	**31 December 2021**	**31 December 2020**
Trade liabilities	37 800	44 927
Liabilities from reimbursements	8 792	8 293
Accrued expenses	2 807	1 954
Other financial liabilities	2 299	1 425
Total	**51 698**	**56 599**

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 2021**	**31 December 2020**
Overdue liabilities	5 249	7 261
Liabilities within due date	46 449	49 338
	51 698	**56 599**

One half of the overdue liabilities as at 31 December 2021 were paid by the reporting date. The Group expects that the remaining amount of the overdue liabilities will be paid by the end of 2022.

29. Other liabilities

in thousands of EUR	**31 December 2021**	**31 December 2020**
Other tax liabilities	4 108	5 514
Liabilities towards employees and institutions of social security	3 649	3 655
Contractual liabilities	2 078	2 996
Deferred income	85	71
Other	68	67
Total	**9 988**	**12 303**

As at 31 December 2021, the liabilities towards employees and institutions include a social fund liability in the amount EUR 65 thousand (as at 31 December 2020: EUR 59 thousand).

As at 1 January 2021, the opening balance of contractual liabilities amounted to EUR 2 996 thousand. For the year ended 31 December 2021, EUR 2 449 thousand of this amount was recognised as revenue of the current accounting period (from the opening balance of contractual liabilities as at 1 January 2020 in the amount of EUR 3 582 thousand, for the year ended 31 December 2020, EUR 2 771 thousand was recognised in revenue).

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

30. Risk management

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

Liquidity risk

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

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

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

The maturity of financial assets and liabilities as at 31 December 2021 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	22 418	*22 418*	22 418	-	-	-
Trade and other receivables	41 562	*41 562*	40 512	101	733	216
Other financial assets	446	*446*	446	-	-	-
Loans granted	2 981	*3 152*	-	2 001	1 151	-
	67 407	***67 578***	**63 376**	**2 102**	**1 884**	**216**
Liabilities						
Bank loans and interest bearing loans and borrowings	-125 727	*-139 311*	-21 460	-38 740	-79 111	-
Lease liabilities	-87 135	*-105 983*	-5 315	-14 069	-56 127	-30 472
Trade liabilities and other financial liabilities	-51 698	*-51 698*	-43 777	-5 815	-2 106	-
Issued bonds	-75 465	*-90 336*	-	-3 965	-86 371	-
	-340 025	***-387 328***	**-70 552**	**-62 589**	**-223 715**	**-30 472**

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

- The Group has several not fully drawn loans, which can be utilised when needed. Current financial needs are satisfied through overdraft facilities and undrawn credit lines. As at 31 December 2021 the Group recognises EUR 9 973 thousand (as at 31 December 2020: EUR 14 078 thousand) of undrawn credit lines.

30. Risk management (continued)

- The Group drew overdrafts in the amount of EUR 21 881 thousand as at 31 December 2021 (as at 31 December 2020: EUR 17 759 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 2022 in a cash outflow equalling to the amount of drawn balances of overdrafts as at 31 December 2021.

- As at 31 December 2021, the Group presents as current assets Program rights and accrued internal Program rights amounting to EUR 41 937 thousand (as at 31 December 2020: EUR 46 729 thousand). Utilising Program rights and internal Program rights, the Group will gain cash inflow, during 2022 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 2021, the Group sold only bonds in the amount of EUR 36 478 thousand.

- If necessary, the Group may also use ISIN SK4000019972 bonds in the amount of EUR 10 066 thousand to fund current operating needs and/or liabilities of companies in the Group. The approved volume of the bond issue was in the amount of 35 thousand pieces with issue price 77.43% , thus with a total nominal value EUR 27 101 thousand, of which as at 31 December 2021, the Group sold bonds in the amount of EUR 17 035 thousand.

- As at 31 December 2021, 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 2021, some of these conditions were not met, and therefore the Group reports loans in the amount of EUR 15 606 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 2022.

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**

30. Risk management (continued)

Credit risk

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

The Company has not received any guarantees for its receivables.

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

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

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**

As at 31 December 2021, the average interest rate on provided loans was 4.77% (as at 31 December 2020: 4.52%).

As at 31 December 2021, loans granted include 1 significant loan that represents 25% of the total loans provided (as at 31 December 2020: 1 significant loans represented 19% of total loans provided).

30. Risk management (continued)

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

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

Credit risk exposure 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 – impairment of financial assets:

Trade and other receivables

in thousands of EUR	**31 December 2021**				**31 December 2020**			
	Nominal value	**%**	**Impairment allowance**	**Carrying value**	**Nominal value**	**%**	**Impairment allowance**	**Carrying value**
Due maturity	29 027	64	-939	28 088	26 884	62	-440	26 444
Overdue 1-30 days	7 433	16	-172	7 261	3 241	7	-298	2 943
Overdue 31-180 days	5 412	12	-375	5 037	4 556	10	-184	4 372
Overdue 181-365 days	1 145	2	-606	539	6 378	15	-513	5 865
Overdue more than 365 days	2 931	6	-2 294	637	2 841	6	-1 570	1 271
	45 948	**100**	**-4 386**	**41 562**	**43 900**	**100**	**-3 005**	**40 895**

30. Risk management (continued)

Loans granted

in thousands of EUR	**31 December 2021**				**31 December 2020**			
	Nominal value	**%**	**Impairment allowance**	**Carrying value**	**Nominal value**	**%**	**Impairment allowance**	**Carrying value**
Due maturity	3 605	89	-624	2 981	3 894	89	-39	3 855
Overdue more than 365 days	464	11	-464	-	461	11	-461	-
	4 069	**100**	**-1 088**	**2 981**	**4 355**	**100**	**-500**	**3 855**

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 2021 is as follows:

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

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 borrowings	620	9 168	-	-
Trade liabilities and other financial liabilities	27	244	10 604	-
	647	**9 412**	**10 604**	**-**

30. Risk management (continued)

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

in thousands of EUR	**Effect on portfolio**
31 December 2021	
CZK	897
USD	384
31 December 2020	
CZK	847
USD	965

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 2021**	**31 December 2020**
Fixed interest rate		
Cash and cash equivalents, and loans granted	25 253	25 953
Bank loans and interest-bearing loans and borrowings	-10 583	-9 688
Issued bonds	-75 465	-103 114
Lease liabilities	-86 953	-89 198
	-147 748	**-176 047**
Floating interest rate		
Bank loans and interest-bearing loans and borrowings	-115 144	-102 162
Lease liabilities	-182	-310
	-115 326	**-102 472**

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 2021**	**31 December 2020**
A decrease in interest rates by 100 bp	1 144	1 007
An increase in interest rates by 100 bp	-1 144	-1 007

30. Risk management (continued)

Operational risk

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

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

Capital management

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

Management of the Group manages the shareholders' equity recognised in accordance with the International Financial Reporting Standards as adopted by EU as at 31 December 2021 in the amount of EUR 24 744 thousand (as at 31 December 2020: EUR 19 415 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 2021, other capital funds were not increased by the parent company TV JOJ L.P. (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).

31. Fair value information

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

in thousands of EUR	31 December 2021			31 December 2020		
	Carrying amount	**Fair value Level 2**	**Fair value Level 3**	**Carrying amount**	**Fair value Level 2**	**Fair value Level 3**
Financial assets						
Loans granted	2 981	-	2 921	3 855	-	3 830
Financial liabilities						
Bank loans	106 465	108 161	-	93 781	97 145	-
Interest-bearing loans and borrowings	19 262	18 718	-	18 069	17 665	-
Issued bonds	75 465	74 469	-	103 114	104 507	-

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

32. Contingent liabilities

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

In addition to the above-mentioned guarantee for the Group's loan liabilities in Note 24 - Bank loans and Interest-bearing loans and borrowings, the Group as at 31 December 2021 guarantees in the form of payment guarantees for third party loan liabilities in the amount of EUR 4 278 thousand (as at 31 December 2020: EUR 5 746 thousand).

33. Subsequent events

On 12 January 2022, the Group disposed a 100% share in D & C AGENCY s.r.o. through its subsidiary BigBoard Praha, a.s., As at 31 December 2021, the company is recognised as Assets held for sale.

On 12 January 2022, the Group acquired a 100% share in MACH - NARWALL, spol. s r. o. through its subsidiary BigBoard Praha, a.s. The purchase price allocation process to identifiable assets and liabilities in acquired subsidiary has not been finished yet.

On 19 February 2022, the Group acquired a 100% share in GES Slovakia, s.r.o. through its subsidiary Radio Services a.s. The purchase price allocation process to identifiable assets and liabilities in acquired subsidiary has not been finished yet.

On 25 March 2022, the Group acquired a 30% share in HROT, s.r.o. through its subsidiary BigBoard Praha, a.s. The purchase price allocation process to identifiable assets and liabilities in acquired subsidiary has not been finished yet.

On 6 April 2022, the Group acquired a 70% share in News Media s.r.o. through its subsidiary BigBoard Praha, a.s. The purchase price allocation process to identifiable assets and liabilities in acquired subsidiary has not been finished yet.

In February 2022, the conflict between Ukraine and the Russian Federation has escalated into a war due to the invasion of Ukraine by Russian military forces. In connection with the ongoing military conflict and related sanctions against the Russian Federation, the Group has not currently identified significant risks affecting its business.

Based on the available information and current developments, the Group constantly analyses the situation and assesses its direct impact on the Group. The Group's management assessed the potential impact of this situation on its business and concluded that it does not currently have a significant impact on the consolidated financial statements for the year ended 31 December 2021 or on the going concern assumption. The Group will monitor the further development of the conflict and, where possible, initiate appropriate countermeasures. The further development and intensity of current events cannot be predicted at this time.

34. Other events

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

Given that a group of 17 senators submitted a constitutional complaint before the effective date of the amendment to Act no. 13/1997 challenging the transitional provisions of this amendment terminating valid permits for advertising equipment in the protection zone of highways, and there was a real possibility that the Constitutional Court will repeal these transitional provisions and the contract between Czech Outdoor s.r.o. and Ředitelstvím silnic a dálnic ČR is valid until its expected termination on 31 December 2018, Czech Outdoor s.r.o. continue to consider this contract to be potentially valid and to meet

34. Other events (continued)

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 808 thousand (20 705 thousand CZK). Ředitelství silnic a dálnic ČR received these amounts, but did not issue any tax documents or receipts. Within the Group's financial statements, the rent is included in the advances provided.

On 19 February 2019, the Constitutional Court rejected the senators' complaint which definitively confirmed that the lease contract is not valid from 1 September 2017. Czech Outdoor s.r.o. therefore applied to Ředitelství silnic a dálnic ČR for the refund of the majority of the rent relating to the invalid contract. Currently, two lawsuits have been filed against Ředitelství silnic a dálnic ČR for the refund of part of the rent. As at 31 December 2021, the dispute is settled in court. No decision has yet been issued in this case. An amicable settlement of the dispute is currently in progress.

35. Group entities

A list of the Group entities as at 31 December 2021 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
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 Slovensko a.s.	Slovakia	100%	indirect	Full
BHB, s.r.o.	Slovakia	51%	indirect	Full
QEX Plochy s. r. o.	Slovakia	80%	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
Muchalogy s.r.o. [8]	Czech Republic	19%	indirect	Full
Czech Outdoor s.r.o.[3]	Czech Republic	100%	indirect	Full
Expiria, a.s.	Czech Republic	100%	indirect	Full
RAILREKLAM, spol. s r.o.	Czech Republic	100%	indirect	Full
MG Advertising, s.r.o.	Czech Republic	50%	indirect	Equity
QEEP, a.s.	Czech Republic	100%	indirect	Full
Barrandia s.r.o. [1]	Czech Republic	100%	indirect	Full
Czech Testing s.r.o. [10]	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

35. Group entities (continued)

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

	Country of registration	Company share held	Control	Consolidation method
Flowee s.r.o. [4, 11]	Czech Republic	52%	indirect	Full
Kitchen Lab s.r.o. [5]	Czech Republic	70%	indirect	Full
Nadační fond BigBoard	Czech Republic	100%	indirect	Full
BigZoom a.s.[7]	Czech Republic	76.67%	indirect	Full
Programmatic marketing, s.r.o.	Czech Republic	100%	indirect	Full
Hyperinzerce, s.r.o.	Czech Republic	100%	indirect	Full
Eremia, a.s. [6]	Czech Republic	100%	indirect	Full
Quantio, s.r.o.	Czech Republic	66%	indirect	Full
Hyperslevy.cz, s.r.o.	Czech Republic	50.5%	indirect	Full
Slovenská inzercia, s. r. o.	Slovakia	100%	indirect	Full
Hyperinzercia, s. r. o.	Slovakia	100%	indirect	Full
Inzeris s.r.o. [9]	Czech Republic	70%	indirect	Full
MetroZoom s.r.o.	Czech Republic	100%	indirect	Full
PRAHA TV s.r.o.	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
FORWARD-MEDIA, spol. s r.o.	Slovakia	100%	indirect	Full
E2 Services, a. s. (pôvodne EUROPA 2, a. s.)	Slovakia	100%	indirect	Full
TA Services, s.r.o.	Slovakia	100%	indirect	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 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.	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

35. 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
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. [10]	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, 11]	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]	Czech Republic	76.67%	indirect	Full
Programmatic marketing, s.r.o.	Czech Republic	100%	indirect	Full
Hyperinzerce, s.r.o.	Czech Republic	100%	indirect	Full
Eremia, a.s. [6]	Czech Republic	100%	indirect	Full
Quantio, s.r.o.	Czech Republic	66%	indirect	Full
Hyperslevy.cz, s.r.o.	Czech Republic	50.5%	indirect	Full
Slovenská inzercia, s. r. o.	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

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

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

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

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

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

35. Group entities (continued)

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

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

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

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

[10] On 7 July 2021, the company name was changed from Český billboard, s.r.o. to Czech Testing s.r.o.

[11] On 16 December 2021, the Group sold 13% share in Flowee s.r.o.

36. Related parties

Identification of related parties

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

Transactions with key management personnel

For the year ended 31 December 2021, the key management personnel of the Company received a remuneration in the amount of EUR 127 thousand (for the year ended 31 December 2020: EUR 51 thousand).

Other transactions with related parties

For the year ended 31 December 2021, the Group reported receivables from joint ventures in the amount of EUR 10 thousand and receivables from other related parties in the amount of EUR 499 thousand (as at 31 December 2020, the Group reported receivables from joint ventures in the amount of EUR 2 thousand and receivables from other related parties in the amount of EUR 1 063 thousand).

For the year ended 31 December 2021, the Group recognised expenses to the Company's shareholders in the amount of EUR 10 thousand and expenses to associates in the amount of EUR 156 thousand. The Group recognised revenue to other related parties in the amount of EUR 246 thousand (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, revenue to other related parties amounted to EUR 277 thousand).

For the year ended 31 December 2021, the parent company TV JOJ L.P. provided a loan to the Group in the amount of EUR 15 200 thousand, which was subsequently repaid and the Group no longer recognises any balance on this loan as at 31 December 2021 (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).

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

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

37. Approval of consolidated financial statements

The financial statements, on pages 1 to 92 for the year ended 31 December 2021 were prepared and approved by the Board of Directors for issue on 14 April 2022.

....
Mgr. Richard Flimel
Chairman of the Board of
Directors

ANNUAL REPORT

JOJ MEDIAHOUSE

2021

JOJ MEDIAHOUSE ANNUAL REPORT 2021

CONTENT

Dear Business Partners and Colleagues,

Both 2020 and 2021 were undoubtedly turbulent, whether because of the ongoing pandemic, the economic slump and subsequent inflation, or the unexpected rise in tensions across society. It has been several weeks since Russia attacked our neighbour, Ukraine. Watching with much sadness, we are nevertheless doing everything possible to report it in a timely and relevant manner. Our thoughts go out to our neighbours and we support the important, swift and robust action the international community has taken in sanctions against the aggressor and aid to the Ukrainians suffering because of the war. Solidarity has also been very noticeable in Slovakia and I am extremely proud of it. All of us can only hope for a quick end to the war and no irreparable damage left in its wake.

Despite these adverse circumstances, 2021 was a particularly successful year for JOJ Media House. In the midst of the greatest economic and pandemic crisis ever faced, last year we managed to achieve the best results in the Group's history, thus continuing to strengthen our leading position in Central Europe's media market.

I consider the most significant moment this past year to have been the shutdown of Radio Services. After a successful six years, our subsidiary will no longer be selling commercial blocks for four popular nationwide radio stations: Vlna, Anténa Rock, Jemné and Europa 2. It is no wonder that, in Slovakia's media business, the decision to close down our radio segment was among the top events of the past year. As far as the environment outside the Group is concerned, I would certainly like to commend the Ministry of Culture taking the initiative and embarking upon reform of media legislation, helping to replace outdated laws no longer suitable for the 21st century.

Among the top events that have contributed to the Group's success is the launch of new sports channels. In October 2021, JOJ Group launched JOJ Sport, headed by our long-time colleague Roman Neuschl. Putting this sports station on the air posed a big challenge for us because it required completely new staff and technical facilities. A number of new colleagues were recruited in a short period of time despite the challenging environment and new production rooms and studios have been built at Koliba, which we will be expanding in the coming months.

Outdoor advertisers continue to innovate entrepreneurially, developing tools to measure the impact of their advertising and striving for ongoing digitisation of their networks with the environment and sustainable development in mind. At the beginning of 2021, the Slovak Akzent BigBoard acquired decisive shares in the digital advertising segment, significantly diversifying their service portfolio. Last year was brought amendments to laws governing construction and road traffic, as well as changes in the approval of town and municipal plans, to which the Group is actively adapting.

Croatian and Slovakian newspapers are adapting quite quickly to the growing demand for information on the web, which is reflected in web traffic at all our portals. The Group also successfully operates companies in the digital advertising market from the television and outdoor segment, as well as those specialising in the development of Internet applications and digital marketing.

It was in 2002 when JOJ Television entered the media market, so this year it is celebrating its 20th anniversary. Therefore, I would like to take this opportunity to offer my congratulations. When JOJ started broadcasting on March 2, 2002, no one had any idea of the incredible journey in store. What was once a regional channel has since grown into a major television station introducing so many new had never seen before, launched the era of thematic channels and today broadcasts the most popular programs in Slovakia.

Finally, I would like to thank our business partners and investors for their trust, as well as all our employees. Your efforts have played a valuable role in us coping in these dramatic times. I believe that the crises of recent years will help us become stronger and more resilient than ever before, and they will move us forward not only as people, but also socially. Let us now take the opportunity to become not only commercially better, but also to make this world a better place to live for the people around us.

I wish you good health, success and resilience.

Richard Flimel

Chairman of the Board of Directors JOJ Media House, a.s.

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CORPORATE PROFILE

Since its incorporation on November 6, 2010, JOJ Media House, a.s., ("JOJ Media House", the "parent" 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 is continuously strengthening its position.

SLOVAK REPUBLIC

In Slovakia, JOJ Media House operates in the following markets:

TELEVISION BROADCASTING AND PRODUCTION

- Slovenská produkčná, a.s. (94.96% owned) – through this company, JOJ Media House owns:
- MAC TV s.r.o. (100%) holds a license to broadcast over stations TV JOJ, PLUS, WAU, JOJ Šport, RiK, Ťuki TV and also operates the Group's Internet portals
- DONEAL, s.r.o. (100%) – holds a license to broadcast JOJ Cinema
- Magical roof s.r.o. (80%) – holds a license to broadcast JOJ FAMILY
- Československá filmová společnost, s.r.o. (100%) – operates television channels CS film, CS mini, Kinosvět, Horor film, War TV and online video portal Film popular.
- PMT, s.r.o. (27%) – measures electronic television audiences with people meters.
- TELEPON PLUS, spol. s r.o. (49%)

OUTDOOR ADVERTISING

- Akzent BigBoard, a.s. (100% share) – Through this company, JOJ Media House owns shares in the following companies:
- BigMedia, spol. s r.o. (100%) – exclusively sells ads to parent carriers and the companies above
- RECAR Slovensko a.s. (100%) – advertising in means of transport
- RECAR Bratislava a. s. (70%) – advertising in means of transport in Bratislava, the capital city of Slovakia
- BHB, s.r.o. (51% share) – sells particular-nature advertising
- QEX Plochy s. r. o. (80%) - sells advertising on digital advertising media.

INTERNET AND APPLICATION DEVELOPMENT

- eFabrica, a. s. (72%) – develops Internet applications, designs websites, operates Internet domains and provides technical support.

RADIO BROADCASTING

- Radio Services a.s. (100%) – provides comprehensive services to radio broadcasters.
- FORWARD-MEDIA, spol. s r.o. (100%)
- EUROPA 2, a. s. (100%)
- TA Services, s.r.o. (100%)

OTHER SECTORS

- Starhouse Media, a.s., 30% owned by JOJ Media House, a.s., manages artists
- Lafayette s. r. o. (100%) – currently no business activity
- NIVEL PLUS s.r.o. (100%) – publishes newspapers
- PTA Group s. r. o. (70 %) – digital media agency

CZECH REPUBLIC

OUTDOOR ADVERTISING

JOJ Media House, a.s., holds 60% of the shares of BigBoard Praha, a.s. a leader through its companies in the Czech Republic's outdoor advertising market. BigBoard Praha, a.s., owns all or part of the following companies:w

- BigMedia, spol. s r.o. (100%) – rents advertising space on its network
- Muchalogy s.r.o. (19%)
- Czech Outdoor s.r.o. (100%) – rents advertising space
- Czech Testing s.r.o. (100%) – rents advertising space
- MG Advertising, s.r.o. (50%) – rents advertising space
- Barrandia s.r.o. (100%) – rents advertising space
- Expiria, a.s. (100%) – rents advertising space
- RAILREKLAM, spol. s r.o. (100%) – rents advertising space on assets of České dráhy, a.s.
- outdoor akzent s.r.o. (100%) – leader in the Czech Republic's outdoor billboard advertising market
- Bilbo City s.r.o. (100%) – rents advertising space
- Velonet ČR, s.r.o. (100%) – rents advertising space, operates bike sharing
- Qeep, a.s. (100%) – large-format outdoor media and LED screens in the city center of Prague
- News Advertising s.r.o. (100%) – rents advertising, especially double big-board spaces
- Flowee s.r.o. (52%) – operates the Czech Republic's biggest modern lifestyle page on the Internet
- Kitchen Lab s.r.o. (70%) – operates kucharky.cz, a web and mobile application
- Nadační fond BigBoard (100%) – endowment fund for charitable activities and assistance to persons in need.
- D & C AGENCY s.r.o. (100% share) – owns part of the following company:
- ERFLEX, a.s. (48%) – primarily builds and operates outdoor advertising and navigation space networks
- MetroZoom s.r.o. (100%) – sells advertising space in Prague metro stations
- BigZoom a.s. (76.7%) – engages with its subsidiaries in internet marketing, web representations and operation of discount and other portals
- Hyperslevy.cz, s.r.o. (50.5%)
- Quantio, s.r.o (66%)
- Hyperinzerce, s.r.o. (100%)
- Programmatic marketing, s.r.o. (100%)
- Eremia, a.s. (100%)
- Hyperinzercia, s.r.o. (SK) (100%),
- Slovenskainzercia s.r.o. (SK) (100%)
- PRAHA TV s.r.o. (34%) – broadcasts a Prague regional television channel
- CovidPass s.r.o. (100%)
- Inzeris s.r.o. (70%)

AUSTRIA

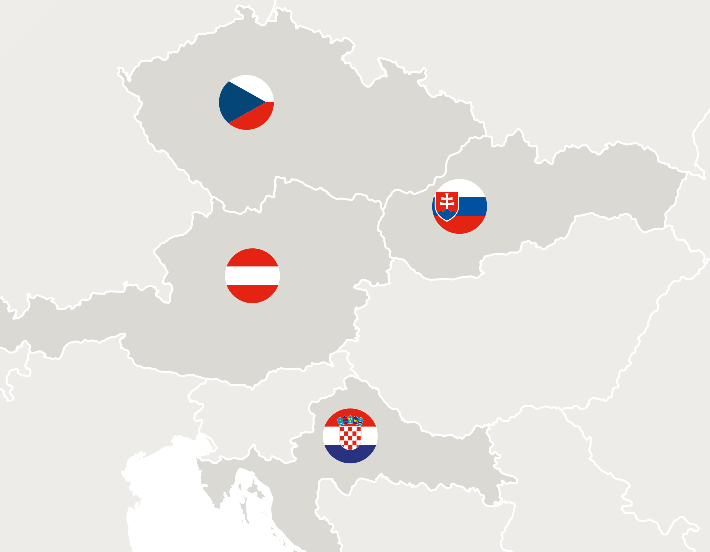
JOJ Media House, a.s., is the sole shareholder of Akcie.sk, s.r.o., which owns 100% of EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH ("EPAMEDIA"), ranked second in Austria's outdoor advertising market. EPAMEDIA owns part of the following company:

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

CROATIA

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

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



2

CORPORATE VALUES

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

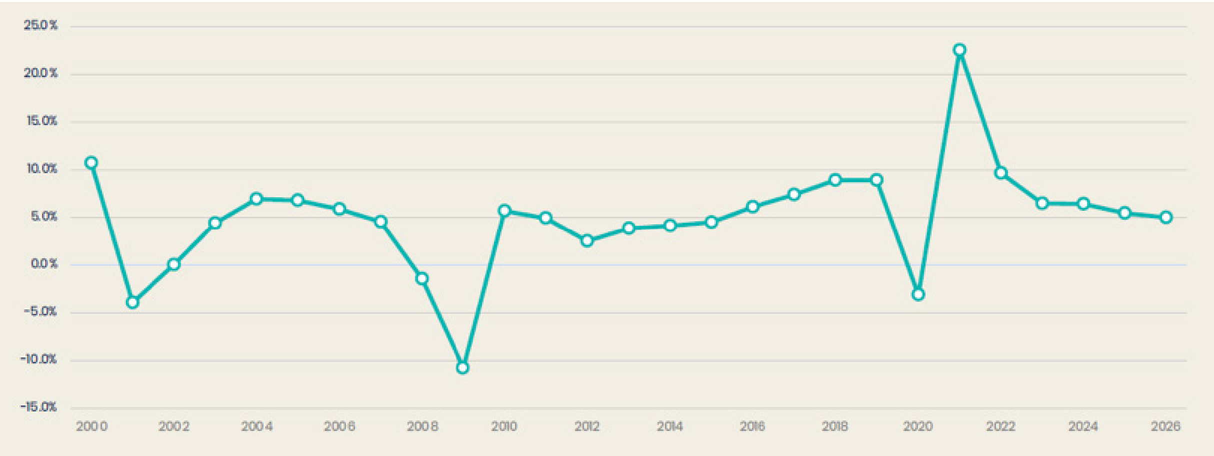
The JOJ Media House strategy is to expand its products via both organic and inorganic growth in Central and Eastern Europe and the streamlining of the activities of individual companies within the Group through synergistic links.

MEDIA MARKET ANALYSIS

According to the European Central Bank (ECB), the global economy remains on a recovery path, although some factors continue to affect near-term growth prospects. These include persistent supply constraints, rising commodity prices, the emergence of the coronavirus (COVID-19) Omicron variant and the war in Ukraine. The post-pandemic economic recovery looks likely to slow down. Rising commodity prices, escalating uncertainty in the economy and sanctions imposed on Russia will weigh on economic performance. December macroeconomic projections from Eurosystem experts estimate annual real GDP growth of be 5.1% in 2021, 4.2% in 2022, 2.9% in 2023 and 1.6% in 2024. The annual inflation rate is projected to reach 2.6% in 2021, 3.2% in 2022, 1.8% in 2023 and 1.8% in 2024, a substantial increase compared to September forecasts. The risk of inflation remaining above the 2% target for an extended period is even greater than the pre-war situation.

GroupM's expectations for the global advertising market in 2021 currently see a growth of 22.5%, and similarly, significant growth of 9.7% is expected in 2022. At a global level, the media they follow - TV, digital platforms, audio, newspapers and magazines, cinemas and outdoor - are expected to have a combined advertising revenue of $766 billion. Together, they are forecast to exceed $1 trillion for the first time in 2025, based on new estimates. However, it must be stressed that growth rates can vary considerably from country to country. Although many of the underlying trends are global, they appear to be disproportionately concentrated in the US, UK and China, which together account for around 70% of growth despite accounting for around 60% of the total market.

TOTAL AD GROWTH EXCLUDING POLITICAL ADVERTISING IN THE US

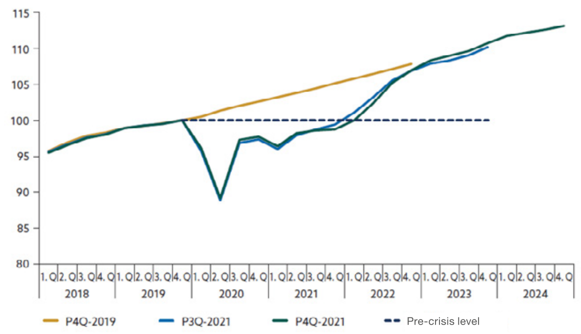


Source: GroupM

MEDIA MARKET IN THE SLOVAK REPUBLIC

Slovakia's gross domestic product will grow by 3.1% in 2021, according to the NBS's December forecast, and is expected to rise by 5.8% and 5.6% in the following years. In this forecast, the NBS again moved when GDP would be expected to reach the pre-pandemic level. The main reasons included the unfavourable pandemic situation and persistent component shortages in the automotive industry. These factors are more pronounced in Slovakia compared to other euro area countries. However, losses are expected to be covered in the coming years and a return to the pre-crisis trajectory is also foreseen.

ECONOMIC FORECAST (INDEX, Q4 2019 =100)



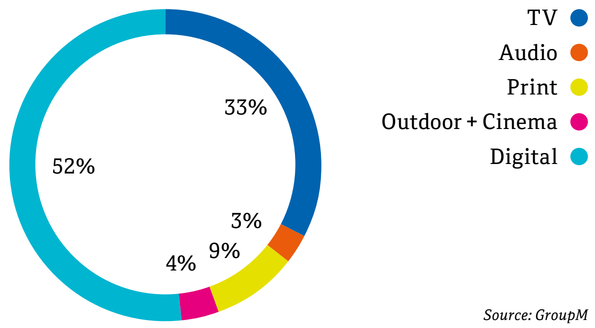
Source: National Bank of Slovakia

Slovakia's media market enjoyed a good year **while advertising costs rose 22.7%**. According to a GroupM estimate, 636 million dollars were channelled to Slovakian media, compared to 519 million dollars a year earlier. The media agency estimates overall growth in the Slovak media market of up to 10.6% in 2022 and for it to range between 4-7% in the following years. The pandemic has helped accelerate digitalisation. Zenith reports that, in addition to watching television, the consumption of digital media has increased, leading together with the growth of e-commerce to a rapid shift in media budgets from traditional to digital media.

Unimedia, a media agency, estimates a 4% rise this year in net media spending to €405.28 million. Forecasts show TV, cinema, out-of-home (OOH) and online segments all growing. Unlike print and radio, all of which are facing a downturn, television advertising is expected to climb 4% to €179.5 million. It still remains Slovakia's largest media, although no longer by such a significant margin over the online segment. The final media type experiencing growth is OOH, which is expected to increase 2.5% or €400,000 in terms of investment.

At 44.2% in 2022, television remains the largest media for advertising spending with online running with almost 42% in second place, up 41.2% from the previous year. Today it is clear that these two media types have clearly become the most dominant in the country. Unimedia believes that online spending may even overtake TV this year.

MEDIA MARKET PERCENTAGES IN THE SLOVAK REPUBLIC - 2021



Source: GroupM

TELEVISION ADVERTISING

In 2021, the both the Eurozone and Slovakian economies were growing, and this also had a positive impact on investments in the media market. According to GroupM estimates, the TV advertising sector grew by 14.4 %. TV continues to hold its important position in the Slovakian media market with a **market share of 32.7 %**.

The TV advertising market can be considered stable, as no new competitor entered the market in 2021, nor have there been any significant amendments to legislation. On the other hand, our current biggest competitor changed hands in 2020 when the **PPF Group** purchased Central European Media Enterprises (CME) for about $2.1 billion. In October 2020, the European Commission approved PPF Group NV's acquisition of CME, concluding that the transaction would give no rise to any competition concerns in the European Economic Area. CME owns television stations in five Central and Eastern Europe countries, including Markíza in Slovakia.

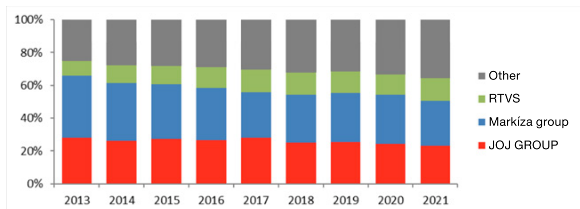
Major providers of television advertising continue to remain the following media companies:

MARKÍZA - SLOVAKIA, spol. s r.o. (owned by Central European Media Enterprises Ltd), which broadcasts over TV channels Markíza, Doma and Dajto,

Rozhlas a televízia Slovenska (RTVS) – a government-owned public service network broadcasting channels Jednotka (1), Dvojka (2), Trojka (3)/24 and Šport,

JOJ GROUP, which broadcasts channels JOJ, PLUS, WAU, Jojko, Ťuki TV, JOJ Cinema, JOJ Family, JOJ Šport. After acquiring a 100% stake in Československá filmová společnost, s.r.o., it now also operates CS Film, CS Mystery, CS History and CS Horro.

SHARE OF PRIME TIME VIEWERSHIP BY YEAR: OTHER, RTVS, MARKIZA GROUP, JOJ GROUP



Source: TNS

OUTDOOR ADVERTISING

GroupM estimated a 4.8 % decline in the Slovak outdoor advertising in 2021. Outdoor advertising's share in the overall market has also decreased, but is expected to grow slowly in coming years. JOJ Media House is the leader in the outdoor advertising market, owning 100% of Akzent BigBoard, a.s., a company that was established in 2008 and has 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 comprehensive services and streamlining their organizational structure in the face of administrative difficulty selling outdoor advertising.

2021 could be seen as the year of changes in **laws governing construction and road traffic** as well as the year where municipalities across Slovakia will have powers to approve advertising structures such as billboards and may use them to limit or even prohibit them. Amendments to the Building Act significantly reduced to a maximum three years the period for which an advertising structure may be permitted. Another major change is the expiration on 30 April 2024 of all current building permits that had been granted for an indefinite period.

RADIO ADVERTISING

On 21 April 2015, JOJ Media House, a.s., entered the radio advertising market by acquiring Harad, a.s., the parent of Radio Services, s.r.o. It provides comprehensive services to radio broadcasters from the sale of the advertising space in order to produce broadcasting content. Since 1 January 2016, Radio Services, a.s. has been exclusively selling commercial blocks on four established nationwide radio stations: **Rádio Vlna, Rádio Anténa Rock, Rádio Jemné and Rádio Europa 2**., enabling JOJ Media House to increase its market share and deliver an unrivalled product. Market share had grown year-on-year at the expense of major competitors Rádio Express, Rádio Slovensko and Fun rádio.

The radio stations under the umbrella of Radio Services were among the most listened in Slovakia (over 2 million listeners per week). **In 2021, the Group ceased operations in the radio segment with the acquisition of Jemné and Europa 2** by Bauer Media Audio, which operates Rádio Expres, Slovakia's radio market leader. Meanwhile, Rádio Vlna was taken over by Fun Media Group and Antenna Rock ceased operations on 30 September 2021. At the end of August, the Council for Broadcasting and Retransmission approved the transfer of the licences for all three radio stations effective 30 September 2021. Having terminated its cooperation with these stations, Radio Services has no further plans to provide services to radio broadcasters.

PRINT MEDIA

In October 2016, JOJ Media House expanded its activities to the print media segment when it purchased 100% of NIVEL PLUS s.r.o., which publishes **Bratislavské noviny**. It is a free newspaper delivered to the mailboxes of Bratislava households and ranks among the largest periodicals in Slovakia. In addition, JOJ Media House started publishing Petržalské noviny, a regional periodical, in May 2018. The COVID-19 pandemic brought an end to both Bratislavské noviny and **Petržalské noviny** between April and mid-June 2020. The publishing house then transferred all its energy to the web portal, which brought exceptional results. The print market in Slovakia has been losing market share, but no such significant decline is expected in the coming years. Print's share of total media spending should stay above 8%.

MEDIA MARKET IN AUSTRIA

Progress has been made in the fight against the pandemic with the recovery of the Austrian economy, but it depends nonetheless to a large extent on the government. Austria's economy has recovered from the deepest recession since the Second World War for GDP to reach the pre-crisis level in the third quarter of 2021. According to the European Commission's February estimates, **Austria's gross domestic product will grow by 4.3%** in 2022 and by up to 2.3% in 2023.

A similar positive trend is expected in investments in the media sector, and growth in this area is likely to follow gross domestic product, an increase compared to the previous year. JOJ Media House has been doing business **in the Austrian outdoor advertising market since 2012** and consider this market to be developed and stabilized. In recent years, the focus has been to optimise the advertising media portfolio and streamline the organizational structure, which has resulted in positive achievements for the Company.

MEDIA MARKET ANALYSIS

MEDIA MARKET IN THE CZECH REPUBLIC

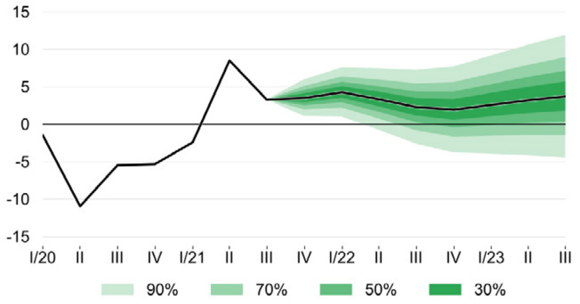
Compared to the previous year, year-on-year **economic growth increased by 3.1%**. Government financial assistance played a role in the adverse economic effects of the pandemic gradually fading away during the year. Improving sentiment among households and companies is expected and economic growth should resume. The Czech National Bank (CNB) has forecast 3% economic growth in 2022, which should further accelerate in 2023.

For 2021, monitored **gross advertising investment in media is up more than 5%**, with all media types outperforming comparable results from the previous period. Unfortunately, outdoor advertising has grown at the slowest pace so far because the beginning of the year was still marked by the pandemic-related economic shutdown, which is hitting OOH the hardest. This is true especially in comparison with the first quarter of 2020, the last pre-pandemic quarter, which was a record quarter in terms of OOH investments. But then OOH grew that much faster in the second half of the year with, for example, 37% year-on-year growth seen in November 2021. Growth was also supported by the **parliamentary elections in autumn 2021**, which, while not as strong in absolute terms as the previous parliamentary elections in 2017, still brought additional investment into media and OOH.

Television remains the strongest media type, based on GroupM estimates, has also returned to growth and now dominates the advertising market (47.3%). On-line advertising accounted for 33.2 %, and print advertising reached 11.3 % in advertising budgets last year. Radio advertising accounts for 3.1 % of the total, and **outdoor advertising together with cinema had a share of 5.0 % in 2021**. Kaufland, Lidl and Albert were using the highest priced ads out of all advertisement sponsors last year.

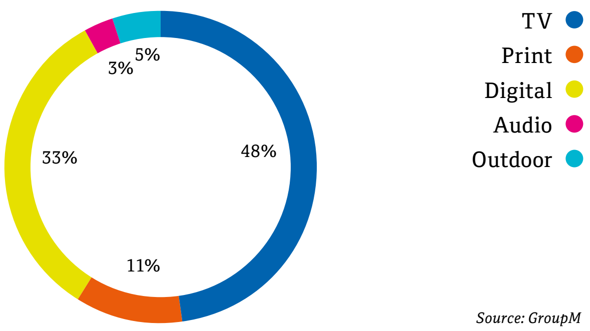
The largest provider of outdoor advertising in the Czech Republic is the BigBoard Group, owned by JOJ Media House. **BigBoard currently has an estimated 70% share** in this market which has been achieved both through organic growth and acquisitions.

GDP FORECAST FOR THE CZECH REPUBLIC



Source: The Czech National Bank

MEDIA MARKET PERCENTAGES IN THE CZECH REPUBLIC



Source: GroupM

MEDIA MARKET ANALYSIS

MEDIA MARKET IN CROATIA

According to European Commission estimates, **Croatia's GDP is expected to grow by 10.5% in 2021**, following a decline of 8.1% in 2020. But Croatians are worried about rising unemployment and inflation. The Croatian Parliament is likely to vote in April 2022 on a draft law for introduction of the euro. Subsequently, the European Union is expected to approve Croatia's application to join the Eurozone. If all legal requirements are met by the deadline, the euro should be adopted by Croatia as its legal tender on 1 January 2023 at an exchange rate of Kuna 7.53 per euro.

In April 2016, JOJ Media House acquired majority shares in respected regional journals Novi List, Glas Istre, and Zadarski list. These acquisitions have expanded our operation in the media market to the print media segment. GroupM estimates the **media market in Croatia to grow 9% this year**, with similarly high growth expected next year.

EXECUTIVE SUMMARY

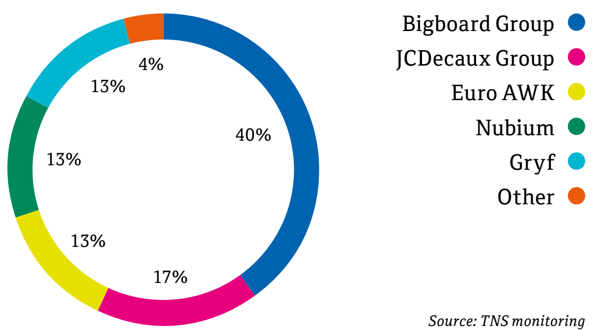
OUTDOOR ADVERTISING MARKET

OUTDOOR ADVERTISING IN THE SLOVAK REPUBLIC

2021 could be viewed as a year of changes, both in laws governing building construction and road traffic acts and in the approval of town and municipal plans throughout Slovakia that could bar outdoor advertising billboards. **The amendment to the Construction Act** significantly reduced the period for permitting advertising devices to a maximum of 3 years. Another major change was the expiry of all current building permits that had been granted for an indefinite term on 30 April 2024. Applications to change the term of these permits had been filed prior to the effective date of the amendment, thereby virtually preventing them from cancellation in 2024. But a major problem with the permits and renewing them has been significantly increased activism against “advertising smog”, which has led to either the modification or creation of master zoning plans that practically prohibit the placement of new advertising structures and issuing of new permits for them. The city of Bratislava has become an example for other towns and municipalities, where its newly adopted zoning plan has practically banned the placement of advertising structures in 80% of the city. Nevertheless, the approval of virtually all applications for new advertising structures can be considered a positive factor in 2021. A significant reduction in rental prices, a major goal which the acquisitions department has been actively working to achieve since the beginning of 2021, was also a positive development.

From a business perspective, the **pandemic and subsequent government regulations** had an adverse impact with the continued lockdown in late 2020 that lasted until April and May of 2021. Another factor was the late and complicated scheme for assisting small and medium-sized enterprises (SMEs) did not encourage clients to spend on advertising. The result was campaign planning shortened from a standard 3-4 months in advance to a monthly cycle, and in certain segments even to planning on a weekly basis. As a direct consequence, revenue across our outdoor advertising portfolio virtually replicated the company's struggle with the Covid-19 pandemic and its adverse factors. Corporate profits were directly aligned with monthly advertising sales, the first months significantly worse than the previous year in 2021 due to the ongoing second wave of the pandemic and which had been jump-started in 2020 by the waning political campaign prior to general elections. Overall, net earnings were better result than the previous year, although sales slightly fell.

MARKET SHARE OF SELECTED OOH COMPANIES IN 2021



Source: TNS monitoring

EXECUTIVE SUMMARY • OUTDOOR ADVERTISING MARKET

OUTDOOR ADVERTISING IN THE CZECH REPUBLIC

In 2021, monitored **gross advertising investment in media rose more than 5%**, with all media types outperforming the results from the previous period. Unfortunately, outdoor advertising grew at the slowest pace, by around 1%, because the beginning of the year was still marked by the economic shutdown set off by the pandemic, which hit OOH media the hardest. This is especially true when compared to the first quarter of 2020, the last pre-pandemic quarter, which had set a record for OOH investment. The year-on-year comparison of the first quarter was therefore quite dramatic. But then OOH grew much faster in the second half of the year, with 37% year-on-year growth in November 2021. The **parliamentary elections in autumn 2021** also provided an impetus for growth, although not as strong in absolute terms as the previous general elections in 2017, yet it still brought additional investment into media and OOH.

Surprisingly, print and radio were also among the highest growing media types. However, despite strong OOH growth in the second half of the year, investment volumes will remain below the last pre-pandemic year of 2019. Organic revenues earned by BigBoard Prague – revenue from same carriers on a comparable basis, rose 10.2% year-on-year, which can certainly be considered a success. Growth from the newly won Metro and HyperMedia contracts projects drove an **8.8% increase in BigBoard's sales revenue compared to the prior period.** Even though there was no year-on-year change in the top five positions, still dominated by retail chains Lidl, Kaufland and Albert, fast-moving consumer goods (FMCG) no longer dominate among the top 10 advertisers.

In 2020, group market share was more than 67% but BigBaord’s position as the Czech Republic’s second largest outdoor advertising operator weakened in 2021 as it had to start removing urban portables in Prague. Yet, it is evident that its market share had again risen again to an estimated 70%.

There was gradual improvement throughout 2021 over the situation in 2020 during the COVID-19 pandemic. All operators focused on returning to pre-COVID earnings and profitability. Most companies likely succeeded as no new acquisition opportunities emerged in the market motivated by the desire to avoid bankruptcy, nor has there been any major development project. Within the BigBoard group, the number of LED CLV screens per meter increased from 42 to 50. Efforts to **digitise the network continue**, but remain at the stage of seeking legislative support.

Media investment is expected from 2022 to grow, driven by a return to business as usual. But now a new problem has appeared on the horizon, a **sharp increase in inflation** driven by the rise in energy prices accompanied by the response of the Czech National Bank, which has raised interest rates to high levels and thus threatens to reduce household consumption. Such a move may also have an impact on media investment by advertisers. To date, no inflationary pressure have been passed on to operators' pricing policies, but it can be expected that price adjustments will take place towards the end of 2022 at the latest.

MetroZoom brings real-time passenger movement data to the Prague metro, which can be used for quick and accurate campaign planning. A mobile operator’s “big data” provides knowledge about the flows of all types of passengers around customer lifetime value (CLV) areas in every metro station, at any time of day, on any day of the week. Our BigPlan tool now lets us compile the most effective campaigns for each target group in the metro and provide standard media indicators for them.

Source: BigPlan Brochure

OUTDOOR ADVERTISING IN AUSTRIA

Since 2012, JOJ Media House has been advertising in Austria through EPAMEDIA, a company with more than 90 years of tradition in this field and the market leader in out-of-home advertising in Austria. With more than 18,970 outdoor advertising spaces - including more than 9,000 billboards, approximately 2,000 city lights and 19 digital city lights, 1,000 poster lights, 31 big boards, 100 solar billboards, special advertising areas and mobile billboards. EPAMEDIA is the first choice among outdoor advertisers for large national campaigns and local promotions. Together, it owns almost **20,000 spaces** across Austria to be among the market leaders with an estimated 34% share. Its traditional and biggest competitor is GEWISTA with a 42% market share and other companies composing the remaining 24%.

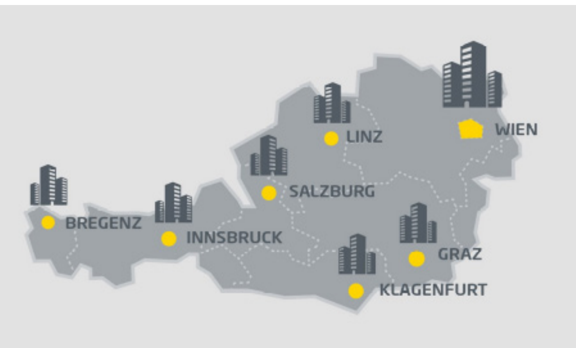
EPAMEDIA focuses mainly on optimising its portfolio of advertising media and a streamlined organisational structure, which are reflected in being a profitable concern. Since 2013, the company has been strategically and operationally managed by Brigitte Ecker and Ing. Mag. Alexander Labschütz. With six regional offices and headquarters in Vienna, EPAMEDIA has a **strong presence in all nine of Austria's provinces**.

Since its introduction in 2013, Outdoor Server Austria (OSA) has established itself as a major force in outdoor advertising planning. Its tool for measuring impact was developed by R&C Plakatforschung und -kontrolle Ges.m.b.H., which acts as a neutral service provider for all market participants in the out-of-home sector. Last but not least, the advancing digitalisation of outdoor advertising has necessitated a major restructuring at OSA. In collaboration with internationally renowned media experts, many innovations have been introduced at OSA NEW to allow for a significantly higher granularity of analysis.

For media planning you need valid, up-to-date, mediated and internationally comparable market research data for OOH advertising media. In addition to performance values for classic analogue advertising media - billboards, city light and poster light/rolling boards as well as big boards - OSA NEW now also offers hourly data for digital OOH media (DOOH) and also, in the near future, for traffic advertising. The use of additional data sources, such as movement data from A1 Telekom, as well as the use of the latest technology and a new method for determining reach, allows the campaign to be planned and analysed in different regions.

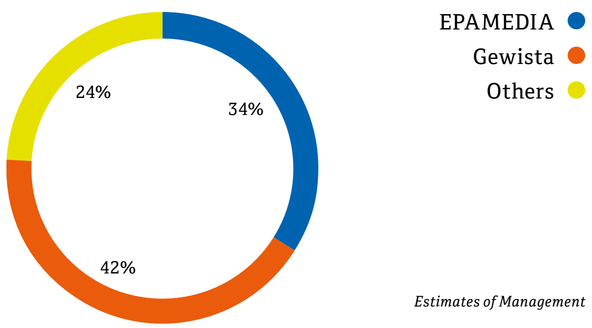
Particularly greater emphasis is being placed on the regional impact of OOH. The existing 15 OSA regions will be largely replaced by political districts as the smallest regional assessment unit. In this way, OSA NEW will be able to provide accurate reporting on the performance of national outdoor advertising campaigns as usual, but will also be able to support regional and local advertisers with detailed information on their individual distribution areas.

HEADQUARTERS IN VIENNA AND 6 REGIONAL OFFICES



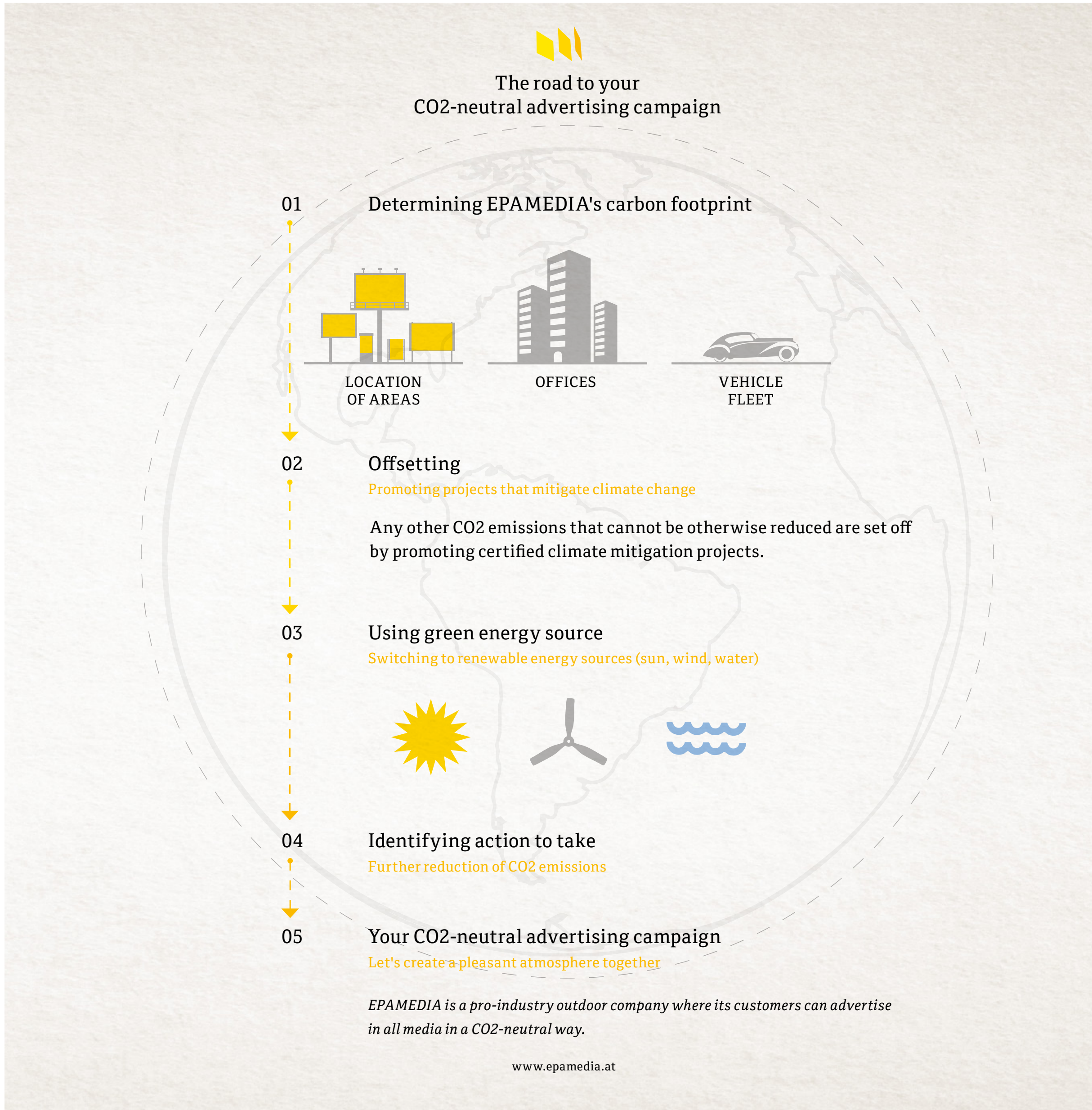
Source: EPAMEDIA

SHARES OF THE AUSTRIAN OOH MARKET IN 2021 BY NUMBER OF CARRIERS



Estimates of Management

The **environment and sustainable development** play an important role at the company. Since 2017, EPAMEDIA as the first outdoor company in Austria has been producing 100% CO2-neutral campaigns, and in Vienna, it 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 power light billboards with solar panels. In the first stage, the company will equip 100 billboards all over Austria with solar power, ensuring they would not need to be connected to the grid. That type of lighting will ensure better visibility in the evening, having a greater value for advertisers.



4.2

JOJ MEDIAHOUSE ANNUAL REPORT 2021

EXECUTIVE SUMMARY
TV JOJ GROUP

With the largest reach and widest coverage, available in every household and with a portfolio now including 16 TV stations and nearly 50 web portals, JOJ Group is the largest and most powerful media group in Slovakia,.

It all started in 2002 with the establishment of TV JOJ, the first of many stations to come and today a successful and popular television channel that broadcasts Slovakia's most watched newscast and offers viewers the most varied programming on the market. TV JOJ is Slovakia's only full-format commercial television available to all viewers. JOJ PLUS, the first of two sister channels to TV JOJ has been broadcasting since 2008 and mainly broadcasts films, while the other sister station, WAU, has been airing for eight years and mainly broadcasts series. In 2015, the same year that JOJ Group entered the Czech Republic, it purchased three pay TV stations. JOJ Cinema also broadcasts films while the remaining two stations, JOJko and Ťuki TV provides Slovak-language children's programming. They were joined a year later by JOJ Family, a Slovakia-based multi-genre family television channel intended for Czech audiences and Slovaks living in the Czech Republic. JOJ Group expanded its portfolio further in 2019 with the acquisition of the Czechoslovak Film Company and, after rebranding and strengthening both the company's technology and programming, it established CS Film, CS Mystery, CS History and CS Horror among its TV projects. Besides JOJ Group's own TV channels, its business portfolio includes stations from outside Slovakia such as Prima Plus from FTV Prima broadcasting in the Czech Republic, and high-quality thematic stations Film+, Spektrum and Minimax from AMC Networks International.
The JOJ brand covers not only TV stations but also online websites; a video portal with archived programming; news portal Noviny.sk; HUSTE.tv, the only sports internet television in Slovakia; and the TV JOJ mobile application. In 2019, JOJ Group joined forces with the online market's most prominent players to create video content for newly established VALETIN a partnership platform that aggregates and offers a video catalogue on more than 40 online portals.

Currently, JOJ Group is becoming an increasingly significant film co-producer and creator, where it is doing exceptionally well. Its projects include a number of successful titles including Trhlina (The Rift), Sklenená izba (The Affair), Šťastný nový rok, Bobule 3 and the upcoming Perinbaba (The Feather Fairy) and Dva svety, Šťastný nový rok 2, Matky, Večierok, Prvok, Šampón, Tečka, Karel and many more.

JOJ GROUP – THE LARGEST MEDIA GROUP IN SLOVAKIA

JOJ GROUP

16 TV CTHANNELS

2,1 MIL. VIEWERS DAILY

89 % MONTHLY REACH

2 HOURS DAILY VIEWING TIME (ATS)

valetin **2,0 MIL.** REAL USERS

valetin **46** PARTNERS WEBS

390 000 FOLLOWERS

222 000 FOLLOWERS

TikTok **21 500** FOLLOWERS

YouTube **897 000** SUBSCRIBERS

DATA SOURCES:
** JOJ GROUP, AVRCH (000), JANUARY – SEPTEMBER 2021, CD, 12+, LIVE + TS 0-3, PMT/KANTAR SLOVAKIA*
*** JOJ GROUP, AVMRCH %, JANUARY – SEPTEMBER 2021,CD, 12+, LIVE + TS 0-3, PMT/KANTAR SLOVAKIA*
**** JOJ GROUP, AVAUD(VIEW) %, JANUARY – SEPTEMBER 2021,CD, 12+, LIVE + TS 0-3, PMT/KANTAR SLOVAKIA*
(JOJ GROUP = JOJ, JOJ PLUS, WAU, JOJKO , PRIMA PLUS, FILM+, MINIMAX, SPECTRUM)
***** AB MONITOR, RU MONTHLY ON VALETIN PARTNERS WEB SITES, JANUARY – SEPTEMBER 2021 AVARAGE*

NEWS REPORTING

TV JOJ started broadcasting on 2 March 2002 with its own news programme. Since then (and even long before the launch), it has been building over the past 20 years a news team to bring viewers an overview of the most important events from home and the world every day, covering topics from all walks of life. TV JOJ reporters have built a reputation over the years for their tenacious work in regions where they are always close to what is happening to the people there. JOJ reporters have also uncovered important political and social events and won numerous professional awards for their investigative reporting.

The coronavirus pandemic was a challenging moment for the RV JOJ news team and a virtual "test of courage and responsibility". Despite the risks associated with the then-unfamiliar situation, the editors made an extraordinary effort and sacrifices to gather and assess credible information on the ground, to which viewers primarily turned for information and a mainstay during months of uncertainty. Even then, JOJ boosted its reputation as a television station close to its viewers, and with you, even in the most difficult of times.

JOJ ŠPORT

In October 2021, JOJ Group launched its twelfth station and, for the first time ever, it now has a linear TV channel focused on sports. Its attractive programming, which Slovak sports fans have so far been unable to see on their TV screens, is distributed through all relevant satellite and cable operators and included either in their basic packaging or the most widespread packages to make it as accessible as possible to all viewers. JOJ Šport is seeking the widest possible reach and greatest coverage because the station's mission is to broadcast across Slovakia for every household to have the easiest possible access to Slovakian sports and scheduled sporting events in the country.

JOJ Šport will be focusing mainly on teams and individuals competing in Slovakia and on Slovak athletes playing in Slovakian and foreign leagues. The station is also broadcasting matches featuring Slovak clubs and athletes, which had not been previously available on TV screens. It will also be presenting junior and youth athletes and their leagues, while also providing viewers in Slovakia with the opportunity to see the most popular international and global tournaments and championships.

JOJ PLAY

In 2022, TV JOJ viewers will find what they like best in one place. JOJ Play (SVOD, TVOD, AVOD, live TV, TS) is the new streaming platform expanding JOJ Group's portfolio not only with its own original productions, but also with great films, series, Czechoslovak classics, children's programming, reality shows and sports, so anybody will find something to enjoy. There will also be a live stream of JOJ Group TV channels.

- Switch on JOJ Play and find everything you love and much more under one roof.
- Be the first to see JOJ Group's latest work.
- Reminisce about your favourite series and movies.
- Dance to your favourite music or create your own playlist.
- Play during breaks between meetings or at the bus stop.
- Relax while watching video podcasts about your favorite topics.
- Have fun with JOJ Play!

This flexible platform, with knowledge of the market and its audience, will be available in three packages - free, lite and premium, so anyone can select and find what they wish.

SOCIAL MEDIA

JOJ Group's social networks are reaching the youngest target groups, providing them with information about programming at all TV stations of the group, going behind the scenes of filming and production at JOJ, and bringing interesting interviews and snapshots from the professional and private lives of its presenters, editors and actors, all in close cooperation with scriptwriters, directors, make-up artists and costume designers, to guarantee lively interaction and exclusive content. JOJ social content creators follow the latest global trends and are creating original formats to provide online users with fresh, modern entertainment.

In 2021, JOJ social networks saw a meteoric rise in the number of fans, visits and overall reach, with its content enlivened by reels, vlogs and more behind-the-scenes interviews. In addition to featuring Slovakia's youngest actors such as Max Bolf, Dáša Mamba Šarközyová, Tony Porucha and Petra Dubayová, JOJ also collaborates with well-known Slovak influencers to create social content, such as with Moma on Czecho-Slovakia's Got Talent.

4.3

EXECUTIVE SUMMARY
PRINT MEDIA

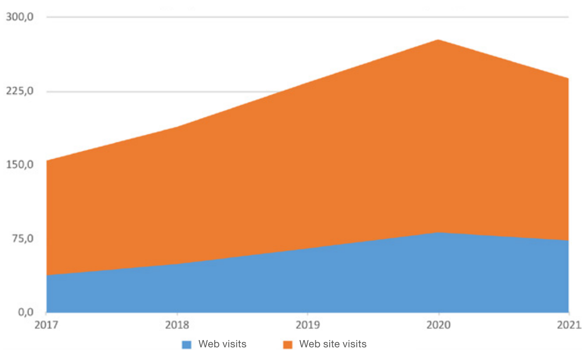
PRINT MEDIA MARKET IN CROATIA

At the end of 2021, JOJ Media House, a.s. had an 84% stake in NOVI LIST, d.d. and an 89% stake in GLAS ISTRE d.o.o. With the acquisition of these Croatian publishing houses, the Group has expanded its operation in Croatia's media market to cover print and includes Rijeka-based **Novi List**. Founded in 1900, it is Croatia's oldest continuous daily newspaper and currently the sixth-bestselling daily in Croatia with a circulation of eight thousand copies published each day. It is currently the most important market player in Primorje-Gorski Kotar County, which covers most of western Croatia. In addition to publishing its newspaper, Novi List d.d. also publishes and prints both for companies within the Group and external clients. **Glas Istre** Novine d.o.o., based in Pula, has published an eponymous regional daily since 1943, when it was a partisan leaflet during World War II. It focuses on the Istria region west of Rijeka, where it remains one of its best-selling daily newspapers.

The biggest competitors among daily newspapers are the nationwide 24 sata, Jutarnji list, Večernji list and Slobodna Dalmacija. However, both daily newspapers owned by JOJ Media House enjoy significant market shares in their regions. It is **Croatia's third largest newspaper publishers** after Styria Group and Hanza Media Group. They remained **profitable** in 2021 despite the difficult situation caused by the pandemic, having streamlined their processes and cut staff costs. They are investing mainly in their internet portals to improve reader access to paid and free content. Most of Croatian regional media revenues come from marketing activities that make up the most important component of their turnover.

The uncertainty surrounding the pandemic has significantly dampened marketing activities in Croatia, but newspapers have found ways to adapt quickly. **Novi List** created and produced a number of digital projects for clients, such as campaign microsites for major Croatian companies such as is Jadrolinija and Tower Center Rijeka, a department store. Studio 20 A is a new step Novi List is taking towards a video platform to further enhance its web edition. The strong increase in the number of visitors to novilist.hr has led to an even more intensive focus on multimedia content that concentrates on local and national politics, sports and culture. In this challenging environment for organizing events, we managed to organise a conference on investments into maritime tourism in Croatia in cooperation with the country's largest port network and to bring the best Croatian maritime entrepreneurs together with political figures for a very interesting discussion about the creation of a Croatian tourism brand. In addition, there were also conferences dedicated to the luxury tourist segment and the transformation of the city of Rijeka.

TRENDS IN NOVILIST.HR WEBSITE TRAFFIC (MIL.)



Source: Google Analytics

In 2021, **Glas Istre** continued restructuring its business and optimizing costs, especially in human resources. Concurrently, the sources of its advertising revenues are changing significantly, with digital advertising gaining an increasing share. This trend is the result of investments into the development of their Internet portal as a new sales channel. The company is aware of the need to continue investing in digital development, which will in turn translate into better business results in future.

PRINT MEDIA MARKET IN SLOVAKIA

On 17 October 2016, JOJ Media House, a.s. acquired NIVEL PLUS s.r.o., whose primary business is the publishing of **Bratislavské noviny and Petržalské noviny**. In addition, they operate associated news portals www.bratislavskenoviny and petrzalskenoviny.sk.

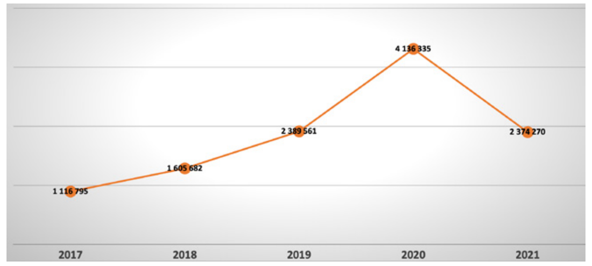
Bratislavské noviny was established in 1998 as the successor of Nova Posoniensia, newspaper famous Slovak figure Matej Bel published in what was then Pressburg from 1721-1722, and also Pressburger Zeitung, a newspaper with a rich history that was published between 1764 and 1929. The newspaper is currently distributed free of charge each month to mailboxes throughout the city of Bratislava with the option of advertising either across its entire circulation or in particular editions delivered to particular neighbourhoods.

Since May 2018, JOJ Media House has also published **Petržalské noviny**, a periodical for the region south of the Danube. It has been published for 26 years and is distributed free of charge to Petržalka residents, bringing current topics and news and focusing on events in Petržalka.

In addition to delivery to mailboxes throughout Bratislava, the newspapers continued in 2021 to be distributed through colporteurs at selected frequented newsstands in Bratislava and at targeted addresses in Bratislava's social, cultural, political and business scene. The publishing house's activities started this year smoothly and it successfully provided information for readers both in print and on the web. Besides offering individual online formats and PR articles, online advertising weekly packages were also available with a guaranteed number of views and online position formats adaptable to both desktops and mobiles. **The portal bratislavskenoviny.sk achieved high traffic numbers in the first half of 2021**, but did not reach the record increases of the past due to COVID-19 pandemic waves. In the first half of 2021, 1,433,314 real users visited bratislavskenoviny.sk (Google Analytics data), with a record set on 15 January 2021, when 59,938 real users visited it on a single day. The topic of greatest interest on that day among readers was coronavirus-related measures in place and restrictions, which were presented by the editorial office in reports released over a six-month period.

We were and still are very pleased with the interest shown in Bratislavské noviny, and so distribution was expanded in the second half of the year through colporteurs to several locations in Bratislava. Targeted distribution of Bratislavské noviny and Petržalské noviny were also expanded, with distribution to selected health and senior centres. Various combinations of print and online packages were prepared and we also maintained image and public relations communications in our periodicals to target all of Bratislava or, in the case of Petržalské noviny, just the Petržalka district. In addition to offering individual online formats and PR articles, online advertising weekly packages were also available with a guaranteed number of views and online position formats adapted to both desktops and mobiles. Clients also have the opportunity to participate and present their company, products and services in competitions organised in print, on the web and on our Facebook page and Instagram account. Likewise, bratislavskenoviny.sk recorded high visitor numbers in the second half of 2021 with more than one million real users (1,049, 459 according to Google Analytics). The editorial team of bratislavskenoviny.sk continued to provide detailed coverage of events both in Bratislava Region and beyond it. The main topics included the COVID-19 pandemic, regional policy, environment, transport and infrastructure, crime, nature, social affairs, culture, construction and sport. Space was also given to stories of ordinary people and interesting regional events that most national media failed to cover.

TRENDS IN NOVILIST.HR WEBSITE TRAFFIC (MIL.)



Source: Google Analytics

EXECUTIVE SUMMARY
ONLINE MARKET

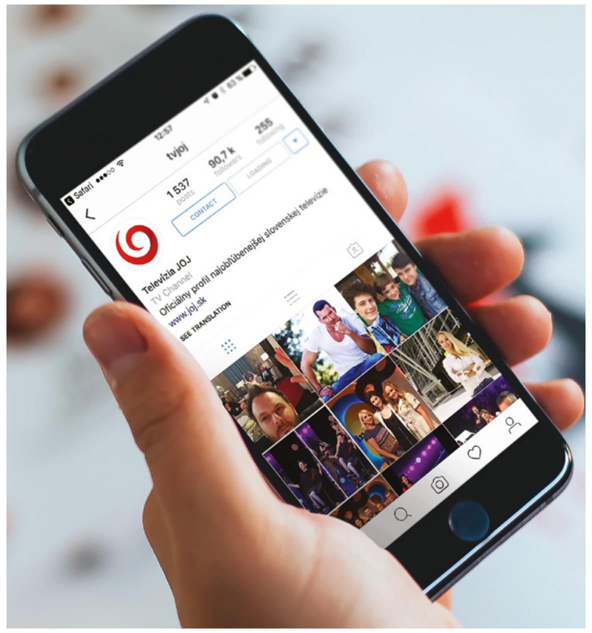
MEDIA MARKET ANALYSIS • ONLINE MARKET

DEVELOPMENT OF INTERNET APPLICATIONS

JOJ Media House, a. s. does business in the online market through **eFabrica, a.s.**, which is dedicated to enterprise web development. Its main activity is the development of **CONTENTO CMS**, a new-generation publishing platform 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 either separately or combined into a content management system, whatever clients require. Each application is fine-tuned and reflects the particular specifications of the online editors, such as the management of articles, images and galleries, video, streaming, public opinion polls and surveys, quizzes and questionnaires. There are also apps to collect and analyze data, import different kinds of content, and measure individual webpage performance. Features of the system actively work with social networks and paywalls in administering registered and paying users, online transfers, online chats and much else. To communicate between systems, Contento CMS uses API calls, today's modern communication standard. CONTENTO CMS is a **system designed primarily for television, radio, publishing and large media houses**, which have many projects and need to consolidate content while searching for synergies.

In recent years, eFabrica, a.s. has continued to implement Contento CMS with existing clients, mainly TV AVOD and SVOD, which are integrated with the systems used for television programming and automatic archiving of broadcasts. In this way, the television sector is striving to significantly increase **streaming** in recent years, driven by the pandemic.



MEDIA MARKET ANALYSIS • ONLINE MARKET

DIRECT MARKETING

Because 2020 was such a turbulent year, we were all eager to see what surprises 2021 would bring. While the year started off with us very cautious, the most significant changes in this segment were seen to be mainly higher emphasis by clients on data analysis and return on investment. After last year's unusual situation, clients have realised how important it is not to stop communicating with their customers through online marketing.

Because the first months of 2021 were marked by a pandemic, with government measures in place and a prolonged lockdown affecting many industries, clients were reluctant to increase their marketing budgets. We had hoped that spring would bring an economic recovery and a slight increase in sales, which fortunately happened. Clients have realised the need to communicate using online marketing and the spring of 2021 made them use the money they had saved money to start communicating. A new client has come on board, Hotel Devín, a Bratislava icon among hotels. We have taken charge of a complex restart of promotion within the digital world, which was and still is a great challenge for us.

The summer brought a slight communication lull, something common with some clients. Therefore, the summer was spent working on various analyses and educational methods in order to be able to offer the best online services to our clients. During the first half of 2021, a tool was developed by us for several clients for fashion segment e-shops, to enable "catalogue comparison sites" such as Glami to effectively promote themselves.

Like the first half of the year, the second half was marked by caution. But an advantage had come from clients having already learned from last year's mistakes. They now knew well that completely halting campaigns and failing to communicate with end customers would not be the right solution. With that in mind, we continued to take a customised approach toward each client and tried to adapt campaigns to achieve for them and us an effective outcome, even during the worst of times. Attention was paid to the data collected and there was an effort to choose the right tools for delivering positive results at lower marketing budgets. September and October were the most favourable months in terms of results. Being after the summer holidays, these months are the best for clients to launch online communication to showcase new products. With the onset of a slight recovery, we gained new clients with whom we are continue to work into 2022.

Regular blogs were published throughout the year along with digi reports of the week, which are honestly created by the agency's staff in order to educate the market. An example is a blog on key ecommerce metrics worth tracking, which explains important concepts and metrics to followers.

CONVERSION RATIO

$$\frac{20 \text{ orders}}{1000 \text{ visits}} = 2\% \text{ conversion ratio}$$

AVERAGE ORDER VALUE

$$\frac{15\,000\,€ \text{ turnover}}{600 \text{ orders}} = 25\,€ \text{ average value orders}$$

Legend: Conversion Ratio, Orders, Visits, Average Order Value, Turnover

Our blogs provide a comprehensive overview of new online tools, features, search trends, and highlights from popular social networks, endeavouring to choose the best from the world of online marketing to help regular clients and also potential clients, who can enrich themselves with new knowledge in this area and use it when planning their campaigns.

Although the COVID-19 pandemic worsened in Slovakia during November and December, it no longer sparked panic and clients were no longer making ill-considered decisions, but instead had expectations of what measures the Slovakian government would take. The result was a slight decline in sales as a number of clients were affected by what the government did in response to the pandemic wave. There were a lot of interesting challenges during those months we created for ourselves not only to bring fun in these difficult times, but also positive energy and especially ideas to use often in new campaigns. The biggest priority in 2022 is going to be making effective use of the data collected and to set up the best marketing mix that will increase corporate performance.

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HUMAN RESOURCES POLICY

ČESKO SLOVENKO MÁ TALENT

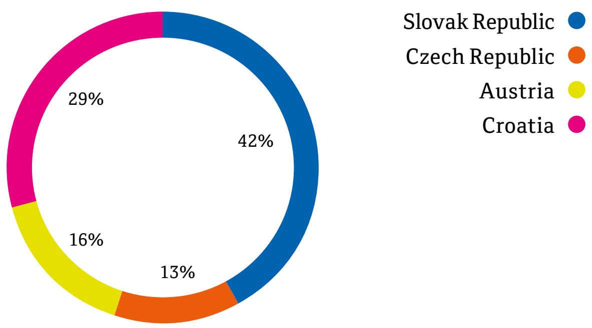
HUMAN RESOURCES POLICY

Like any other organisation, employees are a major component of JOJ Media House Group's resources and an important element in its success. For this reason, the Group's human resources policy focuses on recruiting, motivating, and appraising employees that contribute toward increasing efficiency, completing assigned tasks, and achieving long-term strategic targets. JJOJ Media House concentrates its attention on all occupations because each participates in the Group reaching its goals in its own way.

People employed by companies in the JOJ Media House Group are not all from Slovakia, but also come from and work in other countries where the Group operates, such as the Czech Republic, Austria, and Croatia. Compared to the previous year, the average number of people employed by the entire Group fell, mainly at the Croatian and Czech companies.

The Company applies a diversity policy, recognizing cultural and individual differences at workplaces. It has stressed the need to eliminate unilateral decision-making in areas such as employee selection, job performance appraisals, pay and opportunity for education and advancement. The objectives of the policy reflect the organisation's determination to provide equal opportunities to all regardless of gender, race, nationality, belief, disability, age, or marital status. The Company respects the principle of equal opportunity, which means that no direct or indirect discrimination against any employee will be tolerated.

PERCENTAGE EMPLOYED AT COUNTRIES WHERE JOJ MEDIA HOUSE OPERATES TO TOTAL GROUP



AVERAGE NUMBER OF JOJ MEDIA HOUSE EMPLOYEES BY COUNTRY

	2021	2020
Slovenská republika	271	276
Česká republika	86	123
Rakúsko	101	100
Chorvátsko	191	219
Total employed by JOJ Media House	649	718

AVERAGE NUMBER OF PEOPLE EMPLOYED AT JOJ MEDIA HOUSE COMPANIES

	2021	2020
JOJ Media House, a.s.	3	3
Slovenská Produkčná, a.s.	204	201
MAC TV s.r.o.	3	4
Československá filmová společnost, s.r.o.	2	2
BigMedia, spol. s r. o.	17	20
Akzent BigBoard, a. s.	24	26
Recar Slovensko a. s.	2	3
Recar Bratislava a.s.	1	1
QEX Plochy s. r. o.	3	
BHB, s.r.o.	1	1
Radio Services a.s.	6	10
eFabrica, a.s.	6	6
PTA Group s. r. o.	1	1
Big Board Praha, a.s.	14	22
Czech Outdoor, s.r.o.	14	21
BigMedia, spol. s r.o.	25	33
Outdoor akzent s.r.o.	15	12
RAILREKLAM s.r.o.	13	20
BigZoom a.s.	3	13
EPAMEDIA - EUROPÄISCHE PLAKAT - UND AUSSEN MEDIEN GMBH	97	96
R+C Plakatforschung und kontrolle GmbH	4	4
Novi List d.d.	142	163
Glas Istre Novine d.o.o. Pula	49	56
Total employed by JOJ Media House	649	718

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SIGNIFICANT EVENTS IN 2021

SIGNIFICANT EVENTS IN 2021

1. JANUARY 2021
Akzent BigBoard, a.s. acquired 80% of **QEX Plochy s. r. o.** on 1 January 2021.

1. JANUARY 2021
BigZoom a.s. co-founded **Inzeris s.r.o.** on 1 January 2021 and has a 70% stake in the company.

6. JANUARY 2021
BigMedia, spol. s.r.o. acquired 19% of **Muchalogy s.r.o.**

20. OCTOBER 2021
Radio Services a.s. acquired 100% of FORWARD-MEDIA, spol. s r.o. and its wholly-owned subsidiary **EUROPA 2**, a. s. on 20 October 2021.

3. NOVEMBER 2021
Radio Services a.s. acquired 100% of **TA Services, s.r.o.** on 3 November 2021.

16. DECEMBER 2021
BigBoard Praha, a.s. sold 13% of **Flowee s.r.o.** on 16 December 2021.

SUBSEQUENT EVENTS

12. JANUARY 2022
BigBoard Praha, a.s. sold 100% of **D & C AGENCY s.r.o.** on 12 January 2022.

12. JANUARY 2022
BigBoard Praha, a.s. acquired 100% of **MACH - NARWALL, spol. s r.o.** on 12 January 2022.

19. FEBRUARY 2022
Radio Services a.s. acquired 100% of **GES Slovakia, s.r.o.** on 19 February 2022.

24. FEBRUARY 2022
Russia invaded Ukraine on 24 February 2022.

25. MARCH 2022
BigBoard Praha, a.s. acquired 30% of **HROT, s.r.o.** on 25 March 2022.

6. APRIL 2022
BigBoard Praha, a.s. acquired 70% of **News Media s.r.o.** on 6 April 2022.

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RISK FACTORS AND RISK MANAGEMENT

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

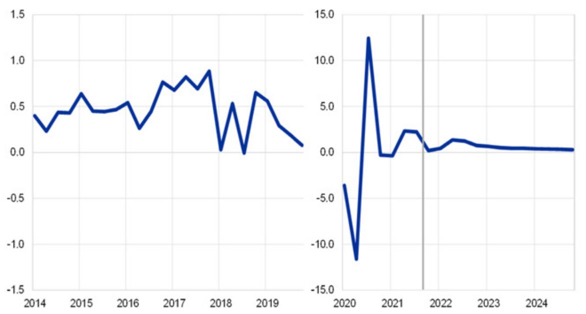
DEPENDENCY ON SUBSIDIARIES' BUSINESS RESULTS

The Company's primary business is the management and financing of interests in other companies. Therefore, the Company is dependent on income from dividends and interest on what it has lent to subsidiaries, and these depend on the success of their own businesses.

CRISIS, DEPENDENCE ON GENERAL ECONOMIC CONDITIONS OR DECLINING ADVERTISING SPENDING

Revenue from advertising makes up the majority of subsidiary revenues and these are dependent on generally favourable 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.

EURO AREA GDP DEVELOPMENT, QUARTERLY, REAL / PREDICTION



Source: European Central Bank (ECB)

CHANGES IN ADVERTISING SPENDING

Because of the holding's focus on television advertising, advertising expenditures by companies in Slovakia's advertising market plays an important role in future developments. According to the Group's internal analyses, the most used promotional medium has historically been television and outdoor advertising, ranging at around 60–65% of total advertising expenditures. There is no guarantee of the television advertising market maintaining its current position in future in completion with other advertising media.

LAUNCH OF COMPETITIVE STATIONS

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

REGULATION RISKS

The broadcasting and advertising sectors are subject to regulation and, should conditions change therein, there is no guaranteed that such a change would not be reflected negatively in the economic results of the Group's business.

DECLINE IN VIEWERSHIP

The emergence of competing television stations offering an attractive range of programs and/or alternative forms of entertainment can lead to an outflow of viewers. The preferences and tastes of audiences are changing and the Group runs the risk that, in this dynamic environment, it may inaccurately estimate public desires. Because a decline in viewership is closely related to a decrease in advertising revenue, there could be a negative impact on the Group's profitability and overall development.

REVOCATION OR NON-RENEWAL OF LICENCE

Should television broadcasting laws or current regulations be violated, in extreme cases, the broadcasting license can be revoked and further broadcasts not allowed. Likewise, there is no legal entitlement for an extension of a licence when it expires. Since television advertising is a key source of income for the holding company, revocation or non-renewal of the broadcasting license may have a negative impact on the Group's business.

REFINANCING OF EXISTING LOANS AND FUNDING NEW PROJECTS

The Group's consolidated capital structure includes pre-crisis debt financing to a large extent. The companies within the holding had initially chosen an aggressive financial strategy, but the financial market crisis hindered their rapid development.

The Group does not rule out the need in future to again turn to outside funding to cover existing or future liabilities. The use

RISK FACTORS AND RISK MANAGEMENT

PRIME TIME 12-54 SHR%

PRIME TIME	TV JOJ	Markíza	Jednotka	Dvojka	Plus	DOMA	Dajto!	WAU	Ostatné
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
Year 2021	16,6	20,9	10,8	3,0	3.9	3.3	3.0	2,8	35.7

Source: TNS

of debt financing is associated not only with a more limited approach to new sources, but also reduces management's flexibility in its decision-making due to different loan covenants designed to protect existing creditors.

TECHNOLOGICAL DEVELOPMENTS

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

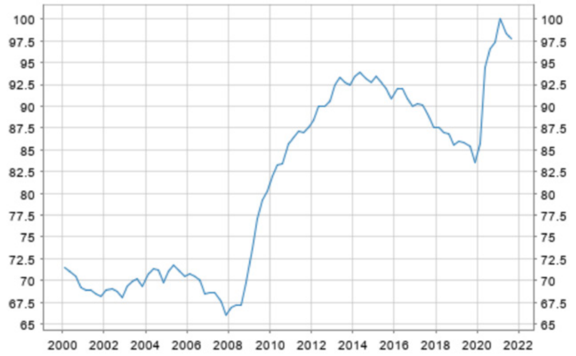
CONCENTRATION OF RISK

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

UNSTABLE EUROZONE

Europe's current unstable situation and unresolved issues of assistance to disproportionately indebted EU members expose Slovakia and Austria, as Eurozone members, to the risk associated with the aid strategy for these Eurozone countries. Strengthening the power of the European stabilisation mechanism would increase the guarantees. A failure of EU member countries such as Greece, which has encountered difficulties repaying its loans from the European stabilisation mechanism, associated with any required 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. These circumstances, as well as all related regulations, measures and decisions, could negatively affect the Group's financial performance.

EUROZONE COUNTRY INDEBTEDNESS (% OF GDP)



Source: European Central Bank (ECB)

LEGAL ACTION

Due to the nature of the business within media industry holding companies, where in heated competition information that is shocking or straddles the boundary between truth and libel or slander can potentially lead to litigation, any lost case may have a negative impact on the financial position of the Group.

LOSS OF MAJOR CLIENTS

Advertisers, whether agencies or direct clients, are the cornerstones of business within the holding's companies. The loss or termination of these relationships may cause advertising revenue to decrease.

SIGNAL TRANSMISSION RISK

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

NON-RENEWAL OF LEASES

Konštrukcie s reklamou predávanou spoločnosťami pô-soOutdoor advertising space sold by companies operating in the sector are located on land neither owned by the companies themselves, nor by companies within the holding. These are areas Akzent BigBoard, BigBoard Praha, EPAMEDIA and their subsidiaries rent. In most cases, relationships with the lessors are governed by fixed-term agreements, so the risk exists of the agreements not being renewed when they expire, whether due to reluctance by the lessor or other limitations. Therefore, there is a risk that no adequate substitute space to sell advertising can be found, which can have the effect of reducing advertising revenue.

EUR/USD EXCHANGE RATE RISK

Nestálosť menových kurzov, predovšetkým amerického The volatility of exchange rates, primarily between the U.S. dollar (USD) and euro (EUR) is an internal risk factor that affects the Group's income and costs, especially for Slovenská produkčná, a.s. The majority of film licences and licences for shows acquired from transatlantic film studios and licensing houses are priced in USD. Slovenská produkčná, a.s., periodically enters into forward currency contracts to hedge the EUR/USD exchange rate and minimise the related risk.

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 the signal transmission. In outdoor advertising, such events may significantly damage, even destroy advertising spaces or greatly reduce their number.

LEGISLATIVE CHANGES

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 identified the risk of changing legislation. These are changes to laws governing outdoor advertising such as the Prague Construction Regulations – specific legal regulations regarding changes or restrictions on the placement of advertising media, their distance from roads, and the like. Possible changes in the law will require additional expenditures to relocate advertising space, and ultimately reduce the total number of advertising media.

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ADMINISTRATION AND MANAGEMENT

PERINBABA A DVA SVETY

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

Share capital is composed of the following shares:
- Number: 1,000 shares,
- Type: ordinary registered shares,
- Title: share certificates,
- Par value: €25.00 EUR, issue price of each share currently €27.50 EUR.

QUALIFYING SHAREHOLDINGS

TV JOJ L.P. holds 99.9% of the shares, with the remaining 0.1% held by Mgr. Richard Flimel. These shares are not freely tradable. HERNADO LIMITED acts as the general partner on behalf of TV JOJ L.P. HERNADO LIMITED's ultimate owner is Mgr. Richard Flimel.

The Company neither owns nor has 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 **issued bonds** listed on the Bratislava Stock Exchange (Burza cenných papierov v Bratislave, a.s.) **on five occasions**. The first issue of € 25 mil., ISIN: SK4120008244, matured on 21 December 2015. The second issue of € 55 mil., ISIN: SK4120009382, matured on 15 August 2018. The third issue of € 48.5 mil., ISIN: SK4120011222, matured on 7 December 2021. The fourth issue of € 50 mil., ISIN: SK4120014390, and the fifth issue of € 35 mil. EUR, ISIN: SK4000019972, are payable upon maturity.

SHAREHOLDERS' MEETING

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

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

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

In matters relating to changes to the Articles of Association, the increase or reduction of the share capital, the authorisation given by the Board of Directors to increase the share capital, issue priority or convertible bonds, the dissolution of the Company, or the 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 Meeting on the close of trading the shares of the Company on the stock exchange and the Company's cessation to be a public joint stock company and become a private joint stock company.

The decision of the General Meeting 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.

The 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 recognised as the Company's equity in the individual financial statements, or combination thereof.

The powers of the General Meeting include:
a) Amending of Association by a two-thirds of votes of the shareholders present;
b) Electing and dismissing members of the Board of Directors by a majority of the votes of the shareholders present and the appointment of the chairman of the Board of Directors from among the members thereof. 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) Electing and dismissing members of the Supervisory Board by a majority of the votes of the shareholders present, with the exception of members of the Supervisory Board whom employees of the Company elect and dismiss. The term of office of the members of the Supervisory Board is five years. The chairman of the Supervisory Board is elected and dismissed by members of the Supervisory Board from among themselves, with the chairman having no vote. A member of the Supervisory Board may only be a natural person.

As at the date of this report, the Company holds none of the parent accounting entity's treasury shares, interim certificates or shares.

In the period from **1 January 2021 to 31 December 2021**, the General Meeting was convened at the following dates:

The **annual General Meeting** took place on 30 July 2021, wherein the shareholders:
- Approved the annual separate financial statements as at 31 December 2020.
- Approved the consolidated financial statements and annual report as at 31 December 2020.
- Approved the distribution of the company's profits for 2020.
- Approved the auditor for the Company's 2021 financial statements.

→ An **extraordinary meeting of the General Meeting** of JOJ Media House, a.s. took place on 22 October 2021 for the purpose of issuance of the Company´s bonds.
- The General Meeting approved the issuance of the Company's bonds at a maximum nominal value of € 35,000,000.00.

BOARD OF DIRECTORS

The Board of Directors is a statutory body of JOJ Media House, a.s. It is authorised 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 the law or the Articles of Association. The Board of Directors is responsible for governance and handles all of its operational and organisational matters. The Board of Directors is required to keep proper accounts and other records, business bookkeeping and other records of the Company. It also submits at the General Meeting for approval the annual separate accounts and extraordinary separate financial statements, proposals for the distribution of profits including the amounts to be distributed, the payout of dividends and setting of director's fees, and how and where they are paid out, and proposals for covering losses. The Board of Directors also convenes the General Meeting of the Company.

The Board of Directors has one member:

Mgr. Richard Flimel
Chairman of the Board of Directors
(since: 6 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 Company's activities and its financial position. The Supervisory Board reviews financial statements the Company is required to prepare under specific regulations, proposals for distribution of profits and covering of losses, and is furthermore required to submit a report on the outcome to the General Meeting. In the event of serious deficiencies in the management of the Company and in other cases where doing so is in interest of the Company, the Supervisory Board convenes the General Meeting.

There were three members of the Supervisory Board at the date of the annual report:

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

It was decided at an extraordinary General Meeting held on 31 January 2017 for the Supervisory Board to take over the role previously held by the Audit Committee under a specific regulation governing the powers and activities of audit committees.

CODE OF CORPORATE GOVERNANCE IN SLOVAKIA

JOJ Media House is fully aware of the importance of maintaining the principles of Corporate Governance. On 11 December 2017, the Board of Directors certified its 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 any deviations from the Slovak Code of Corporate Governance. All this information is published at www.jojmediahouse.sk. Corporate governance deviates from the Code as follows:

I.C.2.iii
The corporate governance framework should allow for 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 Meeting.

I.C.4
The shareholders have a fundamental right to elect members of corporate bodies and to decide on their compensation. Effective shareholder participation in decisions on nomination, election and remuneration of members of corporate bodies should be encouraged.

This principle has been partially 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.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 remunerate in the form of shares.

I.C.4.v.
Compensation for members of company bodies and senior management should be made public, especially as regards to the remuneration scheme; as well as to the total amount of compensation paid under this scheme, explaining the link between remuneration and the company's performance.

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 for the functioning of the whole system.

The principle does not apply to us. The Company does not remunerate in the form of shares and options.

I.C.6
Obstacles to cross-border voting should be removed.

This principle has been partially met. The voting time allows domestic and foreign shareholders to response 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 electronic voting and in a non-discriminatory manner.

This principle has not been met. The company does not use electronic voting at the General Meeting.

II.D.
The corporate governance framework should require service providers, such as proxy advisers, analysts, brokers, rating agencies, and others who provide analysis or advice with the possibility of influencing the decisions of investors/shareholders to adopt, apply and publish procedures to minimise conflicts of interest that could impair the integrity of their analysis or advice.

This principle has not been met. The potential conflict of interest on the part of external consultants is resolved by agreements concluded with them, upon which they are obliged to act in the best interests of the client.

IV.A.4.
The disclosure of information should include, inter alia, the following information:
Corporate compensation statement, 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 of senior management, and the long-term performance of the company.

This principle has not been met. The Company neither maintains, nor publishes a compensation statement. The members of the Supervisory Board and the Board of Directors are remunerated for the positions they hold.

IV.A.5
The disclosure of information should include, inter alia, the following information:
Information about members of corporate 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 partially met. The Company publishes information about the members of its corporate bodies, but less comprehensive 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 partially met. Corporate governance is based on the Slovak Code of Corporate Governance, the Articles of Association, and the Company's internal rules.

IV.C.i.
The audit committee or a similar corporate body should oversee internal audit activities and the overall relationship with external auditors.

This principle has been partially met. 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.
Either a corporate body or appointment committee should identify potential candidates who meet the required profiles, proposing them to shareholders and considering candidates that have been nominated by shareholders with the right to submit nominations.

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

INTERNAL CONTROL SYSTEMS

Analyses of profit, cash flow, liquidity, profitability, activity, and debts, as well as cost analyses, form part of the system of internal controls and financial management in the Group. They are connected with strict control measures in accounting and monitoring devices of a technical nature. The system of internal controls ensures compliance of the Company's activities with the law, internal rules, and its objectives, as well as providing the information necessary for decision-making. The primary task of the audit committee is to make suggestions and recommendations regarding the execution of internal controls and to oversee compliance with legal regulations and recommendations relating to financial reporting and auditing within the Company. The Company's internal rules govern the organisational framework, rules for relationships, responsibility, and performance activities within the internal control system. The Group ensures internal control through regular monitoring of the financial plan and overall financial position. Its role is to act preventively in accordance with internal rules and policies, detect deviations and eliminate them.

RISK MANAGEMENT METHODS

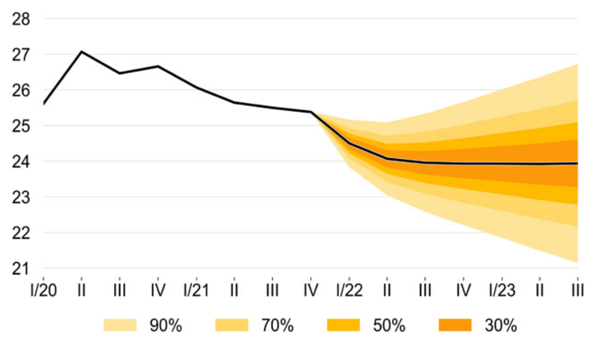
Liquidity Risk – This risk arises out of the conventional financing of the Group's operations, its ability to repay its liabilities at maturity and to manage its financial position. It represents the risk of inability to finance assets at a reasonable maturity and interest rate, and the danger of being unable to realise assets at a reasonable price within a reasonable time horizon. Individual companies in the Group use a variety of methods for the management of the 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 in relation to the United Stated dollar (USD) and Czech Republic crown (CZK). Long-term acquisition agreements are denominated primarily in USD. Therefore the Group manages currency risk through forward contracts. The currency risk to CZK arises mainly out of interest-bearing borrowings denominated in CZK. A sensitivity analysis is used to assess currency risk.

Credit Risk – The Group is exposed to credit risk primarily from trade receivables, other receivables, and lending. The volume of exposure to this risk is expressed in the carrying amount of the particular asset as recorded in the statement of financial position. The carrying value of receivables and lending reflects the highest possible financial loss, which would have to be recognised were the counterparty to fail wholly 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 – The 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. A sensitivity analysis for variable rate instruments and a profile of financial instruments are used to assess interest rate risk.

FORECAST OF CZK/EUR CURRENCY EXCHANGE RATE



Source: Czech National Bank (CNB)

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

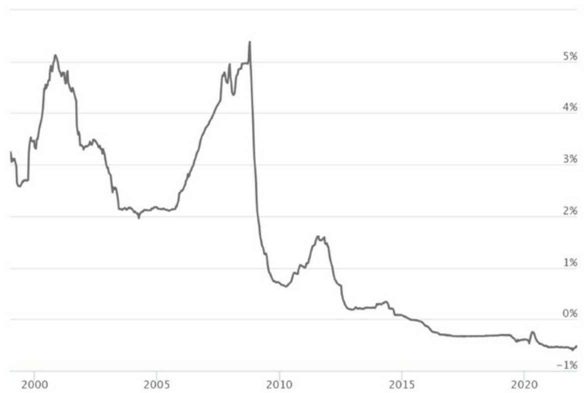
MANAGEMENT METHODS

The management of the companies in the Group have been set up to include financial planning, fundraising, budgeting, and financial analysis. Due to its international reach, cross-national management diversity is an essential component of the Group's management. The companies also emphasise processes and managing of areas such as market research and analysis, marketing research, promotion, brand management, sales, CRM and HRM. The Group's management uses an efficiency-focused continental corporate governance model.

BUSINESS MODEL

The Company's business model is based on selling advertising space, whose price is crucially dependent on audience measurement, monitoring and surveys in end-user target groups, usually in the 12-54 age range. The measurements are 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 a common to conclude advertising contracts at the end of the year for the next year. There are no significant risks of impact on the area of corporate social responsibility arising out of the business relationships, products, services or other activities of the Company. Each of the Company's activities has been described in detail in the previous chapters.

EURIBOR 3M

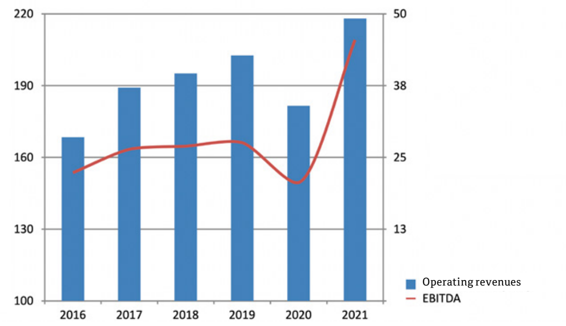


Source: https://www.euribor-rates.eu/en/euribor-charts/

EXPECTED FUTURE DEVELOPMENT OF THE COMPANY'S ACTIVITIES

The Company's management assumes the development of media investments to copy changes in GDP. The available data indicate further recovery in the economic activity in the countries where the Group operates, which may have an impact on investments in the purchase of advertising space in 2022. With economic efficiency undergoing changes, investment in the media industry is going to see shifts as well. No entry of a major competitor into this market is expected. All those factors will carry implications for the Group's revenues and operational profitability.

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



Source: Consolidated Financial Statements of the Group

DISTRIBUTION OF PROFITS AND COVERING OF LOSSES

The settlement of JOJ Media House's reported losses in the 2021 accounting period, amounting to € 7,156,182 will be decided at the General Meeting. The Statutory Body's proposal submitted to the General Meeting is as follows:

- Transferring the amount of € 7,156,182 to accumulated losses.

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

OTHER ADDITIONAL INFORMATION

Last year, JOJ Media House, a.s., and the companies included in the consolidation balance sheet incurred no research and development costs.

JOJ Media House has no branch offices outside Slovakia.

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

The Company has concluded no agreements that would enter into force, be amended or be terminate if there were a change in control from 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 they were to resign their office or employment, or if an employee gives notice, or in the case of dismissal from office, or if the employer were to give notice of termination without cause, or if a takeover bid resulted in termination of a member of a body or employee.

The Company does not engage in activities that have an environmental impact 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 of voting rights and of the negotiability of the securities.

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

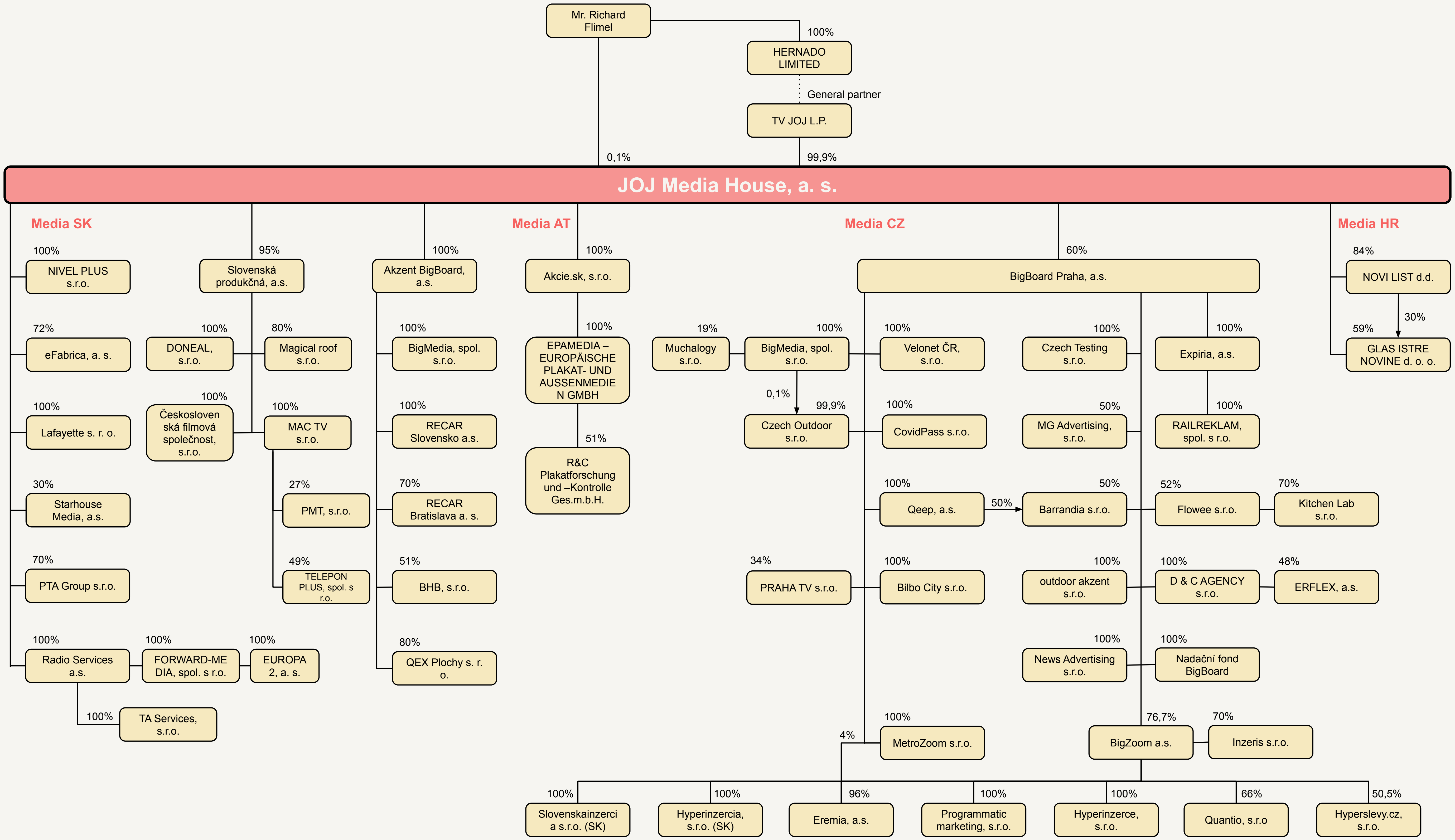
No securities have been issued that would provide the owners with special control rights as at the date of this document.

In 2012, BigBoard Praha, a.s. issued bonds on two occasions. The first issue, ISIN: CZ0003502312, amounted to CZK 730 million and the second issue, ISIN: CZ0003503153, reached a level of CZK 660 million. The bonds in the first issue matured in 2019.

The Company is not aware of any additional specific regulations whereunder any information should be added to the annual report as at the date of this document.

The person responsible for the preparation of the annual report is Ing. Vladimír Drahovský and he can be contacted either at drahovsky@joj.sk or +421917643681

ORGANIZATIONAL STRUCTURE



Mr. Richard Flimel
100%
HERNADO LIMITED
General partner
TV JOJ L.P.
0,1%
99,9%
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 AUSSENMEDIEN GMBH
19%
Muchalogy s.r.o.
100%
BigMedia, spol. s.r.o.
100%
Velonet ČR, s.r.o.
100%
Czech Testing 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.
100%
CovidPass 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.
52%
Flowee s.r.o.
70%
Kitchen Lab s.r.o.
70%
PTA Group s.r.o.
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.
100%
Radio Services a.s.
100%
FORWARD-MEDIA, spol. s r.o.
100%
EUROPA 2, a. s.
80%
QEX Plochy s. r. o.
100%
News Advertising s.r.o.
100%
Nadační fond BigBoard
100%
TA Services, s.r.o.
100%
MetroZoom s.r.o.
4%
76,7%
BigZoom a.s.
70%
Inzeris s.r.o.
100%
Slovenskainzercia 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.

CORPORATE SOCIAL RESPONSIBILITY

ESTABLISHMENT AND SETTING UP OF TV JOJ FOUNDATION

The TV JOJ Foundation was established on June 18, 2007 and, in August of that year, it began carrying out its mission of **"helping those who try."** The Governing Board designated upon the foundation's establishment certain areas defined as the core objectives:

- Paediatric oncology
- Gifted children
- National cultural heritage
- Specially designed humanitarian aid for individuals or groups of persons

The Foundation fulfils its purpose particularly through donations and grants to individuals, non-profit institutions, non-governmental organisations, educational institutions, municipalities and other associations providing public services. In the years since the Foundation was established, it has **redistributed more than € 2.9 mil.**, with €37,693.18 in 2021.

The Foundation's nine-member Board of Directors, consisting of TV JOJ staff, is chaired by Marcel Grega. Vladimír Fatika administers the Foundation and Natália Báreková is its Executive Manager.

OVERVIEW OF 2021 ACTIVITIES

While the COVID-19 pandemic and measures taken to combat it significantly limited the Foundation's activities, the foundation nevertheless continued to operate smoothly and all suspended programs will be returning at new dates.

GIFTED CHILDREN – SPORTS TALENTS

The main mission is to support and develop sporting activities in elementary schools, smaller towns and municipalities. Floorball SK Liga 2019/2020 was suspended due to limited full-time teaching and a negative opinion of team sports in schools. It will take place after measures to combat the pandemic end.
Nevertheless, the foundation has teamed up with Special Olympics Slovakia to include children with disabilities among healthy youth and to try to break down barriers and stereotypes.

NATIONAL CULTURAL HERITAGE

The Foundation produced a new documentary about Agneša Urbanová. At the age of 9, she hid with her parents in a bunker in the mountains, where they were discovered and subsequently sent to concentration camps. Her father died while she and her mother survived.
The Foundation contributed €5,800 to fund a documentary film - Milan Kundera: From the Joke to Insignificance (Od Žertu k Bezvýznamnosti).

OTHER SUPPORT

The Foundation collected €17,754 through an SMS fundraiser for Children with Cancer (Deťom s rakovinou), a non-profit organisation, to equip rooms for paediatric oncology patients. The Foundation funded the project in cooperation with TV JOJ and Jenny, a series broadcast on it.
In December 2021, TV JOJ and the TV JOJ Foundation launched an SMS fundraiser for children's psychiatric wards and clinics in Slovakia. Proceeds will go to six children's psychiatric clinics in Martin, Kremnica, Michalovce, Prešov, Bratislava and Nitra. TV JOJ has already contributed €20,000 and more is to follow.

The Foundation has provided financial support to the following organisations:

- € 2,000 in four instalments to Mothers in Need (Matky v núdzi). The Funds were raised during the Live Benefit Workout with Jany Landl.
- € 3,119.18 to DART Racing for sports activities.
- € 2,000 to Antonia Palubová for reconstruction of her house's attic and a stair chair.
- € 500 to Tobias Hoffer for physiotherapy, hippotherapy and swimming.
- € 4,000 to Brunečko for rehabilitation and to purchase children's rehabilitation and medical equipment.
- € 2,500 to Children's Surgery - OZ Slniečko na ceste for purchasing a folding bed for a hospital room and to produce an animated fairy tale to improve children's road safety.

PLANNED ACTIVITIES FOR 2022

In 2022, the Foundation intends to continue pursuing activities and successful projects:

- Raising funds to help children's psychiatric clinics
- Finals of the 2019/2020 Floorball SK League

- Kicking off the 2022/2023 Floorball SK League
- 2% Naši Našim (Us for Us), an employee initiative
- Assistance to mothers in need
- Support for oncology patients
- Support for children with disabilities
- Completion of the documentary film Agneša Urbanová
- Specially designed humanitarian aid for individuals and groups through ongoing public fundraisers for immediate use in natural disasters such as fires, floods and landslides.

CORPORATE SOCIAL RESPONSIBILITY

These activities carry no risks or potentially adverse consequences for corporate social responsibility.

The Foundation has funded such corporate social responsibility efforts activities as mentioned below:

Economic:

- Introducing procedures for compliance and ethical governance, while limiting cash payments to prevent corruption.
- Transparency through an ordering, billing and payment monitoring system, with registration of all contracts and agreements.
- Protecting intellectual property rights when copyright protection is involved.
- Maintaining good relationships and taking a fair approach with donors, customers, and suppliers.

Social:

- Philanthropic activities supported by the Foundation, developing children's and youth activities, providing aid to socially disadvantaged and vulnerable communities.
- Communicating with stakeholders, and providing accurate communication to donors and engaging with those receiving donations.
- Respecting human rights and providing support for their observance.
- Compliance with labour standards and responsible governance for our employees.

Environmental:

- Better handling of resources and electricity, turning off devices in standby mode, reducing environmental impact.
- Using electronic documents, reducing paper consumption, and recycling paper.
- Environmental protection, separating waste and recycling even beyond the scope of the law.

EU taxonomy related disclosures

The Group discloses information in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investments and related delegated acts ("EU Taxonomy" or "Regulation (EU) 2020/852"). Section 09: Corporate Governance in this Annual Report further describes the Group's business model. The Group's management considers the following economic activities of the Group to be eligible in accordance with Commission Delegated Regulation EU 2021/2139:

→ 7.7 Acquisition and ownership of buildings

An eligible economic activity in accordance with the EU taxonomy is described in the delegated acts to Regulation (EU) 2020/852, irrespective of whether that economic activity meets the specified technical review criteria. Determining whether an economic activity is eligible under the EU taxonomy therefore does not imply that the activity is also an environmentally sustainable economic activity and, for example, that it makes a significant contribution to environmental objectives such as combating climate change. The Group's economic activities do not have a significant impact on climate change mitigation or adaptation and therefore only a small proportion of them can currently be considered eligible, as reflected in the proportion of eligible and ineligible economic activities for 2021 shown below. The Group has assessed that its television and radio broadcasting activities do not constitute supporting eligible economic activities under 13.1: Creative, artistic and entertainment activities or 13.3: Production of films, videos and television programmes, preparation and publishing of sound recordings, listed in Annex II to Commission Delegated Regulation EU 2021/2139, as the Group does not have sufficient reliable data to demonstrate that these activities contribute to climate change adaptation or promote increased resilience to physical climate risks, as the case may be.

In the coming years, the scope of the assessment is expected to increase as the criteria are supplemented with additional environmental objectives and possibly expanded to include new activities. For the 2022 fiscal year, the Group will also be disclosing information on economic activities that are identified as environmentally sustainable. Therefore, due to the different scope of assessment for the current and future accounting period, these figures may not be comparable.

The proportion of economic activities eligible and ineligible under the EU taxonomy to the Group's total consolidated turnover, consolidated capital and operating expenditure for 2021 is set out in the table below. In quantifying the indicators, the Group has allocated individual items to economic activities so that they are only counted once each time, primarily using data from segmental analyses. Intra-group transactions have been excluded.

	Turnover	Capital Expenditures	Operating expenditure3
Eligible activities within the taxonomy	0,2%	1,1%	1,8%
Ineligible activities within the taxonomy	99,8%	98,9%	98,2%
Total (EUR thousand)	212 401[1]	12 947[2]	

1 See note 5 of the notes to the consolidated financial statements

2 See note 13, 15 and 16 of the notes to the consolidated financial statements

3 Operating expenditure comprises mainly maintenance and repair costs and all other direct expenses associated with the day-to-day maintenance of property, plant and equipment carried out by the Group or a third party that are necessary to ensure the continued and efficient operation of such assets and the cost of short-term leases

DECLARATION OF THE COMPANY´S BOARD OF DIRECTORS

DECLARATION OF THE COMPANY´S BOARD OF DIRECTORS

The individual and consolidated financial statements as of 31 December 2021 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.

Richard Flimel
Chairman of the Board of Directors