

STRÖER

2021 ANNUAL REPORT
STRÖER SE & CO. KGAA

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Ströer SE & Co. KGaA
(‘Ströer KGaA’)

zalando

en.

Inclusion.
Here to stay. 

Sascha und Neele.
Besser gemeinsam.

zalando



THE GROUP'S FINANCIAL FIGURES AT A GLANCE¹

CONTINUING OPERATIONS

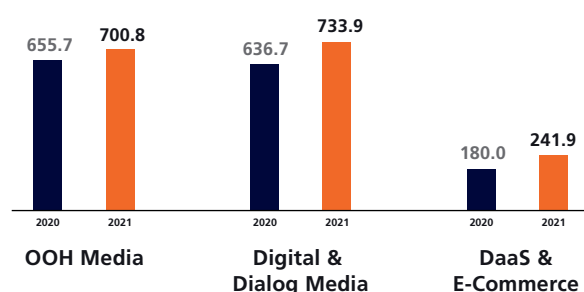
REVENUE

1,627.3
EUR m

(prior year: EUR 1,442.2m)

SEGMENT REVENUE

In EUR m



EBITDA (ADJUSTED)

513.3
EUR m

(prior year: EUR 452.8m)

EBITDA MARGIN (ADJUSTED)

31.5%

(prior year: 31.4%)

ORGANIC REVENUE GROWTH

12.6%

(prior year: -8.3%)

ADJUSTED EARNINGS PER SHARE

EUR 2.86

(prior year: EUR 2.00)

FREE CASH FLOW BEFORE M&A TRANSACTIONS

325.1
EUR m

(prior year: EUR 284.6m)

ROCE

20.0%

(prior year: 13.4%)

EUR m	12M 2021	12M 2020
Revenue	1,627.3	1,442.2
EBITDA (adjusted)	513.3	452.8
Exceptional items	-5.9	-22.5
EBITDA	507.3	430.2
Amortization, depreciation, and impairment	-310.1	-335.3
thereof attributable to purchase price allocations and impairment losses	-45.9	-59.3
EBIT	197.3	94.9
Net finance income/costs	-28.6	-34.0
EBT	168.7	60.9
Taxes	-38.5	-12.7
Consolidated profit or loss for the period	130.3	48.2
Adjusted consolidated profit or loss for the period	170.2	126.0
Free cash flow (before M&A transactions)	325.1	284.6
Net debt (Dec. 31)	612.3	602.2

¹ For further details on the individual financial figures, please refer to the section 'Value-based management'.

THE BOARD OF MANAGEMENT OF THE GENERAL PARTNER



Henning Gieseke

CFO

Henning Gieseke was born in 1971 in Hilden. He studied business administration at the University of Cologne and joined the Metro Group via Kienbaum Consultants. During his time at Metro, he held responsibility for functions such as corporate development, investor relations, and group financial planning and reporting. In 2012, he took up the position of Chief Financial Officer (CFO) at Real Holding and went on to become its Co-CEO.

Henning Gieseke was appointed CFO of the Ströer Group with effect from June 1, 2021.

Udo Müller

Co-CEO

Udo Müller, born in Rüdesheim in 1962, entered the field of out-of-home advertising in 1987 by marketing his handball team, the Reinickendorfer Füchse, in Berlin.

In 1990, he teamed up with Heiner W. Ströer to establish Ströer City Marketing GmbH, which was reorganized as an Aktiengesellschaft (German stock corporation) in 2002. Acquiring Deutsche Städte Medien in 2004 and Deutsche Eisenbahn Reklame in 2005, Müller advanced the growth of the Company and took it public in 2010.

In 2011, he was awarded the title of Senator h. c. by the German Association for Small and Medium-sized Businesses (BVMW) in recognition of his exceptional entrepreneurial achievements.

Udo Müller added online marketing to the Company's portfolio in 2012. In 2018, he successfully expanded Ströer's product portfolio to include direct marketing.

Christian Schmalzl

Co-CEO

Christian Schmalzl, born in Passau in 1973, studied politics, philosophy, literature, and sociology at the Universities of Passau, Munich, and Cardiff. After his studies, he joined MediaCom in Munich in 1999 and became the youngest managing director of the agency group in 2002.

In 2007, he assumed responsibility for the entire Germany business, before being appointed Worldwide Chief Operations & Investment Director (COO) of the international media group in 2009. Christian Schmalzl joined Ströer's Board of Management as COO at the end of 2012. He was appointed Co-CEO of Ströer SE & Co. KGaA in March 2017, forming the Ströer Group's leadership duo alongside Udo Müller.

Dr. Christian Baier

COO

Dr. Christian Baier was born in Berlin in 1979. He studied business administration at the European Business School in Oestrich-Winkel, where he also obtained his doctorate.

He spent eight years with McKinsey working in corporate finance. For seven years after that, he was a managing director, CFO, and COO of zLabels, a subsidiary of Zalando SE.

Dr. Christian Baier assumed his position as Chief Financial Officer (CFO) of Ströer with effect from August 1, 2019. He has been the Chief Operating Officer (COO) since June 1, 2021 after the number of members on the Board of Management was increased to four.

FOREWORD BY THE GENERAL PARTNER

**Dear ladies and gentlemen,
dear shareholders,**

The strengths of our strategic focus in the Ströer Group come to the fore in times of great challenges, such as during the coronavirus pandemic, which entered its second year in 2021. Thanks to our OOH+ strategy and the focus on Germany, we have risen to these challenges. Our flexible positioning has enabled us to contain the negative impact of the pandemic on our core out-of-home business and, at the same time, unlock long-term opportunities and potential in our digital business lines, particularly Asam and Statista. The overall performance of our business over the last two years has convincingly demonstrated our resilience in the face of a crisis. This was highlighted again in 2021 when we were able to swiftly return to growth after the end of lockdown, thanks not just to our strategic focus but also to our deep understanding of the market, our knowledge and retention of customers, and our broad product portfolio. Against this backdrop, we continued to invest prudently in strategic projects last year, putting a particular emphasis on the expansion of our digital infrastructure.

Our strong local and regional OOH business, which accounts for around 60% of all OOH revenue, again proved to be a stabilizing factor in what was a challenging economic environment. The high degree of flexibility in our increasingly digital marketing inventory coupled with falling numbers of infections in spring 2021 allowed us to very quickly return close to the pre-pandemic levels of 2019. Our online businesses also built on the successful performance of the preceding years and even significantly surpassed these levels after lockdown. At the same time, the dialog business with its call centers and, in particular, its direct sales activities (door to door) recorded further sharp growth and continued to play to its strengths during the pandemic. Meanwhile, both the e-commerce business of ASAM and our DAAS business with Statista brushed aside the COVID-19 pandemic and delivered record revenue figures that again surpassed our expectations.

On the operational side, we drew on our experiences from the first year of the coronavirus pandemic to reinforce the steps we had taken to secure the Company's earnings, and we were also successful with the additional steps we took to accelerate our profitable growth once the coronavirus-related restrictions came to an end. The key factors here were our efficient processes, our strict management of costs, our solid balance sheet, and our dedicated employees.

We also continued to invest in our business last year, which saw our capital expenditure, at EUR 101m, edge up slightly compared with the previous year. The focus of this investment in 2021 remained on the accelerated expansion of our digital advertising media. In mid-December, for example, we celebrated the installment of our 1,000th 'public video' roadside advertising screen. This gives us an attractive portfolio of premium advertising spaces across Germany – for local, regional, and also national customers – that can be booked on a flexible and programmatic basis and that open up new, highly profitable prospects for growth.

We either achieved our targets for 2021 or even slightly exceeded them. Revenue, for example, increased from EUR 1,442m to EUR 1,627m, an increase of 12.8%. And as we had very little M&A activity during the year, our organic growth of 12.6% was at a similar level. There was a sharp year-on-year increase of 13.4% in adjusted EBITDA, which stood at EUR 513m for 2021 as a whole (prior year: EUR 453m), while the adjusted EBITDA margin held steady at 31.5% (prior year: 31.4%). This positive trend also led to a sharp rise in adjusted consolidated profit for the period, which came to just over EUR 170m (prior year: EUR 126m), while free cash flow before M&A transactions (including payments for the principal portion of lease liabilities in connection with IFRS 16) proved very robust with an increase to EUR 147m (previous year: EUR 130m) despite the continued impact of the COVID-19 pandemic.

As a sign of the faith we have in the strengths of our Company, in our strategic focus, and in our employees, and in light of the expectation that we will be able to further accelerate our profitable growth, we paid a dividend of EUR 2.00 per share in 2021 that was on a par with the previous year's payout.

Intensive dialog with the capital markets forms a core part of our investor relations work. In addition to the standard investor relations program, we explained our strategy and our medium-term objectives through an additional trading update and a closely watched Capital Market Days event, which attracted the participation, in some cases in person, of international analysts and investors. The aim was to provide our investors and analysts with prompt and comprehensive information, particularly in view of the volatile overall situation.

Although the spotlight last year remained on the COVID-19 pandemic and the resulting business and strategic challenges, sustainability is gaining in importance and increasingly key to our success, both on the operational front and in terms of how we are perceived by our stakeholders. In 2021, for example, we implemented a large number of projects and initiatives, presented our Company as a driver of innovation in out-of-home advertising at the GreenTech Festival, and published our second sustainability report, in which we reported on the action we have taken, the progress we are making, and our objectives for the future.

Despite the ongoing challenges presented by COVID-19, we believe that we are well positioned for 2022 and for tapping into the potential created by the structural change in the media market – thanks to a combination of our robust OOH+ strategy, the steps we have taken to strengthen and protect our Company over the long term, our focus on the accelerated expansion of our digital portfolio, our strong market position, and our transparent communications.

On this basis, and given our firm belief that we will continue to achieve sustained profitable growth over the coming years, we plan to propose to the shareholder meeting that we pay a dividend at the upper end of our distribution range of between 50% and 75% of adjusted consolidated profit.

We would like to extend our sincere thanks to our dedicated employees for their hard work last year and to our business partners and investors for the trust they have placed in our Company, and we wish you all a successful year in business in 2022.

The general partner, represented by the Board of Management



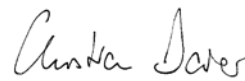
Udo Müller
Co-CEO



Christian Schmalzl
Co-CEO



Henning Gieseke
CFO



Dr. Christian Baier
COO

SUPERVISORY BOARD REPORT



Christoph Vilanek

Chairman of the Supervisory Board

Dear ladies and gentlemen,

When I wrote to you at this point a year ago, there was hope that all of our lives, as well as your Company, Ströer SE & Co. KGaA, would be far less affected by the pandemic in 2021 than in 2020. We are reminded that it did not turn out that way on a daily basis.

However, the management team and the employees of the Ströer Group have learnt from the experiences of 2020 and delivered an exceptional set of results thanks to the insights gained in 2021. I would specifically ask you, when reading this annual report, to compare the figures for the individual quarters with those for the equivalent periods of the prior year and of 2019. You will see that your Company has responded swiftly and decisively to the new playing field and, in the second half of the year, generated a level of earnings that greatly exceeded the result achieved in 2020 and that gives us all cause to be optimistic about 2022.

The intentionally diversified structure of the Ströer Group's business and its strongly decentralized management of the individual segments ensured very good results even in challenging times. Restrictions in one part of the Company due to circumstances in the local market were compensated for – and in most cases actually more than compensated for – by other activities within the Group. This innate strength has been achieved through strategic foresight and reflects the entrepreneurial management style of the Board of Management and the family character of the shareholder base.

In the reporting year, the Supervisory Board discharged, in full, the responsibilities incumbent upon it under the law, the Company's articles of association, and its rules of procedure. We carefully monitored and advised the general partner, Ströer Management SE, on a regular basis. In doing

so, the Supervisory Board primarily checked that the general partner, represented by its Board of Management, was running the Company lawfully, expediently, and properly. Both during and between Supervisory Board meetings, the general partner regularly provided the Supervisory Board with written and oral reports on business policy and all relevant aspects of business planning. It therefore fully complied with its obligations to provide information.

At additional meetings, the chairman of the Supervisory Board, the deputy chairman of the Supervisory Board, and the chairman of the Supervisory Board's Audit Committee discussed key business developments with each other and with the Board of Management of the general partner. The full Supervisory Board received regular oral reports on these deliberations.

Meetings of the full Supervisory Board

The Supervisory Board of Ströer SE & Co. KGaA met six times in 2021. In agreement with all members of the Supervisory Board, the chairman decided that all these meetings had to be held as virtual events due to the COVID-19 pandemic.

The main subjects examined during these routine discussions were the Ströer Group's revenue and earnings, its financial position and financial performance, and personnel planning. The general partner reported to us on the current situation with the Ströer Group's businesses in each of the meetings, and on the impact of the COVID-19 pandemic on the Ströer Group on an ongoing basis. The Supervisory Board regularly discussed agenda items without the Board of Management of the general partner, particularly when the agenda items related to internal Supervisory Board matters.

1. During the meeting of the Supervisory Board on **March 22, 2021**, we discussed the work on the separate and consolidated financial statements for 2020 and approved the non-financial declaration of the Ströer Group for 2020. We postponed a decision about the proposal to the general partner on the appropriation of profit. In addition, the general partner provided us with an explanation of the internal audit report and the compliance report for 2020. Finally, we followed the general partner's recommendation to hold the shareholder meeting as a virtual event in 2020 due to the restrictions imposed as a result of the COVID-19 pandemic.
2. Our meeting on **March 30, 2021**, in which the Company's auditor for 2020, KPMG Wirtschaftsprüfungsgesellschaft AG, also participated, was dominated by the discussion of the separate and consolidated financial statements of Ströer SE & Co. KGaA for 2020. The auditor explained the focus of the audit and its findings to us. The general partner then reported on the Company's liquidity and on changes in its equity.
3. The meeting of the Supervisory Board on **June 14, 2021** focused on discussion of the risk management report and of the remuneration system to be proposed to the shareholder meeting.
4. During our meeting on **July 15, 2021**, after holding an in-depth discussion on the Company's financial situation, we resolved to propose to the annual shareholder meeting that a dividend of EUR 2.00 per dividend-bearing no-par-value share be distributed. In addition, we scrutinized the project plan for the auditing of the financial statements for 2021. We adopted the proposals of the Nomination Committee for filling the posts vacated by the departing member of the Supervisory Board, Dirk Ströer, extended the remit of the Audit Committee to include ESG (Environment, Social, and Governance) matters, and created the post of a Supervisory Board ESG officer. Finally, we discussed the topics for the 2021 annual shareholder meeting that was soon to be taking place and discussed and agreed details concerning the notice of the annual shareholder meeting.
5. At our meeting on **September 8, 2021**, when the Board of Management of the general partner was not in attendance, we primarily addressed the efficiency of our Supervisory Board work and determined whether the recommendations for improvement made in 2020 had been implemented, and if so how.
6. During our meeting on **December 15, 2021**, the general partner reported to us in detail on ESG and digitalization projects. The general partner also explained the risk management report, the plan for the internal audit for 2022, and the project plan for the auditing of the financial statements for 2021. We concurred with the recommendation of the general partner to have the Company's remuneration report for 2021 formally reviewed by the auditor and decided that the Ströer Group would conduct its own review of its non-financial declaration for 2021. We also passed resolutions on initiatives to improve corporate governance in the Ströer Group and on amendments to the Company's articles of association with regard to the increase in the share capital and the related adjustment of conditional capital following the exercise of stock options under the 2015 Stock Option Plan by beneficiaries in 2021.

Supervisory Board committees

The Supervisory Board had two committees in the reporting year. These committees are tasked with preparing resolutions and topics to be discussed by the full Supervisory Board. The committee chairpersons reported regularly and comprehensively to the Supervisory Board on the work of the committees.

The Audit Committee

The Audit Committee met seven times in 2021. It supported us in the monitoring of the financial reporting process and held in-depth discussions on the separate and consolidated financial statements, the interim financial statements, and the non-financial declaration. The Audit Committee scrutinized the project plan for the auditing of the 2021 financial statements at regular intervals, beginning in the middle of the reporting year. It also monitored the effectiveness of risk management. The committee was given regular updates on the work of the internal audit function, its audit plan, and its resources.

It also addressed compliance, and in particular the annual report of the Chief Compliance Officer. In addition, and on behalf of the full Supervisory Board, the committee devoted an increasing amount of time to sustainability issues and appointed a Supervisory Board ESG officer for this purpose.

The Audit Committee resolved to recommend to the Supervisory Board that it engage KPMG Wirtschaftsprüfungsgesellschaft as an independent auditor, a decision that took account of the review of the auditor's independence, which did not indicate any shortcomings. It issued the audit engagement and set the auditor's fees. The committee monitored the quality and efficiency of the auditor as well as the services it provided. It also discussed the preparations for the audit of the separate and consolidated financial statements for 2021, specified its own focus areas for the audit, and adopted a catalog of approvable non-audit services and its plan for reviewing the quality of the auditing of the financial statements.

During preparations for the audit and while it was being conducted, the members of the Audit Committee held regular discussions without the Board of Management of the general partner. The Audit Committee also convened

regularly in the presence of the respective CFO of the general partner, and in some cases also with other members of the Board of Management and the auditor.

The Nomination Committee

The Nomination Committee held one meeting in 2021. Its deliberations focused on succession and appointment matters, taking due account of the legal and regulatory requirements, and it proposed specific candidates for the Supervisory Board. Furthermore, it prepared a proposal to the Supervisory Board to amend the profile of skills and expertise for the shareholder representatives on the Supervisory Board, taking into consideration the requirements of the German Corporate Governance Code and the Financial Market Integrity Strengthening Act in doing so. In preparation for the annual shareholder meeting, the committee also discussed the remuneration system for the Supervisory Board.

Attendance of meetings

The following table details the attendance of members of the Supervisory Board at its meetings and at the meetings of the committees of which they were members. All the meetings were held virtually because of the COVID-19 pandemic.

	Meetings (incl. committees)	Meetings (plenary)	Attendance (plenary)	Meetings (committees)	Attendance (committees)	Attendance (all meetings, %)
Dr. Karl-Georg Altenburg	6	6	6	0	0	100%
Angela Barzen	6	6	6	0	0	100%
Martin Diederichs	10	6	6	4	4	100%
Sabine Hüttinger	6	6	6	0	0	100%
Andreas Huster	6	6	6	0	0	100%
Barbara Liese-Bloch	6	6	5	0	0	83%
Petra Loubek	6	6	6	0	0	100%
Rachel Marquardt	6	6	4	0	0	67%
Tobias Meuser	6	6	6	0	0	100%
Dr. Thomas Müller	6	6	6	0	0	100%
Nadine Reichel	6	6	6	0	0	100%
Christian Sardiña Gellesch	6	6	6	0	0	100%
Dr. Kai Saueremann	2	2	2	0	0	100%
Petra Sontheimer	7	6	6	1	1	100%
Dirk Ströer	5	2	2	3	3	100%
Christoph Vilanek	13	6	6	7	6	92.3%
Ulrich Voigt	14	6	6	8	8	100%

German Corporate Governance Code

At its meeting on December 15, 2021, the Supervisory Board issued a declaration of compliance pursuant to section 161 of the German Stock Corporation Act (AktG). This declaration of compliance was made permanently available to shareholders on the Company's website at <https://ir.stroeer.com/investor-relations/corporate-governance>. The most recent declaration of compliance is also included in the corporate governance declaration.

Training

All of the new Supervisory Board members received an induction on the main commercial, legal, personnel, and other criteria of the Company and the Ströer Group and were given a summary of the rights and obligations of a Supervisory Board member. In the reporting year, training was also provided internally to all members of the Supervisory Board to explain the tasks and responsibilities of the Supervisory Board, with particular attention paid to the legal form of a partnership limited by shares, as well as changes to the law. The training also provided an insight into the work of the Group's financial planning and reporting as well as a detailed presentation of the Out-of-Home Media and Digital & Dialog Media segments.

Audit of the separate and consolidated financial statements

KPMG Wirtschaftsprüfungsgesellschaft AG has audited the Company's separate and consolidated financial statements, together with the bookkeeping system and the combined management report of the Company and the Group for 2021 and on March 11, 2022 issued an unqualified opinion in each case. KPMG Wirtschaftsprüfungsgesellschaft has been the auditor for Ströer SE & Co. KGaA and the Ströer Group since 2020.

The documentation on the financial statements and the audit reports were made available to all Supervisory Board members in good time by the general partner. They were discussed at length by the Audit Committee and during the Supervisory Board's meeting to discuss the financial statements on March 23, 2022. The responsible auditor, KPMG Wirtschaftsprüfungsgesellschaft AG, participated in the Supervisory Board's discussions, reporting on the scope, focus, and key findings of the audit and going into particular detail on the key audit matters and the audit procedure.

The Supervisory Board agreed with the findings of the audit of the financial statements. Based on the conclusions drawn by the Audit Committee and on our own examination, there are no objections to be raised. We therefore approved the separate and consolidated financial statements.

Personnel changes

Supervisory Board

Dirk Ströer stepped down as a member of the Supervisory Board with effect from May 31, 2021. We would like to thank him for his many years of reliable service and for his professionalism and contribution to the Company's success. At the annual shareholder meeting on September 3, 2021, Dr. Kai Sauermann was elected as a new shareholder representative on the Supervisory Board for a term of three years.

The Board of Management of the general partner

Since June 1, 2021, Henning Gieseke has been an ordinary member of the Board of Management and Chief Financial Officer of the general partner. Dr. Christian Baier, an ordinary member of the Board of Management, has held the position of Chief Operating Officer since June 1, 2021.

Thanks

The Supervisory Board of Ströer SE & Co. KGaA would like to express its thanks and appreciation to the Board of Management of the general partner, the management teams of the Group entities, the works council, and all employees for their outstanding personal dedication, excellent work, and unwavering commitment.

As Chairman of the Supervisory Board, I would like to take this opportunity to also thank the Board of Management of the general partner and my colleagues on the Supervisory Board for the excellent working relationship that we enjoy, and to thank all those who apply their strengths and passion to drive the Company's success.

On behalf of the Supervisory Board



Christoph Vilanek
Chairman of the Supervisory Board
Ströer SE & Co. KGaA

COMBINED MANAGEMENT REPORT OF THE COMPANY AND THE GROUP

The references to page numbers in this combined management report of Ströer SE & Co. KGaA, Cologne, ('Ströer KGaA') and of the Group relate to the numbering in the annual report.

Combined management report of the Company and the Group	
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BACKGROUND AND STRATEGY OF THE STRÖER GROUP

Strategy

In 2021, Ströer continued to successfully build on the foundations established in previous years and forged ahead with its OOH+ strategy.

The OOH+ strategy is primarily based on:

- Out-of-Home (OOH) as the strong and resilient core business
- primary focus on the core market of Germany
- use of the unique synergistic opportunities arising – through particularly broad access to customers or the integration of technology, data, and content – from the Digital, Content Media and Direct Media businesses (now brought together in the Digital & Dialog Media segment) for the long-term capitalization of the core OOH business.

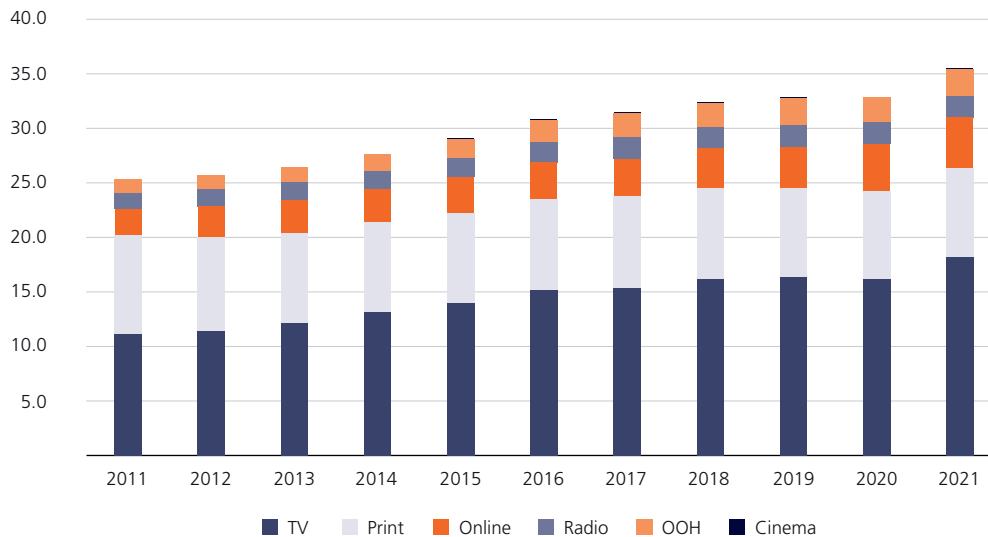
In 2021, in terms of advertising revenue from out-of-home advertising, Ströer further consolidated its market position in Germany and recorded a significant improvement on 2020, despite the ongoing coronavirus crisis.

The Company's strategy has secured the foundations of the business model for many years to come. The capital expenditure that was carried out in 2021 despite the pandemic and the capital expenditure that is planned for 2022 and subsequent years – aimed at the continued and more rapid expansion of digital OOH infrastructure in Germany – are vital for ensuring the future success of this strategy and its long-term monetization.

The advertising market in Germany has not grown at such a fast pace in the past five years. It was no bigger in 2021 than in 2019, but did expand slightly compared with 2020. The out-of-home segment has been expanding steadily since 2014 and, apart from in 2020, has comfortably outperformed the rest of the market in that time. The slump in travel experienced at the start of the coronavirus crisis in 2020 was not evident to the same extent in 2021 – the market proved itself to be stable and resilient. The steady growth in the share of the advertising market accounted for by out-of-home advertising is expected to resume by 2023 at the latest once the pandemic-related restrictions have ended.

Performance of the German advertising market 2011–2021

In EUR b



Source: Nielsen Germany, gross advertising spend. All figures adjusted (excluding direct advertising) Figures for 2021 to be considered provisional until back data is delivered in mid-February (as at January 2022).

Other factors are having a positive impact on this potential:

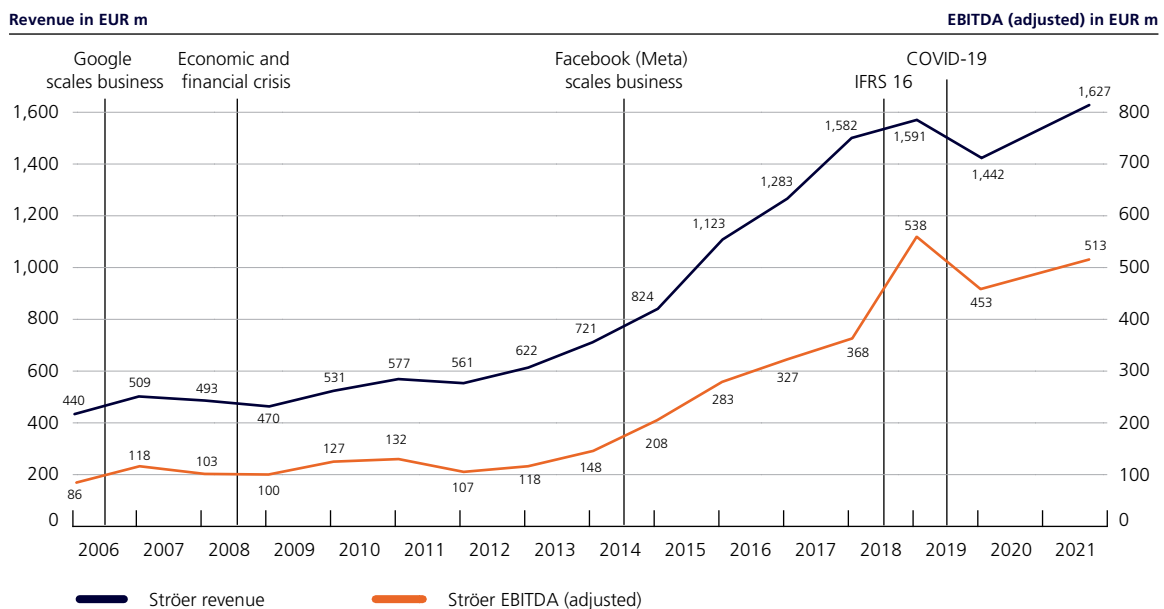
- Travel in Germany, after adjusting for the recent official restrictions, is essentially on the rise (source: RAAI 2021, PlaceSense). The more that people travel, the larger the audience is for out-of-home advertising.
- Consumers still find out-of-home advertising the most appealing form of advertising because it does not interrupt what they are listening to or watching.

Another key aspect of the OOH+ strategy is the increasing automation of out-of-home advertising, a trend that has been further accelerated as planning cycles become ever shorter due to the pandemic and its impact, and to advances in digitalization. This is opening up new (programmatic) sales channels, allowing better use of inventories (available at short notice, granular, can be packaged dynamically), and offering better technical possibilities, including for dynamic advertising formats (e.g. the integration of up-to-date information such as sports results or weather forecasts, warnings). Demand for

highly flexible, digital out-of-home advertising has been very strong, particularly during the pandemic.

In recent years, programmatic advertising has become increasingly prominent in automated marketing worldwide. Programmatic inventories are traded automatically – with great speed and flexibility and at short notice. The additional use of target group (movement) data also enables further customer potential to be unlocked. The mechanism was developed in online marketing and involves automated marketplaces employing algorithms to match supply-side platforms (SSPs) with demand-side platforms (DSPs). The Ströer Digital Group is one of Germany's leading online marketers, as ranked by the German Association of Online Research (agof). Ströer has leveraged the resulting knowledge of automated programmatic marketing, the access to relevant platforms, and expert know-how to develop more flexible programmatic offerings for out-of-home advertising using increasingly digitalized infrastructure and to market them to the appropriate specialist contacts on the customer side via the existing channels. Over the past seven years, since it began to

Ströer growth 2006–2021



Source: Ströer Data

market programmatic digital out-home-advertising, Ströer has gleaned a wealth of experience in this field. Its digital indoor infrastructure, built up over the past ten years or so, features around 5,000 public video screens in train stations, shopping malls, premium indoor locations, and local public transport systems. This infrastructure is used and marketed not only as conventional digital out-of-home advertising but also as programmatic inventory. The rapidly growing inventory of digital out-of-home advertising space on the street is now also being marketed in programmatic structures too, and, thanks to the installations made in 2021, has the critical mass to also be relevant for national customers in many major cities. Without the expertise in programmatic advertising marketing, Ströer would not have been able to establish its functioning programmatic OOH infrastructure and market it successfully so quickly. The resulting product combines the best of both worlds: the imagery and reach of OOH advertising with the flexibility and granularity of programmatic online advertising.

Digital OOH advertising technology capitalizes on the strategic opportunities seized by Ströer in the past:

- suitable locations and rights, generally secured by long-term contracts
- the resources to quickly expand infrastructure, including complex infrastructure, and to operate it on a long-term basis
- knowledge of how to rapidly adapt and monetize new technologies
- the ability to package inventory and data in the best way possible for customers' differing needs
- access to all relevant customer segments through sales activities at both national and regional level, and to direct customers, agencies, and specialists

Ströer's portfolio resulting from its OOH+ strategy is also creating broader and deeper customer relationships, making the business resilient even in times of crisis.

Alongside the expansion of its portfolio and technology, Ströer has also invested heavily in increasing its sales capacity at all levels in recent years. It continued to do so in 2021, despite the pandemic. Advertising is sold both through a national sales organization that serves customers and their agencies centrally from all major cities and through a regional and local sales organization that is able to provide a personal, local service, or video calls, to even the smallest customers. The latest sales-support, CRM, and bidding systems facilitate the work of all sales segments and enable resources and inventory to be managed on a centralized basis.

Business model

Ströer is a provider of out-of-home and online advertising space and of all aspects of dialog marketing. It focuses on the German advertising market. It also operates 'data as a service' services (DaaS, brought together under the Statista brand) and an online cosmetics store (via the AsamBeauty brand).

Segments and organizational structure

General

In 2021, the Ströer Group's reporting segments were Out-of-Home Media, Digital & Dialog Media, and DaaS & E-Commerce. This new segmentation was introduced in 2021.

Ströer reporting segments since 2021



OOH Media
(incl. Public Video)



Digital & Dialog Media



DaaS & E-Commerce

The segments operate independently in the market, working in close cooperation with the Group holding company Ströer SE & Co. KGaA.

This cooperation relates, in particular, to the strategy used for the overall management of the Ströer Group and to sales activities in the national, regional, and local advertising markets, as well as to central functions such as human resources, finance, legal, strategy & innovation, and corporate communications. It enables the targeted sharing of knowledge among the individual segments. This frequently spawns new offerings for our customers and consolidates and expands existing customer relationships.

Financing and liquidity are also managed centrally in the Ströer Group. This means that the segments are well funded and supplied with sufficient liquidity, giving the operating units the flexibility they need to exploit and invest in market opportunities as soon as they arise.

Out-of-Home Media

The Out-of-Home Media segment incorporates all of Ströer's analog out-of-home advertising spaces (OOH) and all of its digital out-of-home advertising spaces (DOOH). Since 2021, Ströer has used the generic term 'public video' to describe all advertising spaces that are at least 2m² in size and digital.

The out-of-home advertising business has an attractive portfolio of contracts with private and public-sector owners of land and buildings that give Ströer advertising concessions for high-traffic sites. Of particular importance are contracts with municipalities, for which Ströer – in its capacity as a systems provider – develops smart and bespoke communications solutions that can enhance the cityscape or enable additional services to be provided. However, private-sector contracts and contracts with commercial enterprises also play a role in its balanced portfolio of rights. At over 70 offices in Germany, Ströer

provides direct points of contact for local infrastructure partners – municipalities, companies, and private lessors of areas for advertising installations.

The contracts with Deutsche Bahn, the ECE group, and numerous local public transport providers are also very important. The product portfolio covers all forms of outdoor advertising media, including traditional posters (various sizes), advertisements at bus and tram shelters and on public transport, and digital advertising installations, with several hundred different formats and sizes available.

Contracts with rights partners generally provide for the payment of a fixed lease. The majority of the concession contracts with municipalities entail revenue-based lease payments, some of which have a lower limit (minimum lease) or an upper limit (maximum fee). Unforeseen events for which no party is responsible – such as a pandemic – often enable many fees to be dealt with flexibly based on actual traffic flows.

As in previous years, municipal and private advertising concessions were expanded in 2021. The municipal advertising rights contracts for the city of Hannover, for example, which mainly pertain to purely analog advertising rights, were changed to incorporate digital rights (DOOH) for suitable advertising media.

The use of digital technologies at existing and new advertising locations was again a focus with regard to both old and new advertising concessions. Ströer is involved with the German Federal Association for City and Town Marketing (BCSD) and various other associations in order to play its part in the digitalization of towns and cities. The objective is to use Ströer's infrastructure and capabilities to simplify communication in public spaces and provide smart municipal services to help people go about their increasingly digitalized daily lives. It is particularly important that municipalities can inform and warn people

very quickly and on a broad scale. This is precisely where digital municipal information systems come in, and they have played a key role not only in managing unforeseen events (weather, bomb disposals, etc.) but also in fighting the pandemic by providing guidance and information.

Ströer engages in intensive dialog with many German municipalities about the future and the development of Germany's towns and cities. In 2020, Bonn was selected as a model smart city and various joint initiatives were developed in order to provide long-term support for environmental action, community dialog, and the arts in Bonn through the intelligent use of cutting-edge installations. In 2021, the Company developed the technology needed to deliver these models and ideas and it will roll them out over the course of 2022.

Ströer has its own research and development department with offices in Cologne and Shanghai. The department's 39 employees maintain and enhance product lines and come up with innovations, with recent examples including digital pillars, sustainability-focused solutions – such as the integration of 'bee hotels' and living roofs into advertising installations – and the bus and tram shelter of the future. Total research and development costs for OOH advertising media came to EUR 3.5m in 2021 (prior year: EUR 2.8m).

Concepts for the digital pillar and the bus/tram shelter of the future



A number of investee companies are assigned to the Out-of-Home Media segment that complement the customer-centric offering. These include Edgar Ambient Media Group GmbH (formerly United Ambient Media Group GmbH (UAM)), which caters to all ambient media, and BlowUP media GmbH, which focuses on formats bigger than 20m². Both are also active in European countries other than Germany. Ströer also operates an out-of-home advertising business in Poland.

The digital and therefore flexible use of digital out-of-home advertising space makes it possible to market them across all sales channels. Moreover, fully digitalized logistics enables very flexible and granular solutions to be offered, from bundles and networks to individual spaces, from campaigns spanning a longer period to specifically timed campaigns. At the same time, available inventories (yields) can be marketed at very short notice. The extensive underlying technology needed for this at all sales levels is being continually expanded, for example to accommodate flexible creative development or to time adverts to run depending on particular circumstances relevant to the product (such as rainfall, temperature, or coronavirus case numbers).

As planned, Ströer installed the 1,000th public video advertising screen at the end of 2021. A total of 815 digital advertising spaces were installed in 2021, which included new installations (mainly of public video roadside screens) and conversions of previously analog spaces (mainly to public video screens).

In December 2021, the first digital pillars were installed and brought on stream in Hamburg. They employed a proprietary Ströer format that offers significant flexibility for various customer needs because of the way that it unites multiple digital and analog spaces in one location.

The DOOH business is divided into three categories:

- **Premium public video roadside screens**
All digital advertising spaces that are installed along a road and are more than 2m² in size
- **Premium indoor screens**
Premium digital advertising spaces with a screen size of at least 60", installed in train stations, public transport systems, shopping malls, and airports.
- **Longtail and 3rd party screens**
All digital indoor advertising spaces, often in a smaller format and usually in retail settings

Digital & Dialog Media

Ströer also provides solutions for online advertising in the context of proprietary and third party content. The scalable products marketed on this basis range from branding and storytelling to performance, native advertising, and social media.

With a reach of nearly 49 million unique users per month (agof daily digital facts, August 2021, 16+), Ströer Digital Media GmbH is ranked the number one digital marketer in Germany by the German Association of Online Research (AGOF), making it one of the most important display and mobile marketers in the German advertising market.

In the area of display and mobile marketing, Ströer Digital Media has a large number of direct customers, its own websites, and an automated technology platform (for both the demand and the supply side).

The websites include t-online.de as well as special interest portals such as giga.de, familie.de, desired.de, and kino.de. Ströer has pooled its marketing capacity for direct customers and now has marketing rights for more than 1,000 websites.

The main highlights in online marketing in 2021 were:

- According to its own data, Ströer had to repitch for the accounts or bid to extend the contracts for two thirds of all its third-party tier A publishers (revenue >EUR 1m). It has so far managed to extend 100% of these accounts. They include high-profile publishers such as Bauer, MPS, Freenet, and Computec/Golem.

Big-ticket tier A publishers including Wort & Bild and HolidayCheck and the complete MDNX portfolio were new additions to the marketing accounts. Because of the high levels of satisfaction, all relevant contracts with Ströer were extended after the first year of the relationship. Furthermore, the Ringier portfolio and the addition of further publishers such as duden.de, cicero.de, and monopol.de served to expand the overall Ströer portfolio, particularly in the programmatic business thanks to the successful work of the wholly owned Ströer subsidiary Yieldlove, and create synergies in the process.

- In light of the continued rapid growth of the programmatic business, the main focus in the field of digital products was the upgrading of Ströer's own marketing platform. This proprietary technology was readied to face the challenges that will arise as cookies are gradually phased out. For example, a multi-ID capability was introduced that supports established ID systems such as ID5, Shared ID, and NetID. As a result, Ströer will still be able to target 70 to 80% of users in the future, even via browsers such as Safari, Firefox, and Microsoft Edge that no longer support cookies. The upgrade meant that Ströer was able to increase its overall reach by around 28% in 2021.
- In addition, context-based real time targeting functionalities were added to Ströer's proprietary targeting technology. Because these functionalities target 100% of the Ströer inventory in real time using profile- and context-based criteria, they make it possible to offer high-quality targeting based on sociodemographic parameters and user behavior, including for inventories without third-party cookies and alternative IDs. This innovative new approach to targeting is already being used to great effect.
- The protection and processing of personal data in a manner that is compliant with the law was another key focus for Ströer in the marketing of its digital services, which is why the Company was very active and engaged – including at industry level in the German Association for the Digital Economy (BVDW) – in driving forward the improvement of data protection standards for online marketing in Germany and their use in the market. A standard for joint controller agreements, published in conjunction with the BVDW, is one of the results of these efforts that Ströer is already using for its own portfolio.

- In connection with the EU-US Privacy Shield, a requirement resulting from the Schrems II judgment of the European Court of Justice (ECJ), Ströer was also able to conclude agreements, based on standard contractual clauses of the European Commission, with major customers and suppliers that transfer data to or from the US. In doing so, it ensured that the processing of data for its digital marketing was compliant with data protection law. This, together with all the other data protection initiatives and undertakings that Ströer has implemented, means that it is leading the way in this field in the German digital market and ensuring that its digital, programmatic marketing business will continue to be on solid ground going forward.
- In 2021, Ströer also focused on continuing to enlarge its own product portfolio in the rapidly expanding mobile and video segment and in the high-growth markets for digital audio and performance marketing. As well as successfully introducing a range of innovative new mobile and video formats offering high impact and high visibility, a completely new Ströer performance product family was launched that offers solutions for the generation of website traffic, user engagement, leads, and online sales. The portfolio of digital audio and podcast offerings was also expanded, in the Ad.Audio marketing joint venture with Antenne Deutschland, and through new products and partners, such as TOGGGO Radio in the DAB+ segment and the Gute Leude Fabrik productions for podcasts.
- At the same time, Ströer was able to use its existing know-how and resources in online media to extend the programmatic model to its expanded public video portfolio and thus steadily increase the overall programmatic reach available to customers, agencies, and technology service providers.
- On the same basis, and with no less focus, various other DSPs were brought on board at the same time in order to make them more of a ubiquitous presence when booking programmatic public video (PPV). Twelve DSPs are now linked to the Ströer SSP. These include all the major and relevant international DSPs (e.g. TTD, Xandr, MediaMath) but also all the main local DSPs (e.g. Active Agent, Splicky, Hawk, RTB Market). This means that public video is now available on a programmatic basis for virtually all (online) video advertisers.
- In 2021, the programmatic trading methods 'private auction' and 'open auction' were launched for public video. As a result, all the methods that are commonly used for online media, such as auction-based price discovery and full flexibility on the part of the advertisers, are now also available for the public video segment.
- Ströer also expanded its proprietary range of public video targeting products, including through new segments (e.g. family, tech, nature lovers), and developed a prototype DOOH/public video targeting technology that will function even in the post-cookie era. The technology, which will be 100% future proof as it is not based on mobile advertising IDs (MAIDs), uses anonymized smartphone movement data obtained from the Deutsche Telekom network to predict the behavior of different groups of people and target them in the most effective way possible in public spaces.
- Targeting for events was steadily expanded and optimized, driven by the development of an open, automated data onboarding interface for the delivery of event targeting campaigns (used to provide information on coronavirus infection rates, for example, or in soccer, specifically the Bundesliga).
- Various systems were upgraded to enable improved management/monetization of the inventory (e.g. through deal checking, delivery/inventory reporting).
- All product initiatives were accompanied by a marketing campaign and individual film with the strapline 'Flexibility at Scale'. In order to increase market awareness and facilitate consolidated marketing, Ströer ensured the topic had a strong presence at virtually all relevant industry events and rebranded all its DOOH advertising media under the generic name 'public video'. Overall, this resulted in a sharp rise in programmatic campaigns and campaigns delivered via the ad server, particularly in the private marketplace (PMP). The rebooking rate was also high and this led to a jump in revenue compared with the prior year.

At Ströer Media Brands (SMB) and Ströer Social Publishing GmbH (SSO), portals from social networks (mainly Facebook and, more recently, Pinterest) are operated for a variety of topics.

The Ströer Content Group (SCG) is part of the Digital & Dialog Media segment and operates its own portals. The strong use of content in the home during the pandemic-hit year of 2021 meant that this segment was able to win an array of major new customers and further expand its offering in a targeted way:

- The SCG attracted major long-term pharmaceutical campaigns in 2021, while the expansion of t-online's health content is proving to be extremely advantageous when it comes to generating additional pharmaceutical campaign budgets.
- The expansion of the financial section paid off, and secured new budgets and new customers. The successful collaboration with CosmosDirekt demonstrates that it is possible to achieve a sustained level of satisfaction among financial customers and to secure their long-term business. Other major new customers that have been added in this area include Amex and DWS.
- The SCG significantly expanded its offering in the sustainability segment in 2021, allowing it to win new customers and do more business with existing customers.

Ströer Media Brands, which is part of the Ströer Content Group, further refined the profile of its portals in 2021. This paid particular dividends in the premium marketing of its own assets. Revenue generated by desired.de, familie.de, giga.de, kino.de, spieletipps.de, and spielaffe.de rose by more than 25%. The largest increases were recorded in the women and lifestyle segment, with familie.de managing to double its revenue in 2021.

t-online – editorial team (Ströer News Publishing)

The increasingly strong editorial positioning of t-online as a leading journalistic medium in Germany is reflected, for example, in the selection of Florian Harms as Editor-in-Chief of the Year for Digital in the December 2021 edition of kresspro magazine. The editorial team, comprising more than 120 journalists, provides round-the-clock news, analysis, and commentary on events in Germany and around the world.

The regional offensive that had been launched back in 2020, which involved establishing a local reporting network in all major cities and conurbations in Germany, was also successful. A Berlin office was opened for reporting on federal politics, and further progress was made in setting up an editorial team for evidence-based reporting on

healthcare matters. The business & finance and sustainability sections were new additions.

A number of senior German politicians were interviewed, including Olaf Scholz, Friedrich Merz, and Robert Habeck.

On the marketing side, a proprietary system was established that orchestrates all aspects of customers' advertising, from concept development and design to delivery and evaluation. t-online articles were quoted several hundred times by other media, and t-online reported extensively on the German elections and the devastating floods that hit the country as well as on the European Championships and Olympic Games.

In addition, the media reach grew at a very healthy rate:

- t-online reach/visits in 2021: up by 6% on the already strong figures for 2020 (unique users, April 2021: 33.07 million – agof digital facts)

The Digital & Dialog Media segment also encompasses the companies Ströer X (formerly the Ströer Dialog Group and before that Avedo) and the Ranger Group.

The Avedo Group and the Ranger Group were acquired by Ströer back in 2017. The Avedo Group focuses on customer experience and sales. It notches up around 29 million customer contacts annually and has expertise in twelve sectors with a particular focus on telecommunications, energy, IT, tourism, multimedia, and e-commerce. The acquisition of the Ranger Group, which operates in performance-based direct sales, creates an additional channel alongside the Avedo Group's performance marketing business.

The Ranger Group is a field sales specialist providing highly efficient, performance-guided direct sales services on behalf of its clients. The company sells products to retail and business customers on behalf of its clients in sectors such as telecommunications, energy, retail, financial services, and media.

The acquisitions in this segment in recent years have resulted in the creation of the Ströer Dialog Group, which is responsible for dialog marketing within the Ströer Group. It has become a major provider of call center capacity in Germany and is one of Europe's largest providers of performance-based direct sales. In 2021, the group was renamed Ströer X.

The segment's main customer highlights/acquisitions in 2021 were as follows:

- Many new customers were won in the strategic focus segments of e-commerce (e.g. Berlin Brands Group, Villeroy & Boch), travel (e.g. CHECK24 Reise), financial (Allianz), and automotive/transport (Sixt)
- An outsourced facility for providing German-language customer service and sales was opened within the EU, in Thessaloniki, Greece.
- The virtual contact center (VCC) was launched as a new operational format, thus reaching talented individuals across Germany.
- The chatbot Alfred that was developed by Ströer for the Ergo insurance company was named one of Germany's best digital assistants in 2021 by Computer Bild magazine.
- The rebranding as Ströer X was carried out in order to offer a fresh, modern focus.

Despite coronavirus, Ranger recorded further growth in 2021. This was mainly due to the systematic positioning of Ranger as a market leader in the growing and innovative field of selling home digitalization solutions in the form of fiber-optic and broadband connections. Ranger saw its opportunity almost as soon as the pandemic began, in meeting some of the colossal demand from private individuals and businesses for fast internet connections that would enable remote working.

But there was not just growing demand for fiber-optic connections. The supplier market also saw rapid growth. It became cheaper to connect homes to the network as the capital markets made large funding packages available. In short, the expansion of fiber-optic broadband in Germany, which has long trailed the rest of Europe, finally clicked into gear, and the preferred sales channel for this is door to door (D2D).

Not only was the customer portfolio systematically geared to the sale of fiber-optic connections, but all processes, management models, and organizations were brought into line with the strategy. This makes Ranger the largest sales channel in Europe for fiber-optic connections, a position that it is now looking to build on.

The situation was more difficult in the energy market because of surging prices and regulatory interventions.

DaaS & E-Commerce

Statista

Statista can once again look back on a very successful year. Its revenue grew by around 40% to more than EUR 100m.

Statista's data as a service (DaaS) model has proved popular. It is based on a platform that users are visiting increasingly often and for longer and that allows the range of services offered to be continually expanded. This makes the users extremely loyal. Because the content is growing all the time and services are always being improved, these users are willing to subscribe for access, which ensures a stable flow of revenue. Statista has made the platform more user-friendly and increased not just the depth of services but also the breadth by ensuring there is a good mix of proprietary and third-party content. As a result, the Statista platform registers up to 31 million visits every month. Such is the importance of Statista that it now has a strong brand awareness of 12% to 15% among decision-makers in the US and UK and more than 35% in Germany, and this has been achieved without any significant investment in marketing.

In our fast-changing world, global demand for curated and condensed information is set to increase significantly. Statista is meeting this demand with an internationalized offering and regional sales offices for the most important markets. As a result, it generates its growth not just in the established core markets of Europe and the US but increasingly also in the rest of the world. Statista's target market includes any business, regardless of the segment, with more than 250 employees. This gives it a very large base for its services. An increasing breadth of services means that revenue with existing customers is also rising steadily.

According to its medium-term planning, Statista expects to be generating revenue in excess of EUR 250m a year by 2025, which presupposes an annual rate of growth of between 20% and 30%. And in 2025, the vast majority of Statista's revenue will be generated outside Germany.

AsamBeauty

The BHI Group (asambeauty GmbH / Beauty and Health Investment Group GmbH) enjoyed another successful year in 2021, again registering a record level of revenue of more than EUR 140m that was in line with its budget.

The main drivers of growth are as follows:

- Strong and well-known brands whose attractive products cover all relevant segments in the beauty sector. The well-known product lines are M.Asam (personal care and fragrance), Magic Finish (make-up), Youthlift (skincare), FloraMare (personal care, fragrances) and, for the young demographic, the ahuhu brand (hair and personal care products). These brands and product families cover all customer segments.
- Unique product innovations based on the brand's own research. More than 50 years of inhouse research give AsamBeauty a wealth of knowledge and innovative capabilities to draw on. For example, this research has led to advances in the use of grape seed extract (OPC) and resveratrol in the personal care segment and hyaluron and collagen in hair products.
- Inhouse production in Germany at the factories in Beilngries and Steinach meet the highest standards of quality, efficiency, and flexibility. The brand's dependence on international supply chains is very low for the industry.
- AsamBeauty products are available through a broad range of channels, an omnichannel marketing approach that encompasses its own online store, home shopping and live stream shopping, and traditional physical retail.

In 2021, AsamBeauty began to internationalize its sales activities and it now also sells its range in Poland, France, the US, and China, which are important growth markets for beauty products. It used many of the established sales instruments such as live stream shopping with influencers to great effect here.

Strategic environment

Ströer focuses on segments in the core OOH+ business (OOH Media and Digital & Dialog Media) that can be developed proactively using its own resources, primarily in Germany, and that offer good opportunities for growth. These segments have an inventory with a highly diversified portfolio of rights and are particularly demanding in terms of local operational excellence. They are also segments in which a high level of local market knowledge is required of managers and product developers. Moreover, they are not globally scalable as there are major differences between countries in terms of market structure, language, culture, and regulatory requirements. This applies in particular to the OOH Media segment.

Exploiting the potential of such business segments to the full thus calls for a strong and integrated local provider such as Ströer.

Under its OOH+ strategy, Ströer's traditional core segment, Out-of-Home Media, is seeing sustained growth impetus from the development of the digital business in connection with German content (Digital & Dialog Media).

Historically, the out-of-home business was always characterized by limited standardization, partly because of Germany's diverse urban landscape resulting from its federal structure. This means that each rights contract has to be individually developed and maintained, while international economies of scale, for example in product development and procurement, are insignificant.

The main reasons for the success of Ströer's core segments are:

- **Broad and in-depth proprietary knowledge**, meaning detailed knowledge of the very different local conditions, e.g. each individual advertising location, each individual website, or each individual call center.
- **Individual quality in management and execution**, meaning the wish to ensure maximum precision, down to regional and local level, and not to work with standard solutions that are not geared to specific requirements; consequently, Ströer sells over 200 different product variants in the out-of-home media business alone, with the digital solutions also sold locally through specialist agents.

- **Proprietary solutions tailored to the customer**, with the objective of maximizing customer satisfaction in even the smallest segments as opposed to forcing customers to use globally scaled platforms.
- **Direct access to all customers at all levels**, meaning the continual expansion of all sales resources to ensure customer contact with the maximum breadth and depth in the market; this includes the small and medium-sized enterprise (SME) sector, for which other providers cannot provide a comprehensive range of services.

In order to make the most of capital expenditure on its own portfolio, Ströer continually optimizes capacity utilization and the value added by the portfolio. The opportunities resulting from the digitalization of infrastructure enables the 'historical dividend' to be optimally monetized in the form of proprietary rights and products. Advertising spaces that have not yet been monetized and existing marketing infrastructure increase the value of the strategic and profitable equity investments and additional business acquired in prior years.

In organizational terms, this means considerable elasticity and scope, centrally supported by the new CRM and ERP systems, as well as a continual process of optimization thanks to artificial intelligence:

- ranging from the needs of large national advertisers and their agency partners, which are increasingly looking for automated, programmatic, and data-driven solutions with a high degree of flexibility
- to the needs of small and medium-sized regional customers, to which Ströer can optimally provide direct advice on every aspect of the offering from a single source at local level thanks to its growing local sales organization and who require solutions that tend to be scalable in organizational rather than technical terms.

Ströer is therefore very well placed to be able to continue operating successfully in the German advertising market over the long term.

Advertising market

The advertising market grew in 2021 after contracting in 2020. It increased by 8.0% based on gross spend (source: Nielsen Media Germany GmbH, excluding direct advertising). The rate of growth in the OOH segment was 8.1%, which was just above the market average. This market picked up considerably once lockdown ended. Demand held relatively steady at a high level up to the end of the year. The share of the overall market accounted for by OOH stands at 7.0% according to the traditional market classification (excluding direct advertising). The online segment grew by 6.5%, which was in line with the average. However, there was no decline in this segment in 2020 and only parts of the data are recorded (no search, no social, and only very limited video data). The reported market share of 13.2% is therefore only of limited use for information purposes.

The TV segment made significant gains in the advertising market, driven by the abrupt changes in people's travel patterns and their strong desire for something to watch. It appears unlikely that these gains will be sustained, however. Going forward, it can still be assumed that the volume of video-on-demand services (Amazon Prime, Netflix, Magenta TV, Sky, DAZN, Disney+, etc.) will exert increasing pressure on the consumption of traditional linear TV and that the relevance of cinema and traditional printed advertising media will continue to decline due to the ever-evolving online content platforms.

At regional level, there is considerable volume in the market, with SMEs still channeling a large portion of their advertising spend into traditional media such as print, directory services, web design, and trade fairs. The latter was still virtually at a standstill in 2021. This benefited other types of advertising available at regional level, such as OOH. It can therefore be assumed that digital solutions and offerings, such as DOOH, which are more readily scalable, will outperform analog options.

Product development

A key part of the strategy is based on the Group's continuously evolving technology position, which enables it to operate at local and regional level and in direct marketing. Technologies for the precise targeting of campaigns and the professional management of anonymized data are becoming increasingly critical to success. They enable the seamless integration of brand marketing and performance marketing into strategies that together make optimum use of various media channels. In addition to the development of special applications and software solutions for digital advertising, the Ströer Group is also focusing on the development of the next generation of OOH advertising for our customers (e.g. advertising media that incorporates planting, multifunctional bus/tram shelters, new low-emission display technologies). A capitalization rate of 53.6% was achieved in 2021 (prior year: 25.9%) and there were write-downs amounting to EUR 4.5m (prior year: EUR 5.6m).

Value-based management

The Ströer Group is managed using internally defined financial and non-financial key performance indicators with the aim of achieving a sustained, long-term increase in value. These financial key performance indicators follow the internal reporting structure. As management and monitoring instruments, they reflect the business model and management structures but are not defined in the International Financial Reporting Standards (IFRSs). The Group's main key performance indicators are organic revenue growth and adjusted EBITDA. Other key performance indicators are adjusted consolidated profit or loss for the period, → free cash flow (before M&A transactions), return on capital employed (ROCE), and the leverage ratio.

Revenue growth is one of the key indicators for measuring the growth of the Group as a whole. It is also an important metric for managing the Ströer Group's segments. As part of the budgeting and medium-term planning process, growth expectations and revenue targets broken down to the relevant level are set for the individual segments; progress toward these targets is continuously monitored throughout the year. Both organic revenue

growth and nominal revenue growth are monitored to determine whether it is likely that the relevant targets will be attained or if there will be a shortfall.

Adjustments are made for exchange rate effects and M&A effects in the calculation of organic revenue growth. In the case of M&A effects, the revenue generated by newly acquired companies is included in consolidated revenue immediately after acquisition. To → ensure comparability, a proportionate amount of the revenue reported by newly acquired companies in the prior year is added to the Ströer Group's prior-year revenue figure. The Ströer Group's current revenue including that of newly acquired companies is thus reported on a like-for-like basis alongside its prior-year revenue. For disposals, the Group's revenue in the prior year is adjusted on a pro-rata basis to cover the months in the reporting year when the companies that were sold were no longer contributing revenue. Organic revenue growth in the Ströer Group came to 12.6% in 2021 (prior year: -8.3%).

At the beginning of 2022, Ströer changed how it calculated organic revenue growth so that additional revenue from newly acquired companies will now only be included in the calculation after a period of one year has elapsed. The Ströer Group's organic revenue growth would have been 13.2% in 2021 had this method been applied (prior year: -8.3%).

Adjusted EBITDA (consolidated profit or loss for the period before interest, taxes, depreciation, amortization, and impairment, and adjusted for exceptional items) gives an insight into the Group's long-term earnings performance. Furthermore, adjusted EBITDA → is a key input for determining the leverage ratio to be reported to the lending banks on a quarterly basis. In the capital markets, it is the standard metric for determining enterprise value using a multiples-based method.

Adjusted consolidated profit or loss for the period is used as an indicator for determining the dividend payment. In line with its value-based approach to corporate management, Ströer strives to adopt a dividend policy, to the extent permitted under German commercial law, under which 50% to 75% of the adjusted consolidated profit for the period is paid as a dividend.

← For further information on the calculation of organic revenue growth, see page 24.

For further information on the calculation of EBITDA (adjusted) and adjusted consolidated profit or loss for the period, ← see page 25.

← For further information on the calculation of free cash flow before M&A transactions, see page 36.

Free cash flow (before M&A transactions) is another key performance indicator used by the Board of Management. It is calculated from the cash flows from operating activities less net cash paid for investments, i.e. the sum of cash received from and paid for intangible assets and property, plant, and equipment. Free cash flow (before M&A transactions) therefore represents the cash earnings power of the Company and is thus the principal metric for guiding our investment, financing, and dividend policy.

One of the key aims of the Ströer Group is to increase the return on capital employed (ROCE) on a sustained basis. To achieve this, Ströer continually enhances its management and financial control systems. ROCE is adjusted EBIT divided by capital employed. Adjusted EBIT is defined as follows: consolidated profit or loss for the period before interest and taxes, write-downs arising from purchase price allocations, and impairment losses, and adjusted for exceptional items. Capital employed comprises total intangible assets, property, plant, and equipment, and current assets less non-interest-bearing liabilities (trade payables and other non-interest-bearing liabilities). It is the arithmetic mean of these values at the start of the year and the end of the year. ROCE provides Ströer with a tool that enables value-based management of the Group and its segments. Positive value added, and thus an increase in the Company's value, is achieved when ROCE exceeds the cost of capital of the cash-generating unit (CGUs).

→ For further information on net debt, see page 37.

Net debt ← and the leverage ratio are also key performance indicators for the Group. The leverage ratio is an important factor for the capital markets, which use it to assess the quality of the Company's financial position. The leverage ratio is the ratio of net debt to adjusted EBITDA. Net debt is the sum of liabilities from the facility agreement, from note loans, and from other financial liabilities less cash.

The Company uses workforce-related key figures, such as headcount at Group level on the reporting date, as non-financial indicators.

Reconciliation: organic revenue growth

The following table presents the reconciliation to organic revenue growth. For 2021, it shows that the increase in revenue (excluding foreign exchange rate effects) of EUR 182.6m and adjusted revenue for the prior year of EUR 1,452.6m gives organic growth of 12.6%.

EUR k	2021	2020
Revenue for prior year (reported)	1,442,159	1,591,145
Entities sold	-9,043	-20,429
Acquisitions	19,450	8,107
Revenue for prior year (adjusted)	1,452,566	1,578,823
Foreign exchange rate effects	-7,877	-5,431
Organic revenue growth	182,634	-131,233
Revenue for current year (reported)	1,627,323	1,442,159

Reconciliation: EBITDA (adjusted)

The segment performance indicator EBITDA (adjusted) is adjusted for certain exceptional items. The Group has defined the following as exceptional items: expenses and income from changes in the investment portfolio (e.g. transaction costs for due diligence, legal advice, recording by a notary, purchase price allocations), reorganization and restructuring measures (e.g. costs for integrating entities and business units, adjustments for exceptional items arising from material restructuring and from performance improvement programs), and capital structure measures (e.g. material fees for amending and adjusting loan agreements, including external consulting fees), and other exceptional items (e.g. costs for potential legal disputes, currency effects, other non-cash valuation effects).

The exceptional items are broken down into individual classes in the table below:

EUR k	2021	2020
Expenses and income from changes in the investment portfolio	886	1,930
Expenses and income from capital structure measures	1	0
Reorganization and restructuring expenses	4,547	6,357
Other exceptional items	490	14,263
Total	5,923	22,550

In 2021, expenses and income from changes in the investment portfolio primarily consisted of expenses relating to M&A activities totaling EUR 1,158k (prior year: EUR 1,380k). The fall in reorganization and restructuring expenses reflects the reduction in salary and severance payments at various Group entities – for example, under the voluntary redundancy scheme of Ströer Digital Publishing GmbH – amounting to EUR 1,292k (prior year: EUR 1,590k) and the decrease in severance payments for the SDI integration project (EUR 0k; prior year: EUR 429k).

Other exceptional items came to EUR 490k in 2021 (prior year: EUR 14,263k). This decrease is mainly the result of the reversal of an impairment loss on the equity-accounted investment tricontes360 GmbH, Cologne, taking the carrying amount from EUR 0k to EUR 11,989k. Of this

reversal, an amount of EUR 7,060k was deemed to be an adjustment, whereas in the prior year the carrying amount of the equity investment had been written down, and EUR 3,034k of this amount was deemed to be an adjustment. The overall effect of the change in valuation of tricontes360 GmbH in the reporting year compared with the prior year therefore comes to EUR 10,094k and is recognized in other exceptional items.

The reconciliation from segment figures to Group figures contains information on Group units that do not meet the definition of a segment ('reconciliation items'). They mainly relate to all costs for central functions, such as the Board of Management, corporate communications, accounting, and financial planning and reporting less their income from services rendered.

The following table shows the reconciliation of segment earnings to the figures included in the consolidated financial statements:

EUR k	2021	2020
EBITDA (adjusted) – total segment earnings	545,278	475,304
Reconciliation items	-32,005	-22,532
EBITDA (adjusted) for the Group	513,272	452,772
Adjustments	-5,923	-22,550
EBITDA	507,349	430,222
Depreciation (right-of-use assets under leases (IFRS 16))	-193,885	-176,299
Amortization and depreciation (other non-current assets)	-102,152	-146,111
Impairment losses (including goodwill impairment)	-14,029	-12,923
Net finance income/costs	-28,576	-34,009
Profit or loss before taxes	168,706	60,880

The decrease in amortization and depreciation (other non-current assets) relates, among other things, to the expiration of the amortization and depreciation period for assets that were capitalized as part of purchase price allocations, and for other intangible assets. There were also shifts to depreciation on right-of-use assets under leases (IFRS 16).

Reconciliation of the consolidated income statement to the management key figures

EUR m	Income statement in accordance with IFRS 2021	Reclassification of amortization, depreciation, and impairment	Reclassification of adjustment items	Income statement for management accounting purposes
Revenue	1,627.3			1,627.3
Cost of sales	-984.3	270.3	-0.3	-714.3
Selling expenses	-273.0			
Administrative expenses	-218.0			
Total selling and administrative expenses	-491.0	39.8	11.6	-439.6
Other operating income	47.0			
Other operating expenses	-21.1			
Total other operating income and other operating expenses	25.8	0.0	1.4	27.3
Share of the profit or loss of investees accounted for using the equity method	19.3		-6.8	12.5
EBITDA (adjusted)				513.3
Amortization, depreciation, and impairment		-310.1		-310.1
EBIT (adjusted)				203.2
Adjustments ¹			-5.9	-5.9
Net finance income/costs	-28.6			-28.6
Income taxes	-38.5			-38.5
Consolidated profit or loss for the period from continuing operations	130.3	0.0	0.0	130.3

¹ For further information on adjustments, please refer to the section 'Reconciliation: EBITDA (adjusted)' on page 25.

Amortization and depreciation from purchase price allocations	Exchange rate effects from intragroup loans	Tax normalization	Elimination of exceptional items and impairment losses	Adjusted income statement 2021	Adjusted income statement 2020
				1,627.3	1,442.2
				-714.3	-648.6
				-439.6	-359.5
				27.3	16.6
				12.5	2.2
				513.3	452.8
31.9			14.0	-264.1	-276.0
31.9			14.0	249.1	176.8
			5.9	0.0	0.0
	0.4		0.0	-28.2	-27.1
		-12.4		-50.8	-23.7
31.9	0.4	-12.4	20.0	170.2	126.0

Management and control

As at December 31, 2021, the Board of Management of the general partner, Ströer Management SE, Düsseldorf, comprised four members: Mr. Udo Müller (Co-CEO), Mr. Christian Schmalzl (Co-CEO), Dr. Christian Baier (COO), and Mr. Henning Gieseke (CFO). The following overview shows the responsibilities of each member of the Board of Management in the Group:

Name	Appointed until	Responsibilities
Udo Müller	July 2025	Co-CEO Corporate strategy Public affairs & government relations Internal/external corporate communications OOH infrastructure development & inventory management OOH R&D
Christian Schmalzl	July 2025	Co-CEO OOH marketing, national OOH marketing, regional/local OOH foreign equity investments Digital marketing & digital services Digital publishing Direct & Dialog Media
Dr. Christian Baier	July 2022	Chief Operating Officer (COO) Data as a service & e-commerce M&A Group purchasing Human resources Corporate IT, cybersecurity, digitalization Sustainability/ESG
Henning Gieseke	May 2024	Chief Financial Officer (CFO) Group accounting & treasury Shared service center & tax Group financial planning and reporting Investor relations Risk management, data protection, internal audit, compliance Legal

The members of the Board of Management collectively bear responsibility for managing the Group.

In addition to the Board of Management, there is an executive committee that acts as an extended governing body. Its role is to professionalize and support governance and to embed key topics within the culture of the Ströer Group. Regular in-person meetings are held to discuss fundamental issues and to ensure that the entire Group has a uniform strategic focus.

As at the end of 2021, the Supervisory Board of Ströer SE & Co. KGaA comprised 16 members in accordance with section 278 (3) and section 95 et seq. of the German Stock Corporation Act (AktG) in conjunction with article 10 (1) of the articles of association of Ströer SE & Co. KGaA. The Supervisory Board consists of the eight shareholder representatives Mr. Christoph Vilanek (chairman), Mr. Ulrich Voigt (deputy chairman), Dr. Karl-Georg Altenburg, Ms. Angela Barzen, Mr. Martin Diederichs, Ms. Barbara Liese-Bloch, Dr. Kai Saueremann,

and Ms. Petra Sontheimer, and the eight employee representatives Mr. Andreas Huster, Ms. Sabine Hüttinger, Ms. Petra Loubeck, Ms. Rachel Marquardt, Mr. Tobias Meuser, Dr. Thomas Müller, Ms. Nadine Reichel, and Mr. Christian Sardiña Gellesch. Dr. Kai Sauermaier replaced Dirk Ströer, who had stepped down from the Supervisory Board on May 31, 2021, as a shareholder representative with effect from September 3, 2021.

For more information on the cooperation between the Board of Management and the Supervisory Board and on other standards of corporate management and control, see the corporate governance declaration pursuant to section 289f of the German Commercial Code (HGB), which also includes the declaration of compliance with the German Corporate Governance Code pursuant to section 161 AktG. All documents are published on the website of Ströer (www.stroeer.com/investor-relations).

For 2021, Ströer SE & Co. KGaA will once again prepare a Group non-financial report pursuant to section 315b HGB. It will be available from March 30, 2022 on our website <https://ir.stroeer.com/investor-relations/financial-reports/>.

Markets and factors

The Ströer Group's business model means that it operates in the markets for out-of-home advertising and online and mobile marketing and in the dialog marketing, e-commerce, and data-driven services segments. The Group's economic situation is naturally affected by the advertising markets that it serves, which in turn are highly sensitive to macroeconomic developments and changes in the behavior of consumers and advertisers. A distinction should be made between the behavior of national (often also international) advertisers and the behavior of regional or local advertisers. International advertisers' advertising spend often responds to global economic conditions, in some cases – such as during the pandemic – in a countercyclical way. National, regional, and local advertisers are guided primarily by their domestic economy, making these customers' advertising budgets significantly less volatile. Ströer's product and sales strategy is to increase the proportion of national, regional, and local customers. In 2021, Ströer recorded a

sharp increase in demand from ministries and institutions, which are increasingly using out-of-home and online advertising as well as dialog services to disseminate information on healthcare and public-interest matters, and to communicate warnings and disease prevention messages.

The way in which municipalities grant advertising concessions, and general advertising bans for certain products (e.g. tobacco) can have a particular impact on out-of-home advertising. Regulatory frameworks, especially the General Data Protection Regulation (GDPR), are an important factor affecting online advertising and dialog marketing.

In the out-of-home advertising industry, customers are increasingly placing bookings with shorter lead times. Thanks to the advancing digitalization of its out-of-home inventory, Ströer is increasingly able to offer its products on a more granular basis and at much shorter notice. Order intake reflects the seasonal fluctuations seen in the broader media market. There is generally a concentration of out-of-home activities in the second and fourth quarters, around Easter and Christmas. However, sports events, such as the soccer world cup, rarely tend to stimulate out-of-home advertising. On the cost side, changes in lease payments, personnel expenses, and other overheads (including electricity, building, and maintenance costs) are a key factor. The microprocessor shortage and the disruption to global supply chains had little effect on the speed and costs of installations in the DOOH network in 2021. Ströer achieved all its installation targets by taking proactive measures in its warehousing.

In the online segment, advance booking times by customers have got even shorter – often as little as a few minutes before posting – than out-of-home advertising, due to the high degree of automation. By far the greatest revenue-generating activity falls in the fourth quarter for online business. A key factor for online advertising is the further penetration of the market using automated programmatic platforms, where Ströer makes its digital inventory for out-of-home advertising available online. Apart from the commission paid to website operators, the main cost drivers are personnel and IT operating expenses (data centers, security systems, etc.).

Dialog marketing is less seasonal, although the second half of the year tends to be stronger. Due to the long-term nature of relationships and the high level of customer loyalty as well as the relatively long lead times, the service business in dialog marketing is characterized by relatively low volatility. The factors shaping revenue growth lie in employee productivity and an increase in headcount (recruitment, training, development). In the service business, productivity always depends on the working days effectively available each month. Seasonal fluctuations are therefore limited to December due to the generally lower productive working time given the public holiday and vacation days. In the area of field sales, the addition of new areas of application gives rise to countercyclical revenue effects. The anticipated increase in the minimum wage and the sharp fluctuations in the availability of workers are among the key factors here.

The regulatory environment also impacts on the economic situation of the Ströer Group. If regulatory amendments are made in the area of out-of-home advertising, Ströer will be able to soften the impact on its business volume through appropriate marketing and sales activities thanks to the usual lead times applicable to changes in legislation. The current assumption is that OOH tobacco advertising will be completely banned from 2023. In fact, advertisers had already begun to scale back the relevant budgets quite some time ago.

The regulatory environment in the online advertising segment is mainly determined by data privacy aspects at national and European level, which give national lawmakers leeway in drafting guidelines.

On the e-commerce front, the Ströer Group is benefiting from the growing importance of online shopping in the context of the pandemic. As with the data-driven information services, the internationalization of the business model means that it is influenced by increasing regulation in other markets, including non-European markets.

Overall, the Ströer Group is very well positioned to benefit from the medium to long-term market trends of increasing mobility, digitalization, and urbanization, thanks to its integrated portfolio. The expectation is that the market will focus ever more directly on media users and their patterns of usage, which involves more media consumption via mobile devices in the private, professional, and public spheres.

There remains substantial potential for regional online advertising campaigns and increasing digitalization of out-of-home advertising inventory, including in cities with less than 100,000 people.

ECONOMIC REPORT¹

Business environment

Macroeconomic developments in 2021

Under the OOH+ strategy, Ströer focuses on its home market of Germany, which is of key importance as just under 90% of the Company's revenue is generated there. Accordingly, the international business carries much less significance.

In the second year of the coronavirus crisis, the economic impact of the global pandemic continued to have a defining influence on the international markets and on the domestic German market. After ten straight years of growth, the German economy slipped into recession in 2020 due to the COVID-19 pandemic.² In 2021, it was back on an upward trajectory. Things really started to pick up again in the second quarter when early summer brought the start of an easing of coronavirus-related restrictions. As the year progressed, however, this growth was stalled by supply bottlenecks and new restrictions prompted by the fourth wave of coronavirus. After a weak start to 2021, GDP recovered over the course of 2021, rising by 2.0% in the second quarter and 1.7% in the third quarter, albeit in both cases on a price-adjusted, calendar-adjusted, and seasonally adjusted basis. Despite this, the most recent measure of economic output was 1.1% below the pre-crisis level of the fourth quarter of 2019.³ Calculations by the Federal Statistical Office (Destatis) reveal that Germany's GDP for 2021 was 2.8%⁴ higher than in 2020, when it fell by 5.0%.⁵

The inflation rate stood at 3.1%⁶ in 2021 and the debt ratio as a percentage of nominal GDP edged up from 69.1% to 69.3%⁷ because of the negative impact of coronavirus.

In 2021, the average number of people in employment in Germany stood at around 44.9 million. Provisional figures from the Federal Statistical Office show that this annual

average for 2021 was more or less on a par with the prior year (7,000 up on 2020, 0.0% change). In 2020, the coronavirus crisis put an end to a 14-year stretch of rising employment in Germany, with a total of 370,000 people being shed from the workforce (-0.8%).⁸ At the end of the reporting year, the unemployment rate stood at 5.1%.⁹ Disposable income (+ approx. 4.0%)¹⁰ rose at a higher rate than inflation.

Performance of the out-of-home and online advertising industry in 2021

Between 2012 and 2020, the advertising market in western Europe maintained an upward trend¹¹ that only came to an end when the coronavirus pandemic hit in 2020. Although the COVID-19 pandemic continued into 2021, European markets bounced back strongly. Market research company Zenith expects the net advertising spend for 2021 to be 16.1%¹² higher than in 2020 on a price-adjusted basis. In addition to the cinema spend, which rose by 29.0%¹³ from a low, lockdown-related base in 2020, growth in 2021 was particularly strong in the online segment, at 21.2%¹⁴. Print media recovered only negligibly, with a gain of 0.3%¹⁵, while the print (newspapers) subsegment contracted again, by 0.4%¹⁶. The TV advertising spend rose by 14.6%.¹⁷ The figure for out-of-home advertising advanced by 15.1% in western Europe.¹⁸

Germany

According to data collected by Nielsen, gross advertising expenditure in Germany climbed by 6.6%¹⁹ year on year in 2021. In our view, however, the gross advertising data provided by Nielsen only indicates trends and can only be used to a limited extent to draw conclusions about net figures due to differing definitions and market territories. Zenith's current estimate for 2021 indicates a year-on-year increase in net advertising expenditure of 6.6%²⁰, which is the same as the increase forecast by Nielsen.

¹ By contrast with the figures for the financial year, the disclosures for the quarters contain unaudited information.

² German Federal Statistical Office – press release no. 603, December 28, 2021.

³ German Federal Statistical Office – press release no. 603, December 28, 2021.

⁴ German Federal Statistical Office – press release no. 39, January 28, 2022.

⁵ German Federal Statistical Office – press release no. 20, January 14, 2021.

⁶ German Federal Statistical Office – press release no. 25, January 19, 2022.

⁷ Kiel Institute for the World Economy – winter forecast, December 15, 2021.

⁸ German Federal Statistical Office – press release no. 1, January 3, 2022.

⁹ German Federal Employment Agency, January 4, 2022.

¹⁰ Statista – Disposable income.

¹¹ Zenith Advertising Expenditure Forecasts, December 2021.

¹² Zenith Advertising Expenditure Forecasts, December 2021.

¹³ Zenith Advertising Expenditure Forecasts, December 2021.

¹⁴ Zenith Advertising Expenditure Forecasts, December 2021.

¹⁵ Zenith Advertising Expenditure Forecasts, December 2021.

¹⁶ Zenith Advertising Expenditure Forecasts, December 2021.

¹⁷ Zenith Advertising Expenditure Forecasts, December 2021.

¹⁸ Zenith Advertising Expenditure Forecasts, December 2021.

¹⁹ Nielsen advertising trends, media mix 2021.

²⁰ Zenith Advertising Expenditure Forecasts, December 2021.

Expenditure on internet advertising remained the growth driver according to Zenith, with net advertising expenditure advancing by 10.0%²¹. The print segment recorded a small overall increase of only 0.5%²² last year, whereas the outdoor advertising market expanded by 8.0%²³.

Exchange rates in 2021

Because the Ströer Group is primarily focused on its core German market, the effects of exchange rates on its business were negligible.

Financial performance of the Group

The Board of Management's overall assessment of the economic situation

Despite initially facing uncertainties related to the pandemic in the first quarter of 2021, the Ströer Group can ultimately look back on a successful year overall. Whereas the Group continued to experience significant setbacks, particularly in out-of-home advertising, due to the lockdown measures in the first few months of the year, it experienced a resurgence in the subsequent quarters as infection numbers fell and vaccination rates climbed. Revenue increased year on year in all segments of the business over the course of 2021, which resulted in the Group's total revenue of EUR 1,627m surpassing the previous record high from 2019.

From the perspective of the Board of Management, the Group continued to enjoy a solid and well-balanced financial position in 2021 in terms of its net assets and capital structure. A broad and effective mix of external financing gives the Ströer Group access to a comfortable

pool of liquidity at all times, and this is supported by robust internal resources, not least a level of free cash flow that remains robust. And despite the pandemic-related challenges and the payment of a dividend to the shareholders of Ströer SE & Co. KGaA, the net debt of EUR 612.3m was not much higher than the equivalent figure for 2020 (prior year: EUR 602.2m), which ultimately resulted in the leverage ratio improving again to 1.97 (prior year: 2.29). The Board of Management believes that this positive overall picture was completed by the Group's equity ratio, which remained at a stable level.

Overall, we believe the Ströer Group continues to be very well positioned – both in operational and in financial terms – to be able to tackle future challenges and flexibly make use of opportunities arising from the structural changes occurring in the media market.

Comparison of forecast and actual business performance

The forecasts we made for 2021 were based on a cautiously optimistic assessment of economic conditions going forward. However, annual forecasts are naturally subject to major uncertainties, and particularly so during the COVID-19 pandemic.

The targets originally set for 2021 were largely formulated as tendencies that would depend on how the pandemic developed. In the report covering the period up to June 30, 2021, we then quantified our forecast for the full year, projecting revenue of approximately EUR 1.6b and EBITDA (adjusted) of between EUR 490m and EUR 510m. These quantified estimates were both exceeded slightly.

²¹ Zenith Advertising Expenditure Forecasts, December 2021.

²² Zenith Advertising Expenditure Forecasts, December 2021.

²³ Zenith Advertising Expenditure Forecasts, December 2021.

	Projected results for 2021	Actual results in 2021
Organic revenue growth	Higher rate of growth than in the prior year (prior year: -8.3%)	12.6%
EBITDA (adjusted)	Year-on-year increase (prior year: EUR 452.8m)	EUR 513.3m (+13.4%)
ROCE	Comparable with prior year (prior year: 13.4%)	20.0%
Adjusted consolidated profit or loss for the period	Year-on-year increase (prior year: EUR 126.0m)	EUR 170.2m
Free cash flow before M&A transactions (incl. IFRS 16 payments for the principal portion of lease liabilities)	Growth in line with EBITDA (adjusted) (prior year: EUR 130.3m)	EUR 147.0m (+12.8%)
Leverage ratio	Comparable with prior year (excluding M&A transactions) (prior year: 2.3)	2.0

Financial performance of the Group

Consolidated income statement

EUR m	2021	2020
Revenue	1,627.3	1,442.2
EBITDA	507.3	430.2
EBITDA (adjusted)	513.3	452.8
EBIT	197.3	94.9
Net finance income/costs	-28.6	-34.0
Profit or loss before taxes	168.7	60.9
Income taxes	-38.5	-12.7
Consolidated profit or loss for the period	130.3	48.2

The beginning of 2021 initially proved to be very challenging as the COVID-19 pandemic continued to spread. The Ströer Group's out-of-home advertising business, for example, was particularly badly affected by the intermittent imposition of lockdown restrictions. It only began to see strong growth in out-of-home advertising again as spring progressed and restrictions on public life were eased in light of the falling numbers of infections and rising vaccination rates. In terms of specific figures, Ströer's revenue experienced a significant year-on-year reduction of EUR 56.4m in

the first quarter of 2021, compared with the very strong first quarter of 2020. **Revenue** then rose steadily for the remainder of the year, with the total for the full twelve months of EUR 1,627.3m (prior year: EUR 1,442.2m) even setting a new record. Year-on-year revenue growth stood at 12.8% (reported) and 12.6% (organic).

The following table shows the change in external revenue by segment:

EUR m	2021	2020 ¹
Out-of-Home Media	658.1	630.4
Digital & Dialog Media	727.4	631.9
DaaS & E-Commerce	241.8	179.9
Total	1,627.3	1,442.2

¹ Adjusted retroactively to take account of the new segmentation in effect from January 1, 2021.

The regional breakdown of consolidated revenue did not change materially in structural terms in 2021. Revenue in Germany rose from EUR 1,306.8m to EUR 1,453.5m. Revenue outside Germany also increased year on year, climbing by EUR 38.5m to EUR 173.9m (prior year: EUR 135.3m). A total of 10.7% of revenue was therefore generated outside Germany (prior year: 9.4%).

The Ströer Group's revenue is subject to considerable seasonal fluctuations, as is revenue in the rest of the overall media industry. This impacts the level of revenue and earnings for the Group over the course of the year. While the fourth quarter is generally characterized by significantly higher revenue and earnings contributions, the first quarter in particular tends to be somewhat weaker. However, this usual seasonal variation was further amplified by the effects of the COVID-19 pandemic in 2021, especially in the first quarter.

The sharp rise in revenue was accompanied by a rise in the **cost of sales** from EUR 938.2m in 2020 to EUR 984.3m in the reporting year, an increase of EUR 46.1m. Higher revenue-related lease payments and running costs in out-of-home advertising as well as higher publisher fees in the digital business were among the factors that contributed to the rise in the cost of sales. Conversely, the expiration of the amortization period for purchase price allocations resulted in a positive effect. Overall, **gross profit** came to just over EUR 643.0m (prior year EUR 504.0m).

The Group's **selling and administrative expenses** also increased. The figure of EUR 491.0m that Ströer recorded for this item in the reporting year was nearly EUR 71.5m higher than the EUR 419.5m reported in 2020. This was mainly because in 2020 the COVID-19 pandemic had led to a sharp drop in sales activities and the introduction of short-time working but also because in 2021 our strategic investment in growth increasingly began to produce effects. Expressed as a percentage of revenue, selling and administrative expenses stood at 30.2% (prior year: 29.1%). **Other operating income**, meanwhile, came to EUR 47.0m, which was EUR 7.3m higher than in 2020 (prior year: EUR 39.6m). One of the main reasons for this increase was that the loss allowances for trade receivables that had been increased in 2020 due to the COVID-19 pandemic were no longer needed in the reporting period and were therefore reversed. Conversely, there was a clear decline in **other operating expenses** to EUR 21.1m (prior year: EUR 31.4m), with the additional expenses in the prior year resulting mainly from the additional loss allowances described above and the higher level of expenses from the disposal of non-current

assets. The Group's **share of the profit or loss of investees accounted for using the equity method** increased significantly to a profit of EUR 19.3m (prior year: profit of EUR 2.2m). Whereas the prior-year figure had been adversely affected by the COVID-19 pandemic and individual impairment losses, the figure for 2021 was boosted by a much improved performance from the operating business front and by the resulting reversals of impairment losses in the dialog business.

Despite the pandemic-related challenges, particularly in the first quarter, the significant overall improvement in the operating business caused the Group's **EBIT** – which had declined in 2020 – to bounce back impressively and reach a new all-time high of EUR 197.3m, (prior year: EUR 94.9m). Lifted by this turnaround, EBITDA (adjusted) rose from EUR 452.8m in 2020 to EUR 513.3m in 2021. At 20.0%, the return on capital employed (**ROCE**) for 2021 returned to the very high level of earlier years (prior year: 13.4%).

The Group's **net finance costs** amounted to EUR 28.6m at the end of the reporting period (prior year: net finance costs of EUR 34.0m). Besides general funding costs for existing liabilities to banks, this figure has primarily consisted of expenses from unwinding the discount on lease liabilities since the introduction of IFRS 16. Whereas losses on loans to former Group companies had an adverse impact on net finance costs in 2020, the positive accounting effect resulting from the absence of these losses in 2021 was partly cancelled out by a rise in expenses from unwinding the discount on lease liabilities.

The Ströer Group's much improved financial performance led to a corresponding increase in the tax base, as a result of which the **tax expense** for 2021 of EUR 38.5m was much higher than in 2020 (prior year: EUR 12.7m).

Overall, the Ströer Group's **consolidated profit for the period** increased to EUR 130.3m (prior year: EUR 48.2m) owing to a significant recovery in its operating business and despite the initial difficulties experienced in the first quarter of 2021. At EUR 170.2m, **adjusted consolidated profit for the period** also reflected the comeback from a significant drop in 2020 due to the pandemic (prior year: EUR 126.0m).

Net assets and financial position

Overall assessment of the net assets and financial position

The Board of Management believes that the Ströer Group remains in a strong position – even in light of the ongoing uncertainties surrounding the COVID-19 pandemic – thanks to its good balance of assets and liabilities and solid financial footing. A cornerstone of this sound financial structure is the robust external financing in the form of freely available long-term credit facilities, which totaled EUR 302.0m at the end of the year (prior year: EUR 418.2m). These credit facilities, together with the cash balance, meant that funds totaling EUR 365.4m were freely available as at the reporting date (prior year: EUR 503.7m). This robust external financing is complemented by the strength of internal financing, which in the reporting year was again reflected in a substantial free cash flow (before M&A transactions) of EUR 325.1m (prior year: EUR 284.6m). The leverage ratio (defined as the ratio of net debt to EBITDA (adjusted)) improved to 1.97 (prior year: 2.29) as a result. This overall picture was completed by the Group's equity ratio, which remained at a very sound level.

Main features of the financing strategy

Ströer is steadfastly pursuing a conservative and long-term financing strategy. Securing financial flexibility is a top priority for the Group. We ensure this by taking appropriate account of criteria such as market capacity, investor diversification, flexibility of drawdown options, covenants, and maturity profile when selecting financial instruments.

The main objectives of the Ströer Group's financial management include:

- Safeguarding liquidity and ensuring its efficient management throughout the Group
- Maintaining and continuously optimizing the Group's financing capabilities
- Reducing financial risk, including the use of financial instruments
- Optimizing the cost of capital for debt and equity

The financing of the Ströer Group is structured in such a way that it provides us with a sufficient degree of flexibility to react appropriately to changes in the market or competition. Further important financing objectives are the ongoing optimization of our financing costs and loan covenants and the diversification of our investors.

As part of our financing, we ensure that our financial liabilities have an appropriate maturity profile and that the portfolio of banks and financial intermediaries with which we work is balanced and stable. We operate on the basis of binding standards that ensure transparency and fairness for lenders. One of our priorities is to establish long-term and sustainable relationships with our lending banks.

The external financing at our disposal and our financial flexibility are mainly based on two instruments: The first instrument comprises several note loans that Ströer SE & Co. KGaA placed on the capital markets in June 2016 and October 2017 and which were valued at EUR 18.0m and EUR 332.0m respectively as at December 31, 2021. These loans consist of several tranches with terms of five or seven years and a volume of EUR 183.5m that is subject to a fixed interest rate. Thanks to the large number of banks involved in these note loans, our investor base is highly diversified.

The second instrument is a credit facility of EUR 600.0m that was arranged with a banking syndicate in December 2016 and may be extended by a further EUR 100.0m if required. The facility is offered at current market terms. The documentation also reflects the Ströer Group's investment-grade status. The facility has been committed for a fixed term ending in December 2023. The total volume of EUR 600.0m is structured as a flexible revolving facility with bilateral credit lines, giving the Ströer Group enormous financial flexibility.

For both financing instruments, the loans were granted without collateral. All of the financial covenants reflect customary market practice and relate to the leverage ratio, which was comfortably met as at the end of the year. The costs incurred in connection with setting up the two financing instruments will be amortized over the term of the respective agreements. Overall, this provides the Ströer Group with very flexible and stable long-term financing at low borrowing costs. As at December 31, 2021, the Group had available funding at its disposal of EUR 365.4m (prior year: EUR 503.7m) from unutilized credit lines under the credit facility, including a cash balance of EUR 63.4m.

As at the reporting date, no single bank accounted for more than 20% of all loan amounts drawn down in the Ströer Group, ensuring a well-diversified supply of credit. As part of the financing strategy, the Board of Management also regularly examines the possibility of hedging residual interest-rate risk by also using fixed-interest derivatives.

Our cash management is focused on managing our liquidity and optimizing the cash flows within the Group. The financing requirements of subsidiaries, if they cannot be covered from their own internal funds, are primarily met by intercompany loans as part of the automated cash pooling process. In exceptional circumstances, credit lines are also agreed with local banks in order to meet legal, tax, or operational requirements. In accordance with these guiding principles, the subsidiaries were once again mainly financed via the Group holding company in 2021. Where legally possible, any liquidity surpluses in the individual entities are pooled at Group level. Through the Group holding company, we ensure that the financing requirements of the individual Group entities are adequately covered at all times.

The Ströer Group's leverage ratio improved to 1.97 in the reporting year (prior year: 2.29) despite the challenging economic conditions created by the COVID-19 pandemic. In 2021, Ströer SE & Co. KGaA and its Group entities complied with all loan covenants and obligations under financing agreements.

The continuously increasing capital requirements imposed on banks are having a significant impact on their lending. As a result, we regularly consider whether and how we can diversify our financing structure, which is based heavily on banks at present, in favor of more capital market-oriented debt. In this context, we periodically examine various alternative financing options (such as issuing corporate bonds) in order to optimize the maturity profile of our financial liabilities where possible.

Financial position

Liquidity and investment analysis

The following cash flow reconciliation relates exclusively to the continuing operations of the Ströer Group.

EUR m	2021	2020
Cash flows from operating activities	426.5	380.0
Cash received from the disposal of intangible assets and property, plant, and equipment	5.2	1.6
Cash paid for investments in intangible assets and property, plant, and equipment	-106.5	-97.0
Cash received and cash paid in relation to investees accounted for using the equity method and to financial assets	2.5	-3.3
Cash received from and cash paid for the sale and acquisition of consolidated entities	-0.4	-8.7
Cash flows from investing activities	-99.3	-107.4
Cash flows from financing activities	-349.2	-290.7
Change in cash	-22.1	-18.1
Cash at the end of the period	63.4	85.5
Free cash flow before M&A transactions (incl. IFRS 16 payments for the principal portion of lease liabilities)	147.0	130.3
Free cash flow before M&A transactions	325.1	284.6

The conditions in the first quarter of 2021 were still extremely challenging as a result of the COVID-19 pandemic, and this had a massively detrimental effect on **cash flows from operating activities** (EUR 26.8m) in this period compared with the strong first quarter of 2020 (EUR 68.7m). Only as restrictions on public life were eased as the number of infections fell did the Group's operating business start growing strongly again, with cash flows from operating activities – despite the negative impact of the first quarter – ultimately increasing by EUR 46.5m to EUR 426.5m over the year as a whole (prior year: EUR 380.0m).

By contrast, **cash flows from investing activities** were a little lower on 2020, amounting to a net outflow of EUR –99.3m (prior year: net outflow of EUR –107.4m). Although the Group recorded a modest increase in investments in intangible assets and property, plant, and equipment, this was more than offset by a decline in M&A transactions, among other factors. **Free cash flow before M&A transactions** improved by EUR 40.5m to EUR 325.1m (prior year: EUR 284.6m). Adjusted for payments for the principal portion of lease liabilities in connection with IFRS 16, it came to EUR 147.0m (prior year: EUR 130.3m).

Cash flows from financing activities amounted to a net outflow of EUR –349.2m. As had been the case in 2020 (prior year: net outflow of EUR –290.7m), the main components in this outflow were the payments for the principal portion of lease liabilities in connection with IFRS 16 and the distribution of a dividend to the shareholders of Ströer SE & Co. KGaA. The net result of all these changes was that the Ströer Group had **cash** of EUR 63.4m at the end of 2021.

Financial structure analysis

As at December 31, 2021, the Ströer Group's **financial liabilities** totaled EUR 1,648.4m (prior year: EUR 1,617.7m). This increase of EUR 30.6m was mainly due to a rise in lease liabilities (IFRS 16), whereas liabilities to banks fell slightly. Within liabilities to banks, liabilities from note loans fell to EUR 349.8m due to the repayment of maturing tranches with a volume of EUR 127.0m. These repayments were funded using the existing facility agreement and resulted in a corresponding increase in liabilities there.

The Ströer Group bases the calculation of its **net debt** on the existing loan agreements with its lending banks. The additional lease liabilities that have had to be recognized since the introduction of IFRS 16 were excluded from the calculation of net debt both in the facility agreement and in the contract documentation for the note loans. This is because the contracting parties do not believe that the financial position of the Ströer Group has changed as a result of the new standard being introduced. To maintain consistency, the impact of IFRS 16 on EBITDA (adjusted) was also excluded from the calculation of the leverage ratio.

EUR m		Dec. 31, 2021	Dec. 31, 2020
(1)	Lease liabilities (IFRS 16)	945.1	900.3
(2)	Liabilities from the facility agreement	280.6	165.5
(3)	Liabilities from note loans	349.8	476.6
(4)	Liabilities to purchase own equity instruments	27.5	29.8
(5)	Liabilities from dividends to be paid to non-controlling interests	4.9	8.0
(6)	Other financial liabilities	40.4	37.5
(1)+(2)+(3)+(4)+(5)+(6)	Total financial liabilities	1,648.4	1,617.7
(2)+(3)+(5)+(6)	Total financial liabilities excluding lease liabilities (IFRS 16) and liabilities to purchase own equity instruments	675.7	687.6
(7)	Cash	63.4	85.5
(2)+(3)+(5)+(6)-(7)	Net debt	612.3	602.2
Leverage ratio		2.0	2.3

The Ströer Group's net debt went up only modestly in 2021, by EUR 10.2m to EUR 612.3m. This modest increase and the sharp rise in EBITDA (adjusted) meant that the leverage ratio (defined as the ratio of net debt to EBITDA (adjusted)) improved to 1.97 (prior year: 2.29) and thus remains at a very comfortable level.

Current and non-current **trade payables** fell slightly to end the year at EUR 227.9m (prior year: EUR 243.1m), whereas current and non-current **other provisions** climbed by a modest EUR 21.4m to EUR 114.3m over the same period. In both cases, the changes were in line with usual fluctuations.

At EUR 41.6m **current income tax liabilities** were also higher than in 2020 (prior year: EUR 26.5m). This increase was mainly due to the larger tax base that resulted from the Group's better overall financial performance. There was also a year-on-year rise in **deferred tax liabilities**, which amounted to EUR 22.3m (prior year: EUR 12.8m).

The EUR 7.1m recognized on the statement of financial position for **liabilities associated with assets held for sale** relates to the Turkish subsidiary SEM Internet Reklam Hizmetleri ve Danismanlik A.S., Istanbul, Turkey.

Ultimately, the Ströer Group closed 2021 with **equity** of EUR 483.9m (prior year: EUR 479.0m). Whereas the distribution of a dividend of EUR 113.3m to the shareholders of Ströer SE & Co. KGaA had initially led to a decline in equity, this effect was comfortably outweighed over the year as a whole by the Ströer Group's profit for the period of EUR 130.3m. The equity ratio of 17.8% was marginally below the level as at December 31, 2020 (prior year: 18.2%) because of the modest increase in the size of the balance sheet. Adjusted for the lease liabilities accounted for in accordance with IFRS 16, the equity ratio was 27.3% as at the reporting date (prior year: 27.8%).

Capital costs

In the Ströer Group, the cost of capital relates to the risk-adjusted required rate of return and, for the purpose of measurement in the consolidated financial statements, is determined in accordance with the capital asset pricing model and the weighted average cost of capital (WACC) approach. The cost of equity is the return expected by shareholders, as derived from capital markets information. We use yields on long-term corporate bonds as the basis for borrowing costs. In order to take account of the different return/risk profiles of our main activities, we calculate individual cost of capital rates after income taxes for each of our business segments.

Net assets

Consolidated statement of financial position

EUR m	Dec. 31, 2021	Dec. 31, 2020
Assets		
Non-current assets	2,360.9	2,306.1
Current assets	347.8	320.1
Held for sale ¹	9.0	0.0
Total assets	2,717.7	2,626.2
Equity and liabilities		
Equity	483.9	479.0
Non-current liabilities	1,307.6	1,385.2
Current liabilities	919.1	762.0
Held for sale ¹	7.1	0.0
Total equity and liabilities	2,717.7	2,626.2

¹The item 'Held for sale' includes assets classified as held for sale and the associated liabilities.

Analysis of the asset structure

Ströer's **non-current assets** stood at EUR 2,360.9m at the end of 2021, which was EUR 54.8m higher than in the prior year. The main component of this increase was a EUR 66.7m rise in property, plant, and equipment that was offset by a decline in intangible assets of EUR 39.7m, additions to which were comfortably outweighed by ongoing amortization.

At EUR 347.8m, the Group's **current assets** were EUR 27.7m higher than in the prior year. This increase was primarily attributable to the additions to trade receivables (+ EUR 30.7m), whereas cash decreased by EUR 22.1m to EUR 63.4m as a result of the optimization of liquidity across the Group.

The sum of EUR 9.0m reported under **assets classified as held for sale** related to the Turkish subsidiary SEM Internet Reklam Hizmetleri ve Danismanlik A.S., Istanbul, Turkey.

Thanks to the strong market position of the Ströer Group, the **assets not reported in the statement of financial position** include a broad-based portfolio of long-standing customer relationships. Of these customer relationships, only a small proportion that arose from acquisitions and have not yet been fully amortized are recognized as an asset.

Financial performance of the segments

With effect from January 1, 2021, the Ströer Group amalgamated its entire OOH business (digital and classic) in the Out-of-Home Media segment. At the same time, the PLUS business activities were grouped in a further segment, Digital & Dialog Media. These changes took account of the way in which the business has developed over recent years and reflect the Ströer Group's OOH+ strategy and its management and internal reporting structure even more strongly. The high-growth businesses Statista and AsamBeauty, which are not part of the core business, have been included in a separate segment – DaaS & E-Commerce – since this date. All prior-year figures have been restated.

Out-of-Home Media

EUR m	2021	2020	Change	
Segment revenue, thereof	700.8	655.7	45.1	6.9%
Classic OOH	473.7	465.6	8.1	1.7%
Digital OOH	173.8	139.7	34.1	24.4%
OOH Services	53.3	50.3	2.9	5.8%
EBITDA (adjusted)	335.9	298.2	37.6	12.6%
EBITDA margin (adjusted)	47.9%	45.5%	2.4 percentage points	

The OOH Media segment saw a further year-on-year improvement in **revenue** in 2021, to EUR 700.8m (prior year: EUR 655.7m). This is equivalent to a rise of 6.9%. Whereas measures to contain the COVID-19 pandemic continued to take a heavy toll in the first quarter of 2021, out-of-home advertising benefited from the increasingly benign market conditions during the second quarter. A strong performance in the second half of 2021 resulted in a return to year-on-year revenue growth for the year as a whole. In the third and fourth quarter, revenue increased significantly across all product groups compared with the 2020 figures and, overall, was back at the level seen before the COVID-19 pandemic.

The **Classic OOH** product group offers traditional out-of-home advertising products to our customers. Its revenue amounted to EUR 473.7m in the period under review, which was somewhat higher than the figure for the prior-year period of EUR 465.6m and was driven by increased momentum from the second quarter of 2021. The **Digital OOH** product group, which consists of our digital out-of-home products (primarily public video and

roadside screens), increased its revenue by EUR 34.1m to EUR 173.8m over the course of the year. The marketing of our public video network was particularly severely affected by the pandemic-related lockdown measures in the first quarter. From the second quarter of 2021, however, our digital OOH products delivered the strongest growth in relative terms. The continual expansion of our roadside screen portfolio also had a positive impact. Revenue in the **OOH Services** product group was also up slightly year on year at EUR 53.3m (prior year: EUR 50.3m). This product group includes the local marketing of digital products to small and medium-sized customers as well as activities that complement the customer-centric portfolio in the out-of-home advertising business.

The very healthy business performance had a noticeable positive impact on earnings, especially in the second half of 2021. Overall, the segment was able to significantly exceed the level of earnings reported a year earlier, with its **EBITDA (adjusted)** rising by 12.6% to EUR 335.9m in the reporting period (prior year: EUR 298.2m). This increase was particularly notable given that the Group

made much less use of government support programs (short-time working) in 2021. Higher costs in this area were able to be offset by a favorable product mix. The **EBITDA margin (adjusted)** stood at 47.9% in 2021 (prior year: 45.5%), despite the huge difficulties created by the pandemic in the first quarter.

Digital & Dialog Media

EUR m	2021	2020	Change	
Segment revenue, thereof	733.9	636.7	97.2	15.3%
Digital	429.5	386.7	42.8	11.1%
Dialog	304.3	250.0	54.4	21.8%
EBITDA (adjusted)	187.4	155.5	31.9	20.5%
EBITDA margin (adjusted)	25.5%	24.4%	1.1 percentage points	

Revenue in the Digital & Dialog Media segment rose by EUR 97.2m to EUR 733.9m in 2021. This is equivalent to a rise of 15.3%. This segment also benefited from the pick-up of growth that began in the second quarter. In the second quarter, the **Digital** product group, which encompasses our online marketing activities, comfortably made up for the decline in the first quarter, which had been affected by the fallout from the COVID-19 pandemic. In the third and fourth quarters of 2021, its performance surpassed even the strong prior-year quarters, as a result of which its revenue for the full twelve-month period was up by EUR 42.8m to EUR 429.5m. Within our broad-based publisher portfolio, our high-reach portal t-online.de continued to withstand the general market pressures and generated a year-on-year increase in revenue. The **Dialog** product group comprises our call center activities and direct sales activities (door to door). Its revenue rose sharply again in 2021, jumping by EUR 54.4m to EUR 304.3m. This was partly attributable to the Dialog product group's low level of revenue in the comparative

period as door-to-door-sales activities were officially prohibited in the period mid-March to May 2020 owing to the COVID-19 pandemic. The situation created by the pandemic in the labor market continued to be beneficial for the expansion of the sales organization in the two sales channels in the first quarter of 2021. The ending of lockdown measures and the resulting revival of public life meant that staff turnover began to edge up again from the third quarter.

The very healthy business performance had a noticeable positive impact on earnings, especially in the second quarter. Overall, the segment was able to significantly exceed the level of earnings reported a year earlier, with its **EBITDA (adjusted)** rising by 20.5% to EUR 187.4m in the reporting period (prior year: EUR 155.5m). Against a backdrop of challenging market conditions, the **EBITDA margin (adjusted)** rose year on year to stand at 25.5% (prior year: 24.4%).

DaaS & E-Commerce

EUR m	2021	2020	Change	
Segment revenue, thereof	241.9	180.0	61.9	34.4%
Data as a Service	101.8	73.7	28.1	38.1%
E-Commerce	140.1	106.3	33.8	31.8%
EBITDA (adjusted)	22.1	21.6	0.5	2.3%
EBITDA margin (adjusted)	9.1%	12.0%	-2.9 percentage points	

In 2021, the DaaS & E-Commerce segment recorded a further significant increase in **revenue**, which was up by EUR 61.9m to EUR 241.9m. This is equivalent to a rise of 34.4%. The **Data as a Service** product group saw its revenue rise sharply by EUR 28.1m to EUR 101.8m owing to Statista's continued growth both in Germany and internationally. The **E-Commerce** product group, in which AsamBeauty's business is reported, generated a further substantial EUR 33.8m increase in revenue to EUR 140.1m. The sales channels e-com and retail delivered the biggest contributions to this positive trend.

Overall, the segment's **EBITDA (adjusted)** went up by 2.3% to EUR 22.1m in the reporting period (prior year: EUR 21.6m), which meant that the **EBITDA margin (adjusted)** was down only slightly year on year at 9.1% (prior year: 12.0%) despite the activities to expand the business in line with the growth strategy.

INFORMATION ON STRÖER SE & CO. KGAA

The management report of Ströer SE & Co. KGaA and the group management report for 2021 have been combined pursuant to section 315 (5) HGB in conjunction with section 298 (2) HGB. The separate financial statements and the combined management report of the Company and the Group are published at the same time in the electronic German Federal Gazette.

Description of the Company

Ströer SE & Co. KGaA operates as the holding company. It exclusively performs Group management duties and renders administrative and other services for the Group. These include, in particular, finance and Group accounting, corporate and capital market communications, IT services, Group financial planning and reporting, risk management, and legal and compliance.

The following figures and disclosures relate to the separate financial statements of Ströer SE & Co. KGaA, which were prepared in accordance with the provisions of the HGB and the AktG. Profit or loss for the period is the most important performance indicator for the Company.

Financial performance

Whereas the lockdown measures that were still in place at the start of 2021 made life difficult for the Ströer Group, particularly in its out-of-home advertising business, it began to record significant gains again from the second quarter as the number of infections fell and more and more of the population was vaccinated. Ultimately, over the full reporting period, all segments of the Ströer Group registered a year-on-year rise in revenue. Thanks to intragroup profit transfers, Ströer SE & Co. KGaA was able to significantly benefit from this uptrend and reported an increase in profit for the period that more than doubled year on year to EUR 135.0m (prior year: EUR 65.6m).

EUR k	2021	2020
Revenue	28,709	27,572
Other operating income	8,373	22,583
Cost of materials	-8,528	-8,308
Personnel expenses	-21,913	-25,879
Amortization, depreciation, and impairment of intangible assets and property, plant, and equipment	-6,426	-8,178
Other operating expenses	-48,153	-34,514
Income from equity investments	0	345
Income from profit transfer agreements and expenses from the transfer of losses	215,966	128,409
Income from other securities and loans classified as non-current financial assets	2,058	2,236
Impairment of financial assets	0	-7,790
Other interest and similar income and interest and similar expenses	-9,791	-10,338
Income taxes	-25,223	-20,391
Post-tax profit or loss	135,072	65,748
Other taxes	-113	-113
Profit for the period	134,959	65,635
Profit carryforward from the prior year	120,000	170,000
Accumulated profit	254,959	235,635

The **revenue** generated by Ströer SE & Co. KGaA in 2021 was, as in preceding years, mainly attributable to intragroup services and rental income, and at EUR 28.7m was only marginally higher than the figure for 2020 (prior year: EUR 27.6m). By contrast, the holding company recorded a significant decline in **other operating income** to EUR 8.4m (prior year: EUR 22.6m). This is because the figure for the prior year had included a gain on disposal from an intragroup sale of property, plant, and equipment and intangible assets. The **cost of materials**, which mainly consists of intragroup rental expenses, was again virtually unchanged at EUR 8.5m (prior year: EUR 8.3m). Meanwhile, **personnel expenses** dropped by EUR 4.0m to EUR 21.9m (prior year: EUR 25.9m) due to a fall in headcount at the holding company and despite a decrease in short-term working. By contrast, **other operating expenses** were up by EUR 13.6m year on year to EUR 48.2m (prior year: EUR 34.5m). One of the reasons for this increase was the rise in fleet costs as a result of the groupwide pooling of company cars. **Amortization, depreciation, and impairment of intangible assets and property, plant, and equipment** came to EUR 6.4m (prior year: EUR 8.2m).

In terms of intragroup **profit and loss transfers** (income from profit transfer agreements and expenses from the transfer of losses), the holding company recorded a substantial EUR 87.6m increase to EUR 216.0m (prior year: EUR 128.4m) that was due to the overall improvement in the Group's operating business. **Income from other securities and loans classified as non-current financial assets** was almost unchanged year on year at EUR 2.1m (prior year: EUR 2.2m). There was also hardly any change in the **net interest expense** (other interest and similar income and interest and similar charges) of EUR 9.8m (prior year: EUR 10.3m). In the prior year, **impairment of financial assets** had included impairment losses on loans to former Group companies. No such losses were recognized in 2021 (EUR 0.0m (prior year: EUR 7.8m)).

One consequence of the improvement in the operating business was a larger tax base for the tax group, as a result of which **income taxes** increased by EUR 4.8m to EUR 25.2m (prior year: EUR 20.4m). For detailed information on deferred taxes, please refer to section C.6 in the notes to the financial statements of the Company.

Overall, and thanks mainly to the sharp increase in inter-group profit transfers, the **profit for the period** of Ströer SE & Co. KGaA more than doubled to EUR 135.0m (prior year: EUR 65.6m).

Net assets and financial position

There were only a handful of minor year-on-year changes to the key components that make up the net assets and financial position of Ströer SE & Co. KGaA. Neither intangible assets and property, plant, and equipment nor financial assets changed significantly in 2021, whereas receivables and other assets – which are classified as current assets – rose by EUR 37.6m to EUR 1,470.7m. On the liabilities side, liabilities to banks fell by a modest EUR 12.0m, while liabilities to affiliates went up by EUR 17.8m. Equity rose by EUR 23.9m to EUR 1,349.0m in 2021. Although the distribution of a dividend of EUR 113.3m to the Company's shareholders had initially led to a decline in equity, this was comfortably offset by the profit for the period of EUR 135.0m. Taking account of the extremely healthy equity ratio of 59.9% (prior year: 59.8%), the Company continued to enjoy a very solid and well-balanced financial position as at the reporting date.

EUR k	2021	2020
Assets		
Non-current assets		
Intangible assets and property, plant, and equipment	17,572	18,348
Financial assets	759,384	762,089
	776,957	780,437
Current assets		
Receivables and other assets	1,470,723	1,433,118
Cash on hand and bank balances	192	632
	1,470,915	1,433,750
Prepaid expenses	2,687	3,366
Total assets	2,250,559	2,217,553
Equity and liabilities		
Equity	1,348,962	1,325,037
Provisions		
Tax provisions	18,947	18,175
Other provisions	26,136	19,977
	45,082	38,152
Liabilities		
Liabilities to banks	631,841	643,878
Trade payables and other liabilities	6,319	9,963
Liabilities to affiliates	218,354	200,523
	856,514	854,364
Total equity and liabilities	2,250,559	2,217,553

Analysis of the asset structure

In terms of intangible assets, the investments made by Ströer SE & Co. KGaA were marginally higher than the ongoing amortization, whereas the additions to property, plant, and equipment were more than offset by the ongoing depreciation. Ultimately, **intangible assets and property, plant, and equipment** amounted to EUR 17.6m as at December 31, 2021 (prior year: EUR 18.3m). The Company's **financial assets** also saw a modest decline, falling by EUR 2.7m to EUR 759.4m (prior year: EUR 762.1m). The main factor in this decrease was a slightly lower volume of loans to affiliated companies.

Receivables and other assets, meanwhile, came to EUR 1,470.7m as at December 31, 2021, an increase of EUR 37.6m on the figure for 2020 (prior year: EUR 1,433.1m). Within this line item, the year-on-year increase in receivables from intragroup profit transfers had a positive impact in 2021, whereas there was a negative effect from the liquidity surpluses earned by individual subsidiaries during the year that were transferred to the Group's holding company.

At the end of the reporting period, **bank balances** stood at just under EUR 0.2m and were thus at roughly the same level as at the end of 2020 (prior year: EUR 0.6m). There was also little change in the Company's **prepaid expenses**, which stood at EUR 2.7m (prior year: EUR 3.4m). This item included the capitalized borrowing costs incurred in prior years in connection with a number of adjustments to the credit facility. Since then, these costs have been deferred and recognized pro rata over the term of the financing.

Financial structure analysis

Ströer SE & Co. KGaA ended 2021 with **equity** of EUR 1,349.0m (prior year: EUR 1,325.0m). The Company's profit for the period of EUR 135.0m (prior year: EUR 65.6m) had the biggest positive impact on equity.

The exercise of stock options worth EUR 2.3m under a Stock Option Plan (prior year: EUR 3.5m) also contributed to the increase, whereas the distribution of a dividend to the shareholders of Ströer SE & Co. KGaA of EUR 113.3m (prior year: EUR 113.2m) had a negative impact. At 59.9%, the equity ratio remained at a very comfortable level (prior year: 59.8%).

The Company's **provisions** edged up by EUR 6.9m to EUR 45.1m (prior year: EUR 38.2m). The higher level of provisions for outstanding invoices and for maintenance was one of the main factors in this increase. By contrast, **liabilities to banks** fell by EUR 12.0m to EUR 631.8m (prior year: EUR 643.9m). **Trade payables and other liabilities** amounted to EUR 6.3m as at December 31, 2021, which was EUR 3.7m lower than a year earlier (prior year: EUR 10.0m), whereby the decline in other liabilities mainly related to a decrease of EUR 4.5m in VAT liabilities.

The Company's **liabilities to affiliates** rose by a modest EUR 17.8m to EUR 218.4m. This was mainly due to an increase in liabilities resulting from the transfer during the year of liquidity surpluses earned by individual subsidiaries to the Group's holding company, an effect that was partly offset by the settlement of liabilities incurred as a result of loss transfers in respect of the prior year.

Liquidity analysis

Ströer SE & Co. KGaA has a credit facility with long-term credit lines of EUR 600.0m, with the option to increase the volume by a further EUR 100.0m if required. The full volume of the credit lines is structured as a flexible revolving facility and has been committed until December 2023. As at December 31, 2021, a total of EUR 302.0m of these credit lines was freely available (prior year: EUR 418.2m).

The Company's net financial assets amounted to EUR 714.2m as at December 31, 2021 (prior year: EUR 684.3m).

The following overview shows the composition of the net financial assets of Ströer SE & Co. KGaA as at the reporting date:

EUR m	Dec. 31, 2021	Dec. 31, 2020
(1) Receivables from affiliates	1,462.7	1,425.0
(2) Loans to affiliates	101.5	103.1
(3) Cash on hand and bank balances	0.2	0.6
(1)+(2)+(3) Total financial assets	1,564.4	1,528.7
(4) Liabilities to banks	631.8	643.9
(5) Liabilities to affiliates	218.4	200.5
(4)+(5) Total financial liabilities	850.2	844.4
(1)+(2)+(3)-(4)-(5) Net financial assets	714.2	684.3
Equity ratio (%)	59.9%	59.8%

Because it is the holding company, Ströer SE & Co. KGaA's performance is closely linked to that of the entire Ströer Group. In view of the positive level of net financial assets, comfortable equity ratio, and the expectation that the results of the subsidiaries will improve once the COVID-19 pandemic has been brought under control, we are confident that the Company, like the Group as a whole, is extremely well positioned to meet future challenges. The opportunities and risks for the Company are largely the same as the opportunities and risks for the Ströer Group.

Anticipated performance of the Company

Due to its role as group parent, Ströer SE & Co. KGaA's anticipated performance depends on that of the Group as a whole. The performance of the Group as a whole will in turn be influenced heavily by how the COVID-19 pandemic continues to unfold. Further lockdowns, in particular, would have a significant negative impact on the Group's out-of-home advertising business, which makes it difficult to give a reliable forecast at this moment in time. Based on the Group's expected financial performance in 2022, as presented in the 'Forecast', we expect the subsidiaries as a whole to deliver much larger earnings contributions in 2022 than in 2021, provided that the COVID-19 pandemic recedes as expected. We therefore anticipate that Ströer SE & Co. KGaA's profit for the year will also be much higher than in 2021.

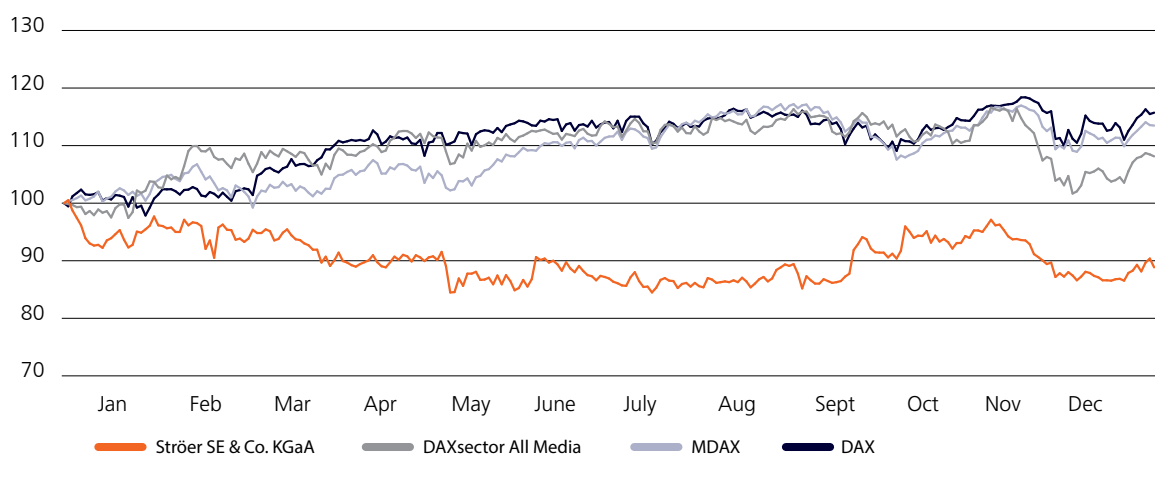
SHARE INFORMATION¹

The lockdown in Germany, the Company's core market, which lasted into spring 2021 and the ongoing challenges and uncertainties related to the COVID-19 pandemic meant that Ströer's share price was unable to continue on its strong run from the previous year. By contrast, the main German and global indices maintained their upward trajectory, which was driven mainly by large cap companies. The DAX, for example, rose by 15.8% over the course of 2021 (prior year: 3.5%). The MDAX, the index in which the shares of Ströer SE & Co. KGaA are listed, advanced by 14.1% (prior year: 8.8%).

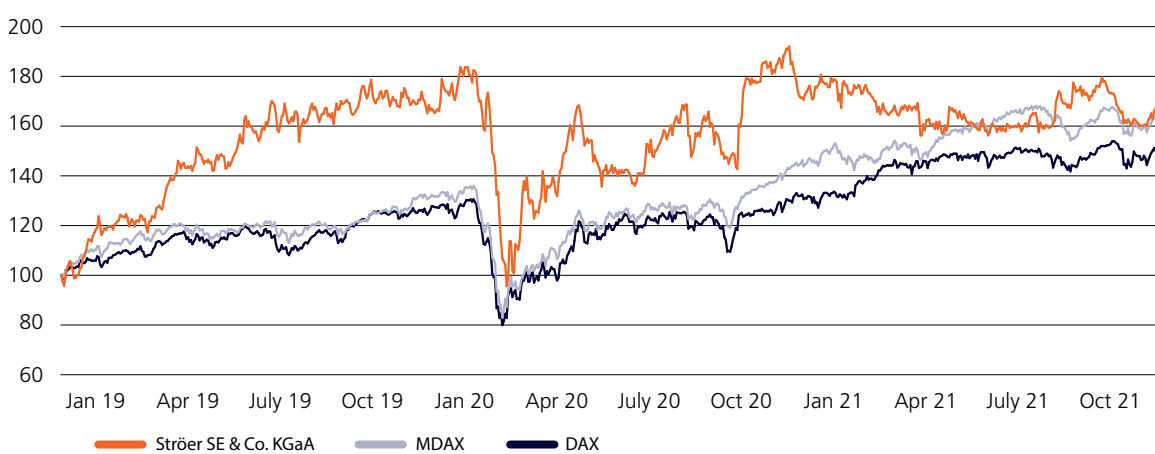
The DAXsector All Media Index performed a little better than in 2020, adding around 7.1% over the course of the year (prior year: 5.9%).

Despite the generally buoyant mood and overall upward trend in the equity markets, the shares of Ströer SE & Co. KGaA underperformed the major indices in the first half of 2021. But in the second half of the year, the strong performance of the business saw the share price rise again in line with the wider market. Nevertheless, the paper finished the year with an overall loss after ending December 2020 close to its all-time high. As at December 31, 2021, the price for one of the Company's shares stood at EUR 69.30, which was roughly 14.4% lower than the closing price in 2020. Taking into account the dividend of EUR 2.00 paid in September 2021, the total return was slightly better by around 3 percentage points.

Relative performance of Ströer shares in 2021 (indexed, in percent)



Relative performance of Ströer shares over a three-year period (indexed, in percent)



Source: Factset

¹ This section is not included in the audit conducted by the independent auditor.

Over a three-year period, the total return on Ströer shares has been significantly better than that of the MDAX and DAX, by around 18 and 30 percentage points respectively.

Ströer's dialog with the capital markets

Active and continual communication with investors and analysts is of great importance and the focal point of Ströer SE & Co. KGaA's investor relations work. And it is all the more important in challenging periods such as last year in the midst of the coronavirus pandemic. The goal of investor relations work is to present the Company and explain its strategy and potential to retail and institutional investors, analysts, and other interested capital market players. This is done through direct contact, via video conferences and via the website and email list. Because of coronavirus, none of the usual in-person roadshows were held in 2021. Their place was taken by a multitude of virtual roadshows and virtual investor conferences. These are now established formats for providing up-to-date information on the latest trends and developments pertaining to the Company. In June 2021, the Board of Management of the general partner issued a trading update to brief the capital markets on how the business was performing and how it was expected to perform in the future. This was in addition to the standard investor relations program and formed part of its efforts to provide investors and analysts with information about the Company and its current business performance on an ongoing basis. Ströer also held a Capital Market Day in October 2021 at which it informed investors and analysts about current developments, about its plans and strategy, and about its medium-term objectives for the period up to and including 2026.

In addition to the investor relations team, the Board of Management of the general partner personally took part in many virtual investor meetings and answered questions from capital market players. To make our capital markets work as effective as possible, the investor relations team analyzes the Company's shareholder structure on an ongoing basis and plans its activities accordingly. Another key communication channel is the website → **ir.stroeer.com**, where Ströer promptly publishes capital-market-relevant information and makes all investor relations documents available for download.

Annual shareholder meeting

Because of the COVID-19 pandemic and related restrictions on contact with others, the shareholder meeting was again held as a virtual event and took place on September 3, 2021. In total, around 50 million no-par-value shares were represented, equivalent to around 87% of the share capital. All motions put forward by the Supervisory Board and the general partner were approved following a vote. This included the distribution of a dividend of EUR 2.00 per dividend-bearing no-par-value share.

Stock exchange listing, market capitalization, and trading volume

Ströer SE & Co. KGaA shares are listed in the Prime Standard of the Frankfurt Stock Exchange and are included in the MDAX. Based on the closing share price on December 31, 2021, market capitalization came to around EUR 3.9b (prior year: EUR 4.6b). The average daily volume of Ströer shares traded on Xetra was approximately 63,400 shares in 2021 (prior year: 112,000 shares).

Analysts' coverage

Ströer SE & Co. KGaA is currently analyzed by 15 German and international banks, of which eleven give a recommendation of 'buy' and four give a recommendation of 'hold' based on their assessments at the end of the twelve-month period.

The latest broker assessments are available at **www.stroeer.com/investor-relations** and are presented in the following table:

Investment Bank	Recommendation
Exane BNP Paribas	Buy
HSBC	Buy
Hauck & Aufhäuser	Buy
UBS	Buy
Warburg Research	Buy
Nord/LB	Buy
J.P. Morgan	Buy
Barclays	Buy
Morgan Stanley	Buy
LBBW	Hold
Deutsche Bank	Buy
Kepler Cheuvreux	Buy
Goldman Sachs	Hold
Citi	Hold
Oddo BHF	Hold

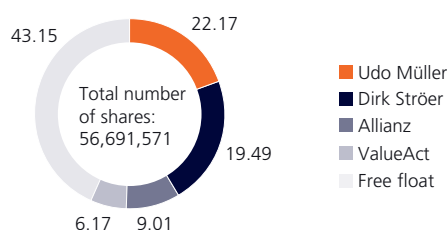
← All information can be found on our website: **www.stroeer.com/investor-relations**

Shareholder structure

As at the end of 2021, Udo Müller, founder and Co-Chief Executive Officer, directly held 6.18% of the shares and held 15.99% indirectly through interposed subsidiaries (22.17% in total). Dirk Ströer indirectly held 19.49% through interposed subsidiaries while Christian Schmalzl, Co-Chief Executive Officer, held around 0.05% and Christian Baier 0.003% of the shares in Ströer SE & Co. KGaA. Udo Müller and Dirk Ströer are parties to a voting and pooling agreement. The free float came to around 43%. Based on the notifications received by the Company by December 31, 2021, Ströer was aware of the following parties that hold more than 3% of the voting rights in Ströer SE & Co. KGaA: Allianz Global Investors GmbH 9.01%, ValueAct Holdings GP, LLC 6.17%, Deutsche Telekom Trust e.V., 4.93%, DWS Investment, 4.92%, and Credit Suisse 3.44%.

Shareholder structure of Ströer SE & Co. KGaA

As of Dec. 31, 2021 in %



Dividend policy

In the reporting year, Ströer SE & Co. KGaA paid a dividend of EUR 2.00 per dividend-bearing no-par-value share. Owing to the solid financial position of the Group and the expected positive trends in its business going forward, this distribution went beyond the range of between 50% and 75% of adjusted consolidated profit that is set out in the Company's dividend policy.

Ströer SE & Co. KGaA intends to continue enabling its shareholders to share in any profit.

Key data for Ströer SE & Co. KGaA shares as at December 31, 2021

Share capital	EUR 56,691,571
Number of shares	56,691,571
Class	No-par-value bearer shares (each no-par-value share has a notional value of EUR 1.00 of the share capital)
First listing	July 15, 2010
ISIN (International Securities Identification Number)	DE0007493991
WKN (securities identification number)	749399
Stock exchange symbol	SAX
Reuters ticker symbol	SAXG.DE
Bloomberg ticker symbol	SAX/DE
Market segment	Prime Standard
Index	MDAX
2021 opening price ¹	EUR 81.40
2021 closing price ¹	EUR 69.30
Highest price in 2021 ¹	EUR 81.70
Lowest price in 2021 ¹	EUR 64.65

¹ XETRA price.

EMPLOYEES

The digital transformation of the media industry continues to place high demands on the Company's employees. This applies both to how they collaborate with each other internally and with customers externally and relates not just to technical know-how but also to creativity and new ways of working.

Ströer wants to live up to its ambition of playing a pioneering role in helping to actively shape these changes. The collaborative, flexible, and agile ways of working that Ströer was already using, combined with its flexible working models, enabled the Company to switch to entirely virtual work processes very quickly when the pandemic took hold. Digital online training entitled 'Meeting over Distance' and 'Lead over Distance' prepared managers and employees for the changes. In addition, Ströer's ideas workshop has given its employees additional scope for creativity throughout the pandemic.



In 2021, short-time working was ended and there was a return to normal conditions. Hybrid working arrangements and the continuation of strict rules on access, hygiene, and social distancing helped keep employees safe at all times. In addition, software was successfully implemented to monitor adherence to Germany's 3G in the workplace rule as soon as it was introduced by the federal government.

Ströer is also actively driving forward the theme of sustainability, and made September 2021 its very first sustainability month. Every Friday during the month, employees were given the opportunity to find out more about various ESG (environment, social, and governance) topics and to discuss what they had learned. The compelling program featured contributions from external and internal speakers as well as interactive workshops. At the end of the sustainability month, a sustainability workshop was set up to make the topics explored more tangible for employees, for employees to bring in their own ideas and, most importantly, for them to put these ideas into practice.

In 2021, prompted by the advances in digitalization and the rise of agile working, Ströer expanded its online training program on the subject of digital leadership, thus equipping its senior managers with the skills they will need to cope with the challenges of the future.

The Ströer Group received over 60,000 job applications in 2021. This large number demonstrated the worth of the digital recommendations program, in which recommendations can be forwarded online.

Concept for digital leadership workshop

April 2020 start	Module '0'	Module 1	Module 2	Module 3	Module 4	Mindset change program (from April 2020)
Focus areas	Lead & Meet over Distance	Authenticity	Being an enabler Challenge & nurture	Appreciation Communication Setting goals	Delegating Trusting Allowing mistakes No micromanagement	Leader's Mindset: Trust in Leadership Robustness Human-Centricity Entrepreneurial Responsibility
	1 x 2hr module	1 x 4hr module	2 x 4hr modules	2 x 4hr modules	open	6 months
	Sharing information & expertise	Handouts, collaborative tools, breakouts	Web training in advance, Handouts, collaborative tools, breakouts	Handouts, collaborative tools, breakouts	open	Keynotes Leadership Sessions Learning platform One-on-one coaching
	Leadership Basics					Leader's Mindset

Moreover, the Ströer Group is making itself easier to find on the internet by continually expanding its online presence, and is also responding to the growing shortage of skilled workers by setting up an inhouse recruitment team.

Diversity was and remains a key pillar for collaboration within the Group. Ströer support all aspects of diversity and promotes a culture of respect and fairness. In 2021, Ströer widened its collaboration with the inhouse network of female employees, EmpowHer. Diversity Day, meanwhile, produced a number of highlights and rounds of discussion, and the Company also signed up to the Diversity Charter. The resulting internal impetus was taken on board and used in the sustainability workshop to establish the LOUT (LGBT+ -) network.

Ströer offers lots of benefits and innovative structures for new and established employees, such as attractive modern offices, flexible working time models, company childcare facilities in Cologne, the job bike and job lunch schemes, and an attractive salary sacrifice scheme.

→ Further information on the gender ratio and on the targets for the Board of Management and the two upper levels of management can be found in the corporate governance declaration at: www.stroeer.com/investor-relations

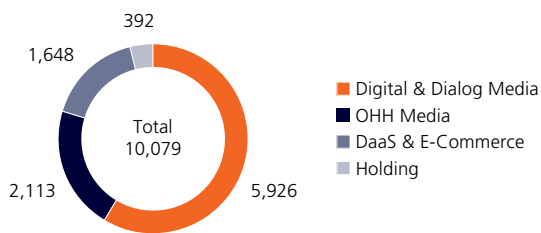
Workforce information

Headcount

At the end of 2021, the Ströer Group had 10,079 full-time and part-time employees (prior year: 10,003), a number that breaks down by segment as follows:

Employees by segment

As of Dec. 31, 2021



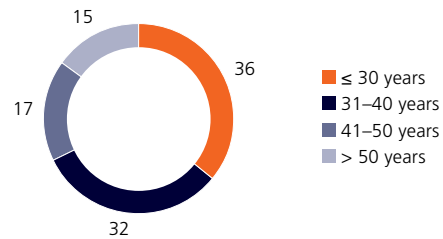
Length of service and age structure

As at the reporting date, employees had been working for the Ströer Group for an average of 4.7 years (prior year: 4.6 years). Ströer thus has a well-balanced age structure overall and aims to retain young employees through

targeted training programs and to sustain their enthusiasm for the Company in the long term. Co-workers with extensive professional experience support them in their careers.

Age structure in the Group

2021 in %

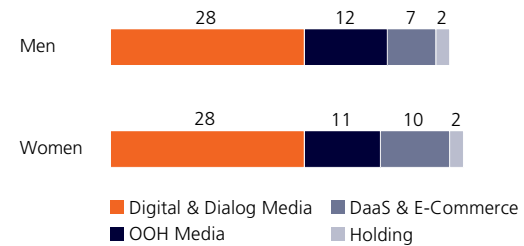


Gender structure

→ Ströer continued to have a very well-balanced gender ratio in 2021. The proportion of female employees in the Group increased marginally during the year. As at the end of 2021, 49% of the Ströer Group's employees were male and 51% were female, which was the same distribution as in the prior year. The gender balance is due in no small part to the attractive working time models and hybrid working arrangements that help staff reconcile work and family life, for example, and that make Ströer a modern company.

Gender structure by segment

2021 in %



Training and development

Vocational training and degree courses

In 2021, Ströer provided vocational training to a total of 154 talented young people throughout Germany and was again awarded five stars by the business magazine CAPITAL in the 'Germany's best training providers' survey, making it one of the best training providers in Germany. As well as offering traditional vocational training, Ströer also expanded its degree apprenticeship program, which includes work-based bachelor's degrees and, since 2018, master's degrees. In this area too, it was awarded five stars again by the survey.

Successful students from the bachelor and apprenticeship programs of course have a good chance of being kept on by Ströer, which again hired many young talented employees in different areas of the Company last year.

Continuing professional development and skills training

Ströer offers its employees opportunities to achieve their professional goals within the Ströer Group. In recent years, the existing trainee program has been continually expanded so as to offer a wide variety of training and orientation opportunities to those starting out in their careers. Entry as a trainee is now possible in the following three areas: general management, HR, and sales.

Participants in the talent program made tremendous progress in their development and many have taken their career to the next level within the Ströer Group. In the third round of Jump 'n' Grow, a program that was launched in 2019, Ströer ran some of the modules digitally and put others on hold due to the pandemic. Regular book discussions and online courses continued to take place as well. This round of the program will draw to a close in Q2 2022. The fourth round starts in September 2022. Employees can begin submitting their applications for this from May 2022. The modules include workshops, training, informal discussions with members of the Board of Management, and collaborative projects. Networking is also facilitated for the duration of the program through targeted links with senior managers, who play the role of sparring partners and mentors in parts of the program.

OPPORTUNITIES AND RISKS

Opportunity and risk management system

Ströer understands risk and opportunity to mean all deviations from the budget resulting from uncertain future events that, if they materialize, could have a negative or positive impact respectively on the achievement of the Company's targets or that could jeopardize the Company's ability to continue as a going concern.

Risk management at the Ströer Group encompasses the entirety of all activities, thus ensuring a systematic approach to risk. The function of risk management is to identify and analyze risks at an early stage using a standardized system and to formulate action steps to optimize the balance of opportunities and risks. A key component of Ströer's risk management system is its groupwide early warning system for the detection of risk. The system complies with the statutory requirements in section 91 (2) AktG.

The Board of Management of the general partner is responsible for opportunity and risk management at Ströer SE & Co. KGaA, which forms an integral part of corporate governance. The ongoing management of opportunities and risks is also an integral component of the planning and control process.

Risk strategy

Our risk strategy is not centered on strictly avoiding risks but on ensuring that the business decisions we make are based on careful consideration of the opportunities and risks. At the same time, it is important to identify risks in

good time, that could jeopardize the continuation of the Company as a going concern so that prompt action can be taken to avoid or limit any such risks. Dealing openly and responsibly with risks is essential to our risk culture and is an approach which the Board of Management proactively communicates and puts into practice.

Risk-bearing capacity

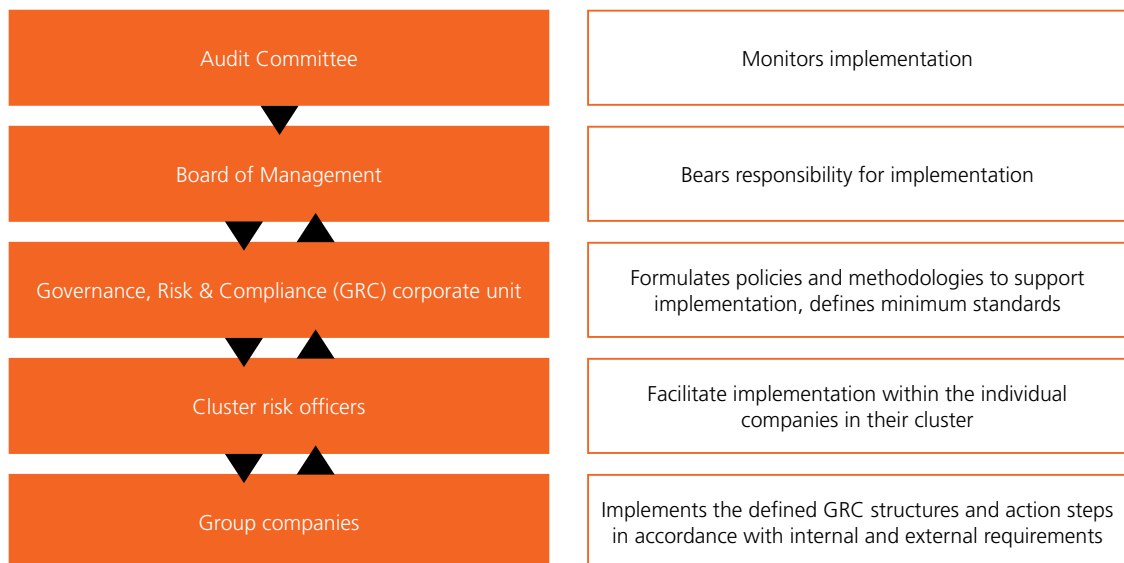
The net debt ratio is a key indicator of the Ströer Group's risk-bearing capacity because it is directly linked to the Company's liquidity and because it is relevant as a credit metric in determining the ability of the Company to obtain additional financing. A Monte Carlo simulation is therefore used to analyze all risks identified in the risk management process to determine their potential impact on the net debt ratio. The net debt ratio produced by the simulation after factoring in the risks should under no circumstances exceed the level defined by the Board of Management of the general partner as the maximum risk-bearing capacity.

Risk management organization

Risk management is embedded in the Group from an organizational perspective through the Governance, Risk & Compliance corporate unit, which was established in 2021:

The Audit Committee of the Supervisory Board of Ströer SE & Co. KGaA monitors the internal control and risk management system.

Governance, Risk & Compliance organization



The Board of Management of the general partner bears overall responsibility for implementing an internal control and risk management system that is appropriate and effective. It ensures that risks that could jeopardize the Company's ability to continue as a going concern or significantly hamper the achievement of its objectives are identified, analyzed, managed, and monitored on an ongoing basis. It also helps to improve how risks are detected and communicated in all departments and divisions and to raise awareness of these processes across the entire Ströer Group, thus enhancing the risk culture.

The Board of Management is supported in these endeavors by the Governance, Risk & Compliance (GRC) corporate unit, which provides the necessary guidelines and policies as a basis for the operational and organizational structure of risk management. The risk management process follows a structured and standardized approach that uses centralized tools and methodologies to detect and analyze risk. The GRC corporate unit, assisted by the cluster risk officer, is responsible for managing, monitoring, and reporting risk across the Group and provides training to ensure that the process is implemented consistently and in accordance with central policies.

Below the level of Group segments, multiple Group companies were amalgamated as clusters within the corporate governance structures and the role of cluster risk officer was created to facilitate implementation in the individual

Group companies. The cluster risk officers manage the risk management process and the risk situation within their area of responsibility. Specifically, they monitor how risks are identified and analyzed within the relevant subsidiaries and how the risk-mitigation measures are being implemented.

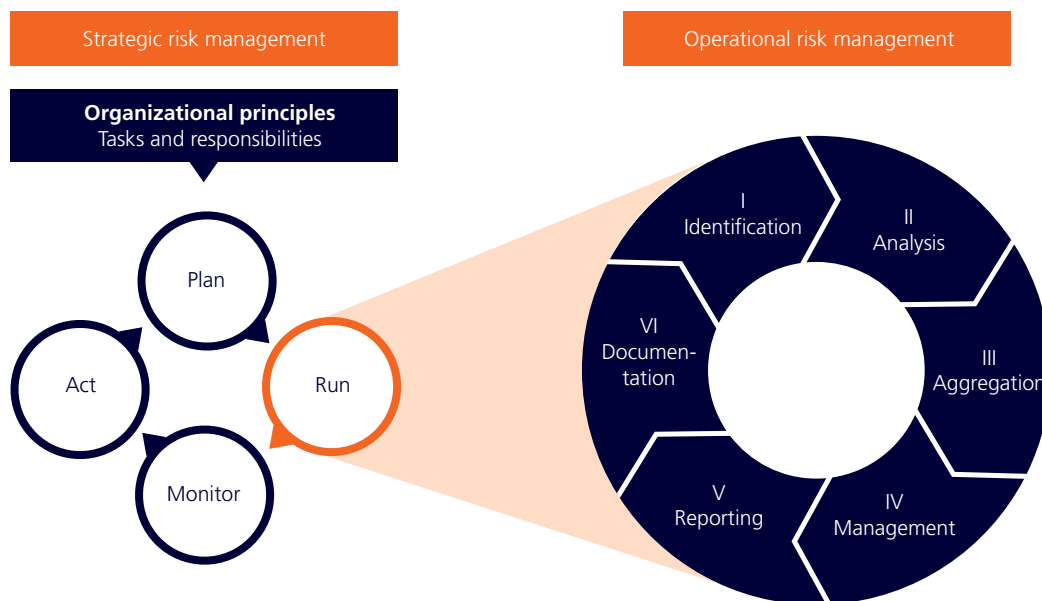
Opportunity and risk management at the Ströer Group is designed in such a way that the risks relevant to the individual segments, clusters, and companies of the Group are fully documented. The managing directors of the individual Group companies are therefore required to implement structures and mechanisms that conform to the relevant laws and internal policies and to ensure that the operational risk management process is functioning as it should. This allows risks to be documented appropriately and to the fullest extent possible at the level where they arise and are managed.

Risk management process

Ströer SE & Co. KGaA operates a comprehensive risk management system that can be subdivided in the customary way into a strategic and an operational risk management process.

The strategic risk management process is primarily coordinated and implemented by the Board of Management of Ströer SE & Co. KGaA in conjunction with the GRC corporate unit.

Risk management process



The operational risk management process, meanwhile, is carried out on a semi-annual basis at cluster and Group company level. Its efficiency and effectiveness is ensured by the consistent application of the groupwide risk management methodology, which is codified in the relevant guidelines and policies issued by the GRC corporate unit, and by the use of standardized tools for documenting and analyzing risk. The risk management process was reviewed in 2021 with regard to the requirements of the Act to Strengthen Financial Market Integrity (FISG), as a result of which improvements were made in the areas of risk identification and risk analysis in particular.

Identification

At a fundamental level, risk management involves the identification of material risks with regard to their impact on the achievement of the Company's objectives. The managing directors of the individual Group companies bear responsibility for the identification of all such material risks and are assisted in this task by the cluster risk officers. Each risk is assigned to a risk owner who has the responsibility and authority to monitor and manage the risk appropriately.

The Governance, Risk & Compliance corporate unit conducts a review at least once a year, as part of an established process, to ensure that all Group companies are included in the risk management system. To facilitate comprehensive bottom-up risk reporting across the entire Group, each company is assigned to a particular cluster and therefore also to a particular cluster risk officer.

Analysis

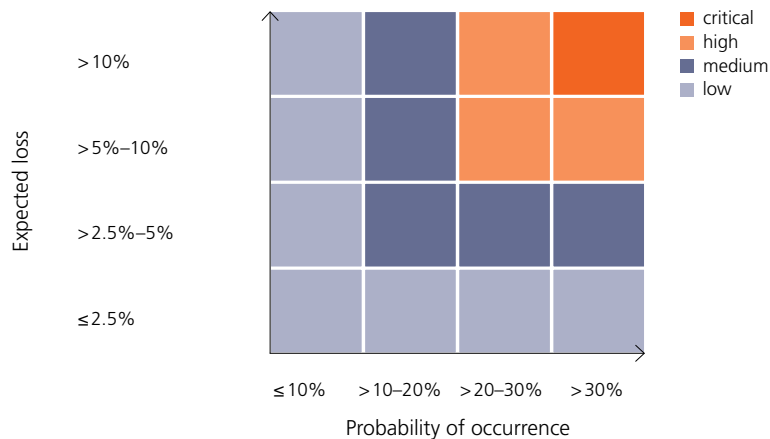
Risks are analyzed in a two-stage process. In the first stage, the potential severity of the loss and its probability of occurrence are used to calculate an expected loss value, which serves as a starting point for categorizing the individual risks as critical, high, moderate, or low. This analysis is carried out on the basis of the net risk, i.e. the level of risk when the measures that are in place to avoid or minimize the risk are taken into account. The Group's average EBITDA over four quarters is the metric used to assess and categorize the risk (see 'Risk matrix, expected loss value' chart below). In the second stage of the process, the risks are aggregated and modeled in simulations with reference to the risk-bearing capacity of Ströer SE & Co. KGaA.

Aggregation, simulation, and assessment of risk-bearing capacity

The cluster risk officers examine the risks that are identified in the companies, aggregate them, and check for potential interdependencies.

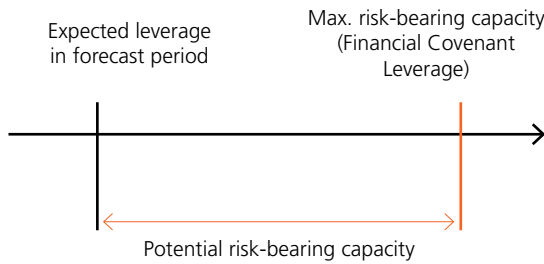
The GRC corporate unit then uses a Monte Carlo simulation to analyze the overall risk situation of the Ströer Group with regard to its risk-bearing capacity, taking into account other possible interdependencies involving individual risks. This identifies any developments that may result from the combined effects of multiple individual risks that would jeopardize the Company's ability to continue as a going concern.

Risk matrix based on expected loss value (analysis of individual risks)



Sensitivity analyses are also carried out to identify particular material risks that would affect the outcome of the risk simulation in addition to simply calculating the expected loss values.

Assessment of sensitivity



Risk sensitivity

- high > 15% potential risk-bearing capacity
- medium > 10–15% potential risk-bearing capacity
- low ≤ 10% potential risk-bearing capacity

Managing risk

If the identification and assessment of risks results in significant individual risks for the Ströer Group, these are reduced by additional measures with regard to their possible probability of occurrence or the expected amount of damage. These steps are usually triggered when the results of the risk sensitivity analysis for individual risks exceeds 15% of the potential risk-bearing capacity. If the most recent assessment of the risk does not give cause for concern, the risk is accepted and no further action is taken. However, the risk is still monitored to ensure that defined risk tolerances are not exceeded in future.

Reporting

Monitoring and reporting are key components of a holistic risk management process. The objective is to take into account relevant changes to the risk position and monitor the effectiveness of any action that is taken. Moreover, the documentation and reporting of risks, and of action being taken to contain risks, ensures that the relevant decision-makers and decision-making bodies (particularly the Board of Management and Supervisory Board) are kept fully up to date with the Ströer Group's risk position.

Ad hoc risk reports

In addition to the formal, half-yearly risk management process described above, risks are also identified, assessed, and mitigated on an ongoing basis. If it is deemed necessary and appropriate due to current events or new information, risks are reported to the GRC corporate unit and the Board of Management outside of the half-yearly process.

Monitoring

At regular intervals, the internal audit function of Ströer SE & Co. KGaA provides an objective assessment of the appropriateness and effectiveness of the risk management system to the Board of Management and Audit Committee. The scope of its annual audit may also include the effectiveness of the risk management process and the degree of compliance with risk management guidelines and policies within selected departments or business units.

The appropriateness and effectiveness of the risk management system is reviewed on a regular basis both by the internal audit function and by third parties and is adapted if necessary. The review of the risk management process carried out in 2021 by the internal audit function found no major deficiencies or weaknesses.

There are naturally always opportunities for improvement in the risk management and risk reporting process, and the Board of Management, the GRC corporate unit, and the cluster risk officers work together to realize these opportunities, most of which are about ensuring consistency in how risks are identified and analyzed.

The Board of Management, assisted by the GRC corporate unit, periodically reports to the Audit Committee of the Supervisory Board on the results and effectiveness of the risk management system and whether it complies with the relevant legal requirements.

Finally, the auditor of the annual financial statements of Ströer SE & Co. KGaA reviews, in accordance with section 317 (4) HGB, whether the existing early-warning system for risk, which is incorporated into the risk management system, meets the requirements of section 91 (2) AktG.

Internal control system

The accounting-related internal control and risk management system is an important part of risk management in the Ströer Group. We understand the internal control system to be the policies, procedures, and measures established by management and aimed at the organizational implementation of management decisions to ensure that the business is operated efficiently and effectively, internal and external financial reporting is carried out properly and reliably, and the Ströer Group is operated in compliance with relevant legal provisions.

Furthermore, the internal control system is intended to help the reporting system convey a true and fair view of the net assets, financial position, and financial performance of the Ströer Group.

The Ströer Group's internal control system, consisting of the internal management and monitoring system, is based on the internationally recognized framework set out by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Ströer Group's internal control system is refined on an ongoing basis, particularly with regard to the increasing documentation requirements in respect of controls and the regular implementation of controls. It forms an integral part of the accounting and financial reporting processes in the relevant companies, organizational units, and Group functions. As well as general principles and procedures, the system comprises a set of controls (e.g. validation checks, separation of functions, access and authorization controls, verification by a second person) that are integrated into the relevant processes and that are designed to prevent or uncover mistakes and wrongdoing.

The Chief Financial Officer (CFO) is responsible for the internal control and risk management system with regard to the consolidated financial reporting process. All fully consolidated entities included in the consolidated financial statements are integrated into this process via a defined management and reporting system. In 2021, work began on setting up a decentralized internal control system (ICS) organization anchored in the GRC corporate unit. This work is continuing in 2022.

Checks are carried out during the recruitment stage to ensure that the employees entrusted with accounting and financial reporting have the necessary qualifications, and

they are also provided with regular training. The support of external partners may be called on for complex specialist areas, such as pension obligations. The local subsidiaries are supported and monitored in the preparation of their own separate financial statements by the Group accounting function.

In the event of changes to accounting laws and standards, the potential impact of these changes on the Company's accounting and financial reporting is assessed at an early stage and the Group reporting function and the relevant systems are adapted if necessary.

Consolidation of the subgroups and separate financial statements into the consolidated financial statements is carried out centrally and with the aid of a standardized consolidation system. Our accounting policies and the requirements of the International Financial Reporting Standards (IFRS) together ensure that certain accounting principles are applied consistently with regard to the German and international entities included in the consolidated financial statements of Ströer SE & Co. KGaA. The consolidation work, reconciliations, and monitoring of compliance with deadlines and processes is carried out by suitably qualified employees of Ströer SE & Co. KGaA. Standardized processes and checklists ensure consistency in the consolidation process. There is also a binding financial statements calendar. In addition to the validation checks and other controls embedded within the systems, checks are also carried out both by the companies included in the scope of consolidation and by the Group accounting function to ensure the completeness and accuracy of the information. Basically the principle of dual control applies. There are also controls in the form of comparisons between actual and expected outcomes and analysis of the composition of and changes in key line items.

The internal audit function of Ströer SE & Co. KGaA plays its part in the monitoring system by performing process-independent audit tasks in selected areas of the Company. It checks whether legal requirements and internal Group policies for the internal control system and risk management system are being complied with. If necessary, it will initiate additional measures in conjunction with the relevant unit. The Audit Committee, in accordance with section 107 (3) AktG, is primarily focused on the audit of the annual financial statements, the monitoring of the accounting process, and the effectiveness of the internal control and risk management system.

The Board of Management and the Audit Committee of the Supervisory Board of Ströer SE & Co. KGaA are routinely notified about any potentially serious weakness in the internal control system both by the internal audit function and – as part of the audit of the consolidated financial statements – by the Group’s external auditor. The external auditor itself, however, is not part of the Company’s internal control system.

Internal audit system

The internal audit function is an instrument used by the Board of Management of the general partner and the Supervisory Board of Ströer SE & Co. KGaA. It supports the management and supervisory function of these governing bodies as a component of corporate governance. To this end, internal audit carries out audits in selected investee entities and business segments. The focus of such audits may include:

- audit of the financial position and net assets, the reliability of the accounting system and the information it generates, and compliance with internal accounting guidelines (financial auditing),
- audit of structures, processes, and systems, including IT systems and the internal control system, to verify that they are of the requisite quality, secure, fit and proper, efficient, and fully operational (operational auditing), and
- audit of compliance with laws, regulations, guidelines, procedures, and contracts (compliance, propriety).

Based on a risk-based audit plan, a number of internal audit projects were used in the reporting year to support the effectiveness of the control systems and the improvement of business processes. The findings of these audits were presented during the year to the general partner’s Board of Management and to the Audit Committee of Ströer SE & Co. KGaA’s Supervisory Board. A comprehensive annual report on the work of the internal audit function as well as on the details of the audits and their findings is presented to the Supervisory Board. Any improvement measures resulting from internal audits were, and continue to be, systematically followed up.

Overall assessment of the opportunity and risk situation by the general partner’s Board of Management

The risk management system of the Ströer Group that is described above forms the basis for the comprehensive risk assessment by the general partner’s Board of Management.

As at the publication date of this report, we believe that the risks currently identified and described below are manageable. There are no anticipated individual risks that could jeopardize the Company’s ability to continue as a going concern or compromise its risk-bearing capacity. Even if adapting the system of risk analysis and aggregation described above may lead to changes in the assessment of individual risks, we do not believe there is any significant change to the overall risk situation compared with the prior year.

Although the ongoing COVID-19 pandemic caused by coronavirus (SARS-CoV-2) and the potential for the government to impose further wide-ranging measures in the coming months may have a material impact on our business objectives, experience from the preceding years has shown that our strategic and structural measures are effective and have enabled us to overcome the specific challenges at all times.

Despite the continued economic uncertainty as a result of the ongoing fallout from the global COVID-19 pandemic, the Board of Management of the general partner expects market conditions to improve again in 2022. If a worse scenario were to materialize, the Ströer Group would be able to respond quickly, as already demonstrated in the past, and initiate the internal action needed to make adjustments to the capital investment and costs budget. At the same time, we are confident that Ströer is in a very strong strategic and financial position to be able to exploit any opportunities presented by the market once again in 2022.

Taking all identified opportunities and risks into account, the following section describes the areas that, from today’s perspective, could have the most significant positive or negative effect on the net assets, financial position, and financial performance in the forecast period (twelve months).

Risk situation

Category	Subcategory	Trend	Expct. loss	Sensitivity
External risk				
	COVID-19	→ stable	high	high
Strategic risk				
	Sales market	→ stable	medium	medium
	Procurement market	↗ rising	low	medium
	Regulatory risk	→ stable	medium	low
Financial risk				
	Financing risk	→ stable	low	low
	Tax risk	→ stable	low	medium
	Impairment risk	→ stable	medium	low
	Currency risk	→ stable	low	low
	Interest-rate risk	→ stable	low	low
IT risk				
	IT security risk	→ stable	low	low
	Phishing attacks	→ stable	medium	low
Legal risk				
	Compliance risk	→ stable	low	low
	Data protection risk	↗ rising	low	low
Other risk				
	Communication risk	→ stable	low	low

External risk

COVID-19 pandemic: The COVID-19 pandemic is not yet over. Restrictions to public life (lockdowns) cannot be completely ruled out in 2022 despite wide-ranging measures to contain the virus and despite the availability of a broad range of vaccines. If restrictions were to be imposed, 2022 could see a renewed economic slowdown as well as further cuts to advertising budgets in badly affected industries such as entertainment, travel, and hospitality.

From our customers' perspective, the reduction in travel caused by the pandemic, for example because more and more people are switching to remote working or choosing not to use public transport, makes their advertising less effective and so leads to advertising budgets being frozen or scaled back at short notice. Last year, the pandemic also showed us that companies in sectors that benefit from the pandemic, such as e-commerce, do not always run additional advertising campaigns to take account of this fact.

Because of how difficult it is to determine the extent of the losses and probability of occurrence for many factors over which the Company has little influence, we continue to assume a high level of aggregate risk that is in some cases already factored in to our planning. However, it cannot be ruled out that further declines in revenue and earnings could result from a renewed pandemic-related weakening of the macroeconomic situation in our core markets and from the sensitivity of the advertising market to economic trends.

As we can see from last year, the diversification of our business models and our OOH+ strategy have already proved that they are appropriate for managing the risks that arise from the pandemic. If necessary, we will do the same as we did in 2020 and 2021 and be flexible in our targeting of customers. We will also focus our sales activities on industries that would be less affected by a potential further crisis.

Strategic risk

Sales market: From a commercialization perspective, budget variances could arise in the individual segments as a consequence of potential losses in revenue from orders placed by major advertisers or agencies, the loss of customers from intramedia and intermedia competition, or lower margins as a result of higher discounting in the media industry. In this regard, we regularly review our sales activities and take appropriate action to counter the pressure for discounts.

In the case of the OOH segment, major digital companies had already been shifting their advertising budgets from traditional OOH to DOOH over recent years. And this trend to moving advertising budgets over to DOOH is persisting. In some cases, the relevant companies are increasingly using their own platforms to run advertising campaigns. By expanding our DOOH portfolio, however, we are able to make our own attractive offerings available to customers. We will also be stepping up sales activities with these clients and with the media agencies that work for them.

In the Dialog segment, we work closely with major national customers from the telecommunications and energy sectors, and we depend on these key accounts for quite a significant part of our revenue growth. A change in the pattern of demand from individual key accounts could in theory also give rise to short-term revenue risk. We are taking steps to further reduce this risk by steadily expanding our customer portfolio. At the same time, we work tirelessly on strengthening our relationships with big-ticket clients.

Revenue in the Digital and DaaS segments is heavily dependent on online visibility and the related website traffic. Changes in the algorithms used by the search engines can have a direct impact on the amount of website traffic for our services. Particularly in the DaaS segment, this traffic is regularly converted into new users and direct purchases by accounts. A high volume of traffic also increases product loyalty among existing customers and lowers the churn rate. This risk can largely be reduced and managed by monitoring search rankings on an ongoing basis, using accepted search engine optimization measures, and keeping websites up to date from a technological perspective. Efforts to market content directly to our customers are also being steadily ramped up.

Procurement market: In the area of procurement, general material budget variances could occur, notably from the loss of concessions for out-of-home advertising or major publishing contracts in the digital business. Adverse effects could also arise from delays in approval processes, an increase in the costs of obtaining the necessary building permits, or the rejection of applications for attractive locations by the relevant authorities. In online media, there is the risk that websites in our portfolio could attract less user interest than expected due to a number of factors, such as rival offerings. Fewer than anticipated unique visitors, unique users, or ad impressions could adversely impact revenue from reach-based advertising. However, we consider these risks to be perfectly normal business risks, and they are mitigated by our highly diversified portfolio in the out-of-home and digital segments.

The procurement markets for the OOH segment are currently affected by a high degree of uncertainty with regard to lead times for electrical and electronic components and assemblies. The ongoing COVID-19 pandemic is partly responsible for this, alongside other macroeconomic factors. Steel and aluminum commodities and glass are also important in the production of our advertising media and they are being affected in the same way. There may be price increases or delays to new advertising spaces and campaigns as a result. To prevent such delays, we are engaging in proactive procurement and working to build up adequate inventories. In order to identify when items need to be procured at short notice, we continually analyze our procurement plans on the basis of what needs to be purchased in the medium term to manage our product portfolio. We also continue to work in close collaboration with our suppliers, standardize components and services across products and regions, and pursue a multi-source procurement strategy.

Regulatory risk: We are continuing to closely watch the ongoing debate in politics and society surrounding data privacy. Further restrictions in this area present a risk for us, particularly in segments where our business model relies on the processing of personal data. With European and national data protection regulations becoming increasingly strict and more tightly defined, it is now much more difficult to use cookies. In May 2021, the German Federal Court of Justice (BGH) decided, with immediate effect, that active user consent was required for the use of cookies in analytics, advertising, and market research.

As a rule, user consent must now be actively solicited in order for the use of cookies and other mostly anonymized identification data to be in compliance with the law. If the rate at which people give their consent drops, this could reduce website traffic and thus the volume of marketable inventories. Currently, it is still uncertain as to whether and to what extent such regulations will have a negative effect on usage patterns and marketability beyond the impact we have already assumed in the forecast.

We carry out work continuously on the technical requirements necessary to comply with these stipulations and, at the same time, on ways of reducing the negative impact on the marketability of our existing offering. Targeted measures have been initiated to obtain user consent in a managed way across the board in order to stabilize the increase in the consent rate, the associated website traffic, and the volume of marketable inventories. Moreover, we are continually working on implementing new technologies that would allow us to dispense with cookies entirely in some cases. These technologies are also giving rise to potential new applications and products. Through the expansion of our tracking and ad-free subscription options we are offering users an alternative to free platforms that are funded by advertising.

Financial risk

Financing risk: Ströer's current level of debt presents a general financing risk. The significance of this risk is dependent on satisfying the covenants set out in the loan agreements with the banking syndicate as well as duties to provide information and obtain authorization. However, this risk is categorized as low because of the sound liquidity position at the end of the reporting year and the much improved cash flow performance in 2021 compared with the crisis-hit year of 2020. Even considering the current uncertainty as to how the COVID-19 pandemic will develop and whether restrictions will be needed, we believe that we have sufficient financial leeway to comply with the agreed covenants during the forecast period.

Tax risk: Due to the complexity of tax law, it is possible that the tax authorities or courts could take a view of tax-relevant issues that differs from the current position or that they could challenge previous cases. We mitigate this risk by holding regular discussions with internal and external tax specialists.

Impairment risk: In general terms, the risk of an equity investment's value or goodwill being impaired could arise in the future if subsidiaries or other investees incur losses that could impact the financial performance or liquidity of the Ströer Group. Furthermore, impairment of goodwill could not be ruled out in the future if the performance of individual entities or cash-generating units (CGUs) were to fall short of expectations.

The commercial success of the DaaS segment, as well as other parts of the Company, is heavily reliant on the development and ongoing improvement of customer offerings and technical solutions. The capitalization of the resulting intangible assets is subject to impairment risk that is largely contingent on the documentation and commercial success of these offerings and solutions. We monitor the preparation and related documentation as well as the commercial success of intangible assets on an ongoing basis.

Currency risk: Ströer is also subject to currency risk, in particular a risk arising from the translation of the financial statements of foreign subsidiaries prepared in foreign currency. However, the significance of the financial statements prepared in foreign currency in the consolidated financial statements was relatively negligible in the reporting period. Transaction-based currency risk is a relatively insignificant risk for the Ströer Group.

Interest-rate risk: The Ströer Group is mainly exposed to general interest-rate risk in connection with non-current floating-rate financial liabilities and its holdings of cash and cash equivalents. However, we do not anticipate any material changes in the forecast period.

IT risk

IT security risk: Our business processes and communications are highly dependent on information technology. IT security is therefore a critical factor and the various aspects of this security, such as data integrity, confidentiality of information, authenticity, and availability, must be taken into account. If one or more systems are disrupted, or even fail entirely, this could lead to a loss of data and have a detrimental impact on business processes that rely on IT. The risks pertain only to individual segments of the Group at any one time because many of Ströer's core IT systems are operated separately from one another in

terms of content, technology, and physical location. IT processes are nonetheless subject to continuing improvement measures aimed at reducing the above risks. The general risk to businesses of cyberattacks remains high overall. In 2021, to mitigate this risk, we launched a comprehensive cybersecurity initiative across all segments of the Ströer Group that we will be continuing in 2022 and beyond. The initiative also saw additional organizational measures taken to analyze potential gaps in security in a structured manner across all business units and to instigate appropriate corrective action where necessary. We therefore categorize the risk for the Ströer Group as low.

Phishing attacks: The threat posed by cyberattacks and other fraudulent activity has risen dramatically in recent years. The growing prevalence of phishing and ‘spear phishing’ emails is increasing the risk of bogus payments being made or people gaining unauthorized access to payment systems. As well as investing heavily in cybersecurity, we have significantly stepped up our efforts to raise awareness of these issues among employees in the areas of the business most likely to be affected.

Legal risk

Compliance risk: Our business activities must comply with applicable legal requirements, especially antitrust and capital market regulations, rules on conducting business with integrity, and data protection regulations. We also mitigate legal risk by involving external business experts and law firms as required. Current or future legal disputes could give rise to litigation risk that could ultimately differ from our current assessment of the risk and the associated provisions.

Data protection risk: The increasingly digital nature of our business models and business processes means that we collect and process personal data from employees, customers, suppliers, and other third parties. The Ströer Group complies with the relevant data protection laws when handling such data. Failure to comply with the EU General Data Protection Regulation, in particular, may result in legal action and thus considerable fines as well as damage to the Company’s reputation. To minimize risks related to the handling of personal data in a manner that contravenes the law, the Ströer Group has created a decentralized data protection organization. This decentralized organization enables data protection

processes and data protection management to be adapted to the specific business model and for appropriate action to be taken in respect of the data protection risks. The provision of a central data protection IT system and groupwide standards means that data protection processes within the Ströer Group are carried out efficiently and effectively. In 2022, we will forge ahead with the expansion of this decentralized data protection organization and its processes.

Other risk

Communication risk: The Ströer Group is also exposed to communication risks that could ultimately lead to reputational risk. However, we have two important functions – corporate communications and investor relations – that make the relevant information available to recipients in good time and enable us to take appropriate action.

Opportunities

General economic opportunities arise for us, for example, if increases in the net advertising volume, particularly in our core market of Germany, prove to be higher than in our plans. This could be the case if the improvement in the general economic environment is stronger than expected or if the shift in advertising budgets toward out-of-home and/or online advertising or to dialog marketing is more pronounced than anticipated. An improvement in economic growth could also have a positive effect on the revenue from our transactional business activities.

A particular macroeconomic opportunity would arise if the COVID-19 pandemic has a less negative impact in the third year of the pandemic than assumed in our baseline forecasts. The longer-term structural change in the advertising industry, which is reflected in particular by changing media consumption and by the continuing digitalization of media offerings, has the potential to accelerate beyond expectations in 2022. For years we have been observing a migration of advertising business away from print media and a decline in advertising revenue from traditional linear television advertising. This trend has been to the benefit of digital media and conventional and digital out-of-home advertising products. The amount of revenue generated by these products slumped as a result of the COVID-19 pandemic, but has been normalizing again since the abrupt collapse of advertising bookings in 2020. In our opinion, the general upward trend has

only been temporarily eclipsed by the fallout from the pandemic. We anticipate that the positive effects of the longer-term structural change to our business will become much more apparent again once the COVID-19 pandemic has been overcome. If this happens sooner than assumed in our baseline forecasts, then advertising budgets may be redeployed to out-of-home and/or online advertising more quickly than anticipated.

In this context, the increase in demand for multiscreen solutions (public video, roadside screens, desktop, tablets, mobile) – a combination offered mainly by the Ströer Group – could exceed our forecasts. Further growth in demand may also arise from the programmatic purchasing of our digital out-of-home media, that is, through the fully automated real-time purchase and sale of advertising space in the public video segment. The continued expansion of our regional and, in particular, our local sales presence in Germany could also lead to a stronger-than-anticipated increase in demand from local and regional customers. All these opportunities present the chance to generate stronger gains in market share in the context of competition between different media than previously forecast.

The quality of the analog and digital advertising media portfolio is a key factor in successfully capitalizing on opportunities arising in the marketing of advertising. Ongoing digitalization of our out-of-home media, which has been further stepped up in our planning for 2022, will also support these opportunities in sales markets. Our close partnership with cities and train station operators in the area of out-of-home advertising and with publishers in the online segment could enable us to leverage additional potential at both national and international level. Winning the business of new publishers also presents opportunities. The new offerings in our own publishing activities could enable us to tap into customer groups that we have not previously reached, for example by expanding the finance, health, and sustainability sections or the regional news pages.

The continuing optimization of the Group's out-of-home portfolio and online inventory and the further improvement of its technology position could result in positive synergy effects – between digital and analog offerings and between out-of-home and online offerings – that are not included in baseline forecasts. With our fully

integrated business model, we are confident that we can achieve even better positioning in competition with the large publisher-based marketers and TV offerings and that we can gain market share. The economies of scale that arise may be larger than expected.

In the Dialog Marketing segment, opportunities may arise in particular from the recruitment of additional employees who could bring in higher-than-anticipated levels of revenue. Remote working and nearshoring solutions in the call centers could lead to the forecast results being exceeded. In addition, the more widespread use of remote working solutions across broad sectors of the economy is making it easier for us to reach our target audiences at home. Additional opportunities for growth in the Dialog segment may arise from winning new customers and from expanding business with existing customers.

In the Data as a Service segment there are growth opportunities from rising demand for data, from the expansion of the Statista sales operation, and from the steady expansion of the product portfolio. For example, we could win a greater number of new customers than forecast and reach customer segments that have so far been less heavily targeted. Combined with an acceleration in the successful ongoing internationalization of this business, this may lead to even faster growth than has been assumed in our plans to date.

Additional opportunities exist generally in the procurement market and in the cost structure. In the procurement market, price rises may have less of an adverse effect than expected. Under certain circumstances, it may also be possible to monetize fixed rentals to a greater extent. Our increased efforts aimed at digitalizing and automating internal processes could give rise to additional, previously unidentified potential for cost optimization.

Even though no material acquisitions are currently planned for the forecast period, we always review opportunities that present themselves if these are a good fit for our strategy. Unexpected opportunities for attractive acquisitions could arise because of the persistently challenging economic conditions for many businesses, allowing us to consolidate our position in our core markets and business segments and to focus our range of products on the requirements of our customers.

FORECAST¹

Overall assessment of the Group's expected performance in 2022 by the Board of Management of the general partner

Structural changes will continue to shape the media market in 2022. Key factors here are the increasing expansion, acceleration, and availability of data networks, the continued rise in the use of mobile devices, and, as a result, the consumption of the available content. The use of linear media is becoming less and less relevant as digital media content becomes available everywhere, at all times, and on all devices. Out-of-home advertising, meanwhile, is also available at all times, but cannot be clicked or swiped away. Moreover, the websites commercialized by Ströer are generally based on editorial content. The Ströer Group's dialog media products directly address audiences. As such, the Ströer Group's solutions are well positioned for the growing changes in media consumption.

Ströer is able to use its own ad servers to centrally manage and display moving-picture content on online desktops, mobile screens, and digital roadside advertising spaces (public video). The marketable inventory is available on almost all relevant demand-side platforms (DSPs). On the customer side, Ströer sees significant opportunities for growth in more intensive local and regional marketing of the out-of-home and digital inventory, and on the product side in the accelerated expansion of the digital portfolio, particularly in the area of roadside advertising spaces.

Consequently, the local and regional sales organization in Germany will continue to be expanded in 2022. Ströer will also dedicate a great deal of energy to safeguarding and selectively expanding its marketable inventory in all areas of growth. A key focus here will be the aforementioned accelerated expansion of the digital roadside advertising spaces (public video). For example, the plan for 2022 and subsequent years is to digitalize 500 large-format advertising spaces annually, in essence replacing traditional analog advertising media with digital screens. Further key areas of growth are the continuing internationalization of Statista, the data-as-a-service statistics portal, and consolidation of its position as global leader, and the continuing internationalization of Asam.

The most important financial key performance indicators for the management of the Ströer Group are organic revenue growth and adjusted EBITDA. Organic revenue growth

and adjusted EBITDA are difficult to forecast, particularly for 2022, because of the ongoing COVID-19 pandemic and any measures that may be necessary in the event of a fourth/fifth wave of coronavirus cases, and because of the conflict in Ukraine. Although the Group does not conduct any significant business activities in Russia or Ukraine, the possibility of the conflict affecting the business performance of major customers of the Ströer Group cannot be excluded. However, this does not form part of our forecast.

Overall, on the basis of the results achieved in 2021, the Board of Management of the general partner's medium-term forecast for the period 2022 to 2026 is for a compound annual growth rate (CAGR) of between 9.5% and 12.0% for the core OOH Media segment and between 5.4% and 6.0% for the Digital & Dialog segment. As a result, the Group should see an average annual increase in revenue of between 7.4% and 8.5% over this period. But because this does not account for the contributions from its disproportionately fast-growing equity investments Statista and AsamBeauty, the Group's overall growth is expected to be well above this range. The Board of Management predicts that the average rate of increase in the Group's adjusted EBITDA over the medium term, i.e. 2022 to 2026, excluding AsamBeauty and Statista, will be higher than the rise in revenue described above.

The Board of Management of the general partner forecasts that the Group as a whole will generate organic revenue growth of between 10% and 14% in 2022.

The Ströer Group's adjusted EBITDA is likely to increase at more or less the same percentage rate as revenue.

Moreover, the Board of Management of the general partner expects this rise in adjusted EBITDA to be reflected in a comparable rate of increase in adjusted consolidated profit or loss for the period.

The leverage ratio (ratio of net debt to adjusted EBITDA) is likely to be lower than in 2021 (1.97). The Board of Management predicts that the change in free cash flow (taking account of payments for the principal portion of lease liabilities in connection with IFRS 16) will largely reflect the change in adjusted EBITDA. The return on capital employed (ROCE) should be close to the 20.0% achieved in 2021.

¹ Comparisons with the forecast values for the next year are generally based on the actual 2021 figures.

Forward-looking statements

The statements on future business performance reflect only the significant factors that were known at the time the financial statements were prepared and that could influence our activities and business performance in 2022. The Ströer Group's revenue and earnings may be influenced by macroeconomic conditions, particularly in the Company's core German market, by developments in the individual advertising markets, and by how the COVID-19 pandemic continues to unfold. Revenue is also influenced by the share of the overall advertising market attributable to digital and out-of-home media. It is thus not possible to directly forecast revenue on the basis of these macroeconomic or industry-specific parameters, as the correlation between these parameters and revenue can vary considerably from year to year. Conditions can also change over the course of the year, which may result in significant discrepancies between actual and forecast revenue and earnings.

The fact that advertising across various media is being booked with ever shorter lead times also needs to be taken into account. This is particularly true of digital marketing, where the technology enables campaigns to be booked at shorter notice than in traditional out-of-home channels. The increasingly short booking lead times for many of our media products limit the Company's ability to reliably forecast its revenue and thus its earnings.

Fluctuations in external market parameters, such as interest rates, also limit the Company's ability to precisely forecast consolidated profit or loss for the period. Furthermore, uncertainties relating to these parameters can impact on non-cash items under net finance income/costs. In this forecast, Ströer expects the parameters for net finance income/costs to remain largely unchanged compared with the end of the reporting year.

Future macroeconomic conditions

The German government predicts that GDP will rise by 4.1%² in 2022 and then at a more normal rate of 1.6%² in 2023. The Federation of German Industries (BDI), meanwhile, expects GDP to go up by 3.5% this year³, whereas the IMK's forecast of a 4.5% increase⁴ is much more optimistic. These estimates presuppose a boost from pent-up demand because from spring onwards, after what was a difficult winter, there will be a resurgence in consumer spending and a gradual easing of supply bottlenecks as the pandemic is steadily overcome. Overall, the Kiel Institute for the World Economy sees considerable upside and downside risks, particularly in relation to what happens next with the pandemic, and above all the Omicron variant, and whether the supply bottlenecks continue. It believes that both factors are likely to continue putting a significant brake on the economy, with little likelihood of the supply situation being completely resolved before the end of 2022.

Moreover, this forecast can only partly reflect the economic and fiscal policies that will be adopted by the new German government, as these are yet to take shape in the form of specific legislation.

The recovery of the labor market has been interrupted by the fourth wave of coronavirus. Nevertheless, the number of people in employment is expected to initially rise again following a period of stagnation during the winter months spanning 2021/22. This recovery will come up against the increase in the minimum wage to EUR 12 that is expected to take effect on July 1 and will subdue the rise in employment. In 2023, the number of people in employment is set to peak at 45.5 million and, for age-related reasons, to generally decline again from that point forward. The unemployment rate is expected to drop to 5.2% in 2022 and then 5.0% in 2023.⁵

Germany's current account surplus is predicted to fall to 5.8% of economic output in 2022 and then to 5.5% in 2023. This decrease is anticipated primarily because the price of imports is rising at a much faster rate than the price of exports⁵.

It must be remembered, however, that the conflict in Ukraine has created uncertainty about how the macroeconomic picture will change over the course of the year.

² BMWK – Economic development press release, October 27, 2021.

³ Federation of German Industries – GDP growth press release, January 13, 2022.

⁴ Macroeconomic Policy Institute (IMK) – Economic policy outlook, January 13, 2022.

⁵ Kiel Institute for the World Economy – winter forecast, December 15, 2021.

Future industry performance

Performance of the German advertising market

The agency Zenith expects net advertising revenue to rise by around 3.7% in 2022⁶. In a survey conducted by the German Advertisers Association (OWM), member companies indicated that they were more cautious about the economic environment. Overall, their expectation was that advertising volumes would be no larger than in 2021, with 37% of the media organizations that were questioned anticipating no change, 32% predicting an increase, and 31% projecting a decline. The expectations among the member companies for the wider economy in 2022 mirror this sentiment. 35% of those surveyed predict that the situation will improve in 2022 compared with 2021, while 30% think that conditions will deteriorate.⁷

According to PricewaterhouseCoopers GmbH (PwC), advertising revenue in the OOH segment will increase by an average of 10.1%⁸ a year between 2021 and 2025. The main drivers of this growth are innovative technologies such as programmatic DOOH and the ongoing digitalization of advertising inventory. PwC expects net revenue from digital out-of-home advertising to rise to around EUR 507m⁸ a year by 2025, an increase that would be equivalent to an annual growth rate of 18.9%. The digital segment of this market is set to grow at a much stronger rate than traditional analog advertising formats, whose revenue is predicted to go up by just 6.6%⁸. Based on these assumptions, digital out-of-home advertising is likely to account for up to around 35%⁸ of the overall advertising market in 2025.

PwC therefore anticipates significant growth for out-of-home advertising. Following sharp declines in pandemic-hit 2020, the out-of-home advertising segment is predicted to expand by approximately 10%⁹ and in doing so to make a major contribution to the long-term trend outlined above.

The online segment delivered a robust performance during the coronavirus years, and so PwC expects it to grow at

a much more modest rate than out-of-home advertising in 2022. PwC and Zenith both predict that revenue from online advertising will increase by 7.5% in 2022^{10, 11}.

PwC expects the pace of revenue growth in online advertising to accelerate again in 2022 after it slowed in 2020 and 2021 because of the pandemic. Revenue in this segment is projected to rise by around 14%¹² this year, and, according to the sum of experts' predictions, by an annual average of 12.5%¹³ over the period 2020 to 2025. The rising market penetration of internet-enabled mobile devices (smartphones and tablets) and, in particular, the sharp increase in advertising on video displays will remain the key growth drivers.

PwC expects the German market for contact centers and CRM services to see sustained growth despite – and to some extent because of – the COVID-19 crisis. PwC predicts that the market will have grown at an average CAGR of 5.0% for inhouse solutions and 4.2%¹⁴ for outsourced solutions in the period 2018 to 2022 and could be generating revenue of around EUR 13b in 2022.

Growth is being driven by sustained structural changes in the German economy, as a result of which companies are increasingly focusing on services and commerce rather than on the manufacture of physical goods. The German services sector, for example, has been expanding at a much faster rate than GDP. This should open up significant opportunities for revenue and growth, particularly in the areas of customer care and customer relationship management.¹⁴

Anticipated revenue and earnings

Ströer Group

As already mentioned, Ströer forecasts that the Group as a whole will generate organic revenue growth of between 10% and 14% in 2022.

The Ströer Group's adjusted EBITDA is likely to increase at more or less the same percentage rate as revenue.

⁶ Zenith Advertising Expenditure Forecasts, December 2021.

⁷ German Advertisers Association (OWM), December 2021.

⁸ PwC – German Entertainment and Media Outlook 2021–2025.

⁹ PwC – German Entertainment and Media Outlook 2021–2025.

¹⁰ PwC – German Entertainment and Media Outlook 2021–2025.

¹¹ Kiel Institute for the World Economy – winter forecast, December 15, 2021.

¹² PwC – German Entertainment and Media Outlook 2021–2025.

¹³ PwC – German Entertainment and Media Outlook 2021–2025.

¹⁴ PwC – The future of the German contact centre and CRM market, February 2020.

As a result of the focus on Germany, revenue denominated in foreign currencies from business activities in other countries is insignificant. Insofar as these affect its planning processes, Ströer assumes that the parameters remain virtually unchanged.

Ströer expects direct costs to increase at the same rate as revenue in 2022. Overheads are expected to go up due to inflation-related increases in salaries and other costs, the continued expansion of local and regional sales structures, the further internationalization of Statista, and the considerable increase in business volume in the Group.

As already described, various economic research institutes and the German government expect the German economy to grow in 2022. Uncertainties such as the possible continuation of the COVID-19 pandemic are unlikely to have a material impact on advertising budgets and thus the performance of the Company's business; if they do, it will probably only be short-lived. At the time of publication, the availability and distribution of actual advertising budgets and the level of discounts were impossible to reliably predict. The main reasons for this include radical changes in the media landscape, such as the increase in online advertising, and the increasing diversity of advertising offerings, especially in digital media channels. The growing importance of social networks to the advertising industry is also changing the allocation of advertising budgets. In this market environment, Ströer expects its unrivaled German portfolio of attractive out-of-home and digital media to enable it to continue to successfully maintain its market position over the long term.

Planned capital expenditure

In 2022, capital expenditure in the OOH Media segment will focus on accelerating the expansion of the digital out-of-home advertising inventory (digital roadside advertising (public video)). In 2022 and subsequent years, around 500 new screens a year will be added to this portfolio. Money will also be spent on upgrading and expanding the public video inventory. In the Digital & Dialog Media segment, Ströer plans to focus its capital expenditure on the IT infrastructure and on an increase in call center

capacity as part of a nearshoring exercise. For the DaaS & E-Commerce segment, for both Statista and AsamBeauty, the main priorities for 2022 are further internationalization and investment in the business infrastructure.

The Board of Management of the general partner anticipates that the increase in the Ströer Group's capital expenditure – excluding M&A activities – will be slightly higher than the organic revenue growth that is expected for 2022. As a considerable proportion of this capital expenditure is not backed by binding investment commitments, the capital expenditure can be scaled back if required due to market conditions or the Company's situation.

In light of the OOH+ strategy, which is focused on organic growth, the Company is not planning any major acquisitions (M&A).

Expected financial position

The return on capital employed (ROCE) in 2022 should be on a par with the level achieved in 2021 (20.0%).

The Ströer Group's current credit financing under the credit facility is secured until the end of 2023. In the latest refinancing rounds, it managed to secure borrowing terms and conditions that remain attractive for the Company. The covenants are designed to provide sufficient headroom even in the face of economic or seasonal fluctuations. The leverage ratio of 2.0 at the end of the reporting year means that the Company remains in a very comfortable zone. Ströer expects the leverage ratio to hold steady in 2022, subject to any increases in dividend distributions or any M&A activities.

The Board of Management of the general partner continues to believe that the current credit financing provides sufficient leeway to carry out the planned capital expenditure and to exploit any business opportunities that may arise during the forecast period. The terms of the financing arrangements are continually assessed in light of the latest developments in the debt capital markets. Any financially beneficial opportunities to optimize the maturity profile and adjust these terms will be pursued as appropriate.

INFORMATION IN ACCORDANCE WITH SECTION 315A HGB INCLUDING THE EXPLANATORY REPORT BY THE GENERAL PARTNER OF STRÖER SE & CO. KGAA

The following information required under takeover law is presented in accordance with section 315a sentence 1 HGB.

Composition of subscribed capital

Subscribed capital of EUR 55,282,499 existing at the time of the Company's conversion into a German partnership limited by shares (KGaA) on March 1, 2016 was contributed by way of a change in legal form of the previous legal entity, Ströer SE, which has its registered office in Cologne (HRB no. 82548).

In the subsequent financial years, the Company's subscribed capital increased further as a result of stock options being exercised. In 2021, the number of shares increased by 45,000 to 56,691,571. As at December 31, 2021, the subscribed capital was thus divided into 56,691,571 no-par-value bearer shares. They have a nominal value of 1 EUR each and are fully paid up.

Shareholdings exceeding 10% of voting rights

Ströer Management SE, Düsseldorf, is the general partner of Ströer SE & Co. KGaA. It has not paid in any special contribution and is attributed a share of neither the profit or loss nor the assets of the Company.

Mr. Udo Müller (directly and indirectly) holds a total of 22.17% of the total number of shares and Mr. Dirk Ströer (directly and indirectly) holds a total of 19.49%. As at December 31, 2021, the Board of Management had not received any notifications, as required by the German Securities Trading Act (WpHG), of other shareholdings exceeding 10% of the voting rights.

After the reporting date, the Board of Management received notification pursuant to WpHG that ValueAct Holdings GP, LLC, Wilmington/Delaware, USA, held a total of 11.42% of the shares.

Restrictions concerning voting rights or the transfer of shares

A voting and pooling agreement is in place between Mr. Udo Müller and Mr. Dirk Ströer as well as other parties. Of the parties to the agreement, Mr. Udo Müller (directly/indirectly) holds 22.17% and Mr. Dirk Ströer (directly/indirectly) 19.49% of the shares in Ströer SE & Co. KGaA. As far as the Board of Management is aware, the other parties to the agreement do not hold any shares in Ströer SE & Co. KGaA.

Shares with special rights granting control authority

There are no shares with special rights granting control authority.

Legal provisions and provisions in the articles of association concerning the beginning and end of the authorization of the general partner to manage and represent the Company and concerning changes to the articles of association

Article 8 of the articles of association of Ströer SE & Co. KGaA sets forth details concerning any potential exit by the general partner and the continuation of Ströer SE & Co. KGaA. In accordance with section 119 (1) no. 5 AktG, the shareholder meeting decides on changes to the articles of association. More information on the procedural rules can be found in section 181 AktG in conjunction with article 9 of the articles of association of Ströer SE & Co. KGaA.

Authorization of the general partner to issue or repurchase shares

Subject to the approval of the Supervisory Board, the general partner is authorized until June 18, 2024 to increase the Company's share capital once or several times by a maximum of EUR 5,652,657.00 in total by issuing up to 5,652,657 new no-par-value bearer shares for contributions in cash and/or in kind (2019 approved capital).

The share capital is subject to a conditional increase of a maximum of EUR 1,629,523.00 by issuing a maximum of 1,629,523 no-par-value bearer shares (2015 conditional capital). This conditional capital increase, however, may not exceed the remaining amount and the remaining number of shares under the conditional capital increase pursuant to article 6b (1) of the articles of association of Ströer SE on the date on which the change in the legal form of Ströer SE to a partnership limited by shares pursuant to the conversion resolution dated September 25, 2015 took effect. The sole purpose of the conditional capital increase is for the Board of Management to grant, as authorized by resolution of the shareholder meeting dated September 25, 2015, rights to holders of stock options under the 2015 Stock Option Plan. The conditional capital increase will only be implemented to the extent that the holders of stock options granted under the authorization of the shareholder meeting on September 25, 2015 exercise these stock options and that the Company does not settle the stock options in cash.

The Company's share capital is subject to a conditional increase of a maximum of EUR 11,056,400.00 by issuing a maximum of 11,056,400 new no-par-value bearer shares (2017 conditional capital). The purpose of the conditional capital increase is to grant no-par-value bearer shares to holders/beneficial owners of convertible bonds and/or bonds with warrants that are being issued by the Company or an investee as a result of the authorization granted under item 9 on the agenda of the shareholder meeting on June 14, 2017. New no-par-value bearer shares are issued at a particular conversion or option price determined by the aforementioned authorization resolution. The conditional capital increase will only be implemented to the extent that conversion or option rights are exercised or holders/beneficial owners who are obliged to do so fulfill their obligation to exercise their conversion rights and provided that a cash settlement is not granted or use is not made of treasury shares or new shares issued from approved capital.

The share capital is subject to a conditional increase of a maximum of EUR 2,200,000.00 by issuing a maximum of 2,200,000 no-par-value bearer shares (2019 conditional capital). The sole purpose of the conditional capital increase is for rights to be granted, as authorized by the shareholder meeting on June 19, 2019, to holders of stock options under the 2019 Stock Option Plan. The conditional capital increase will only be implemented to the extent that the holders of stock options granted under the authorization of the shareholder meeting on June 19, 2019 exercise these stock options and that the Company does not settle the stock options in cash or by granting treasury shares.

Significant agreements entered into by the Company that are conditional upon a change of control as a result of a takeover bid and the ensuing effects

Facility agreement/note loans

A facility agreement is in place between Ströer SE & Co. KGaA and a syndicate of various banks and financial institutions, on the basis of which the syndicate granted the Company a credit line of EUR 600m. This facility agreement entered into in 2016 replaced a previous agreement dating from 2014. In addition, Ströer SE & Co. KGaA placed a note loan with a volume of EUR 145m on the capital markets in 2016 and a further note loan with a volume of EUR 350m in 2017. As at the reporting date, the note loan from 2016 still existed in an amount of EUR 18m while the note loan from 2017 was valued at EUR 332m.

The provisions in both the facility agreement and the note loans relating to a change in control reflect normal market arrangements. They do not result in automatic termination but merely grant our counterparties the option of termination in the event of a change in control.

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CONSOLIDATED INCOME STATEMENT

EUR k	Note	2021	2020 ¹
Revenue	(9)	1,627,323	1,442,159
Cost of sales	(10)	-984,274	-938,201
Gross profit		643,048	503,958
Selling expenses	(11)	-272,996	-242,740
Administrative expenses	(12)	-217,962	-176,729
Other operating income	(13)	46,967	39,635
Other operating expenses	(14)	-21,119	-31,388
Share of the profit or loss of investees accounted for using the equity method	(5)	19,343	2,152
Finance income	(15)	1,673	2,021
Finance costs	(15)	-30,249	-36,030
Profit or loss before taxes		168,706	60,880
Income taxes	(16)	-38,452	-12,675
Consolidated profit or loss for the period		130,254	48,205
Thereof attributable to:			
Owners of the parent		122,134	35,198
Non-controlling interests		8,120	13,007
		130,254	48,205
Earnings per share			
Basic earnings per share (EUR)		2.16	0.62
Diluted earnings per share (EUR)		2.14	0.62

¹ The comparative figures for December 31, 2020 have been restated because of a purchase price allocation that was finalized after December 31, 2020. Please refer to note 6 in the notes to the consolidated financial statements for our disclosures on restatement in connection with purchase price allocations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR k	Note	2021	2020 ¹
Consolidated profit or loss for the period		130,254	48,205
Other comprehensive income			
Amounts that will not be reclassified to profit or loss in future periods			
Actuarial gains and losses	(27, 28)	1,134	-1,139
Changes in the fair value of equity instruments measured at fair value through other comprehensive income		-569	299
Income taxes	(16)	-460	281
		105	-559
Amounts that could be reclassified to profit or loss in future periods			
Exchange differences on translating foreign operations	(8)	139	-2,989
Income taxes	(16)	0	0
		139	-2,989
Other comprehensive income, net of income taxes		244	-3,548
Total comprehensive income, net of income taxes		130,498	44,657
Thereof attributable to:			
Owners of the parent		122,257	31,735
Non-controlling interests		8,240	12,922
		130,498	44,657

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets (EUR k)	Note	Dec. 31, 2021	Dec. 31, 2020 ¹
Non-current assets			
Intangible assets	(19)	1,067,273	1,106,982
Property, plant, and equipment	(20)	1,214,044	1,147,302
Investments in investees accounted for using the equity method	(5)	35,000	22,981
Financial assets		3,413	3,565
Other financial assets	(22)	558	1,785
Other non-financial assets	(22)	10,597	12,297
Deferred tax assets	(16)	30,007	11,205
Total non-current assets		2,360,892	2,306,116
Current assets			
Inventories	(23)	24,388	15,542
Trade receivables	(21)	200,724	170,018
Other financial assets	(22)	13,778	11,282
Other non-financial assets	(22)	39,047	31,073
Current tax assets		6,481	6,684
Cash	(24)	63,382	85,469
Total current assets		347,799	320,068
Assets classified as held for sale	(25)	9,040	0
Total assets		2,717,732	2,626,185

¹ The comparative figures for December 31, 2020 have been restated because of a purchase price allocation that was finalized after December 31, 2020. Please refer to note 6 in the notes to the consolidated financial statements for our disclosures on restatement in connection with purchase price allocations.

Equity and liabilities (EUR k)	Note	Dec. 31, 2021	Dec. 31, 2020 ¹
Equity	(26)		
Subscribed capital		56,692	56,647
Capital reserves		762,342	754,877
Retained earnings		-336,837	-333,304
Accumulated other comprehensive income/loss		-7,689	-7,722
		474,507	470,498
Non-controlling interests		9,351	8,552
Total equity		483,859	479,049
Non-current liabilities			
Provisions for pensions and similar obligations	(27)	43,445	44,949
Other provisions	(28)	22,972	27,497
Financial liabilities	(29)	1,216,179	1,298,756
Trade payables	(30)	1,443	1,144
Other liabilities	(31)	1,302	0
Deferred tax liabilities	(16)	22,301	12,836
Total non-current liabilities		1,307,641	1,385,182
Current liabilities			
Other provisions	(28)	91,283	65,348
Financial liabilities	(29)	432,181	318,983
Trade payables	(30)	226,463	241,936
Other liabilities	(31)	127,584	109,153
Current income tax liabilities		41,578	26,533
Total current liabilities		919,089	761,953
Liabilities associated with assets held for sale	(25)	7,142	0
Total equity and liabilities		2,717,732	2,626,185

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR k	2021	2020 ¹
Cash flows from operating activities		
Profit or loss for the period	130,254	48,205
Expenses (+)/income (–) from net finance income/costs and net tax income/expense	67,029	46,684
Amortization, depreciation, and impairment (+) on non-current assets	116,182	156,713
Depreciation and impairment (+) on right-of-use assets under leases (IFRS 16)	193,885	178,619
Share of the profit or loss of investees accounted for using the equity method	–19,343	–2,152
Cash received from profit distributions of investees accounted for using the equity method	4,742	5,689
Interest paid (–) in connection with leases (IFRS 16)	–17,643	–15,600
Interest paid (–) in connection with other financial liabilities	–8,742	–9,543
Interest received (+)	47	50
Income taxes paid (–)/received (+)	–32,964	–28,285
Increase (+)/decrease (–) in provisions	22,345	10,039
Other non-cash expenses (+)/income (–)	–6,737	3,039
Gain (–)/loss (+) on disposal of non-current assets	–1,070	3,708
Increase (–)/decrease (+) in inventories, trade receivables, and other assets	–56,234	22,870
Increase (+)/decrease (–) in trade payables and other liabilities	34,708	–40,082
Cash flows from operating activities (continuing operations)	426,458	379,954
Cash flows from operating activities (discontinued operations)	0	329
Cash flows from operating activities	426,458	380,283
Cash flows from investing activities		
Cash received (+) from the disposal of intangible assets and property, plant, and equipment	5,167	1,615
Cash paid (–) for investments in intangible assets and property, plant, and equipment	–106,548	–97,004
Cash received (+)/cash paid (–) in relation to investees accounted for using the equity method and to financial assets	2,491	–3,320
Cash received (+) from/cash paid (–) for the sale of consolidated entities	530	287
Cash received (+) from/cash paid (–) for the acquisition of consolidated entities	–974	–8,979
Cash flows from investing activities (continuing operations)	–99,334	–107,400
Cash flows from investing activities (discontinued operations)	0	–12,676
Cash flows from investing activities	–99,334	–120,075

¹ The comparative figures for December 31, 2020 have been restated because of a purchase price allocation that was finalized after December 31, 2020. Please refer to note 6 in the notes to the consolidated financial statements for our disclosures on restatement in connection with purchase price allocations.

EUR k	2021	2020 ¹
Cash flows from financing activities		
Cash received (+) from equity contributions	2,309	3,527
Dividend distributions (-)	-125,955	-124,197
Cash paid (-) for the acquisition of shares not involving a change of control	-17,132	-23,864
Cash received (+) from borrowings	308,020	482,346
Cash repayments (-) of borrowings	-338,371	-474,208
Cash payments (-) for the principal portion of lease liabilities (IFRS 16)	-178,081	-154,292
Cash flows from financing activities (continuing operations)	-349,210	-290,688
Cash flows from financing activities (discontinued operations)	0	9,016
Cash flows from financing activities	-349,210	-281,672
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (continuing operations)	-22,087	-18,134
Change in cash and cash equivalents (discontinued operations)	0	-3,330
Cash and cash equivalents at the beginning of the period (continuing operations)	85,469	103,603
Cash and cash equivalents at the beginning of the period (discontinued operations)	0	3,330
Cash and cash equivalents at the end of the period (continuing operations)	63,382	85,469
Cash and cash equivalents at the end of the period (discontinued operations)	0	0
Composition of cash and cash equivalents		
Cash (continuing operations)	63,382	85,469
Cash (discontinued operations)	0	0
Cash and cash equivalents at the end of the period	63,382	85,469

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR k	Subscribed capital
Jan. 1, 2020	56,577
Consolidated profit or loss for the period	
Other comprehensive income	
Total comprehensive income	
Changes in the basis of consolidation	
Share-based payment	70
Effects from changes in ownership interests in subsidiaries without loss of control	
Obligation to purchase own equity instruments	
Dividends	
Dec. 31, 2020¹/Jan. 1, 2021	56,647
Consolidated profit or loss for the period	
Other comprehensive income	
Total comprehensive income	
Changes in the basis of consolidation	
Share-based payment	45
Effects from changes in ownership interests in subsidiaries without loss of control	
Obligation to purchase own equity instruments	
Dividends	
Dec. 31, 2021	56,692

¹ The comparative figures for December 31, 2020 have been restated because of a purchase price allocation that was finalized after December 31, 2020. Please refer to note 6 in the notes to the consolidated financial statements for our disclosures on restatement in connection with purchase price allocations.

	Capital reserves	Retained earnings	Accumulated other Consolidated profit or loss for the period Exchange differences on translating foreign operations	Total	Non- controlling interests	Total Equity
	747,491	-232,740	-4,796	566,531	8,706	575,238
		35,198		35,198	13,007	48,205
		-536	-2,926	-3,462	-85	-3,548
		34,662	-2,926	31,736	12,922	44,657
					4,610	4,610
	7,386			7,456		7,456
		-19,787		-19,787	2,063	-17,724
		-2,285		-2,285	-7,146	-9,431
		-113,153		-113,153	-12,603	-125,756
	754,877	-333,304	-7,722	470,498	8,552	479,049
		122,134		122,134	8,120	130,254
		90	33	124	120	244
		122,224	33	122,257	8,240	130,498
					-762	-762
	7,465			7,510		7,510
		-11,506		-11,506	-1,473	-12,979
		-909		-909	3,186	2,277
		-113,343		-113,343	-8,391	-121,734
	762,342	-336,837	-7,689	474,507	9,351	483,859

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EXPLANATORY DISCLOSURES

Basis of presentation

1 General

Ströer SE & Co. KGaA, Cologne, is a listed corporation. The Company has its registered office at Ströer-Allee 1, 50999 Cologne, Germany. It is entered in the commercial register of the City of Cologne in department B under HRB no. 86922.

The purpose of Ströer SE & Co. KGaA and the entities included in the consolidated financial statements (the 'Ströer Group' or the 'Group') is the provision of services in the areas of media, advertising, marketing, and communication including, but not limited to, the marketing of out-of-home media and the brokerage and marketing of online advertising space. The Group markets all forms of out-of-home media, from traditional large formats and transport media through to digital media.

The consolidated financial statements of Ströer SE & Co. KGaA for 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) applicable as at the reporting date and as adopted by the European Union (EU); the additional requirements of German commercial law were also applied pursuant to section 315e (1) of the German Commercial Code (HGB).

These consolidated financial statements cover the period January 1, 2021 to December 31, 2021. The Board of Management of Ströer Management SE, Düsseldorf, the general partner of Ströer SE & Co. KGaA, approved the consolidated financial statements on March 11, 2022 for issue to the Supervisory Board of Ströer SE & Co. KGaA. The Supervisory Board has the task of reviewing the consolidated financial statements and declaring whether it approves them.

The income statement has been prepared in accordance with the function-of-expense method (also called the cost-of-sales method).

The consolidated financial statements are prepared in euros. Unless stated otherwise, all figures are disclosed in thousands of euros (EUR k). Due to rounding differences, figures in tables may differ slightly from the actual figures.

The references to page numbers in these notes to the consolidated financial statements relate to the numbering in the annual report.

2 Assumptions, accounting estimates, and the use of judgment

Preparation of the consolidated financial statements in compliance with IFRSs requires assumptions and estimates to be made that have an impact on the figures disclosed in the consolidated financial statements and the notes thereto. The estimates are based on empirical data and other information on the transactions to be recognized. Actual results may differ from such estimates. The assumptions on which estimates are based are reviewed regularly.

Assumptions, accounting estimates, and the use of judgment essentially relate to the following (for more details on the carrying amounts and other explanations, please refer to the relevant individual disclosures in these notes):

Revenue

There is scope for discretion when assessing whether customer contracts relating to the marketing of analog advertising media constitute a lease under IFRS 16. As the decisions concerning the use of the advertising medium are predetermined and the advertising customer itself has no right to operate the asset (e.g. a billboard), it is the view of senior management that the requirements for classification as a lease pursuant to IFRS 16 are not met in these cases.

Deciding whether to combine a number of committed deliverables in a customer contract into a single performance obligation also involves the use of discretion. In the Out-of-Home Media segment, the Group combines the deliverables 'media services', 'production services', and 'billposting services' into the single performance obligation 'out-of-home advertising' due to the significant degree of integration involved. Furthermore, in the digital marketing of online advertising space, the deliverables 'generation of ad impressions', 'serving and measurement of ad impressions', and 'research services' are bundled together in the single performance obligation 'online advertising campaign'.

In assessing whether the Ströer Group is acting as principal or agent, the Group exercises discretion as to whether it has control over the third party's advertising inventory prior to providing the advertising service, has the right to instruct a third party to provide the advertising service on behalf of the Ströer Group, or provides a significant integration service itself. Furthermore, the assessment of subsidiary indicators in respect of primary responsibility for the provision of services and the ability to set the price of the services, involves the use of discretion.

To estimate the variable consideration in customer contracts, the Group applies the expected value method or the most likely amount method. The revenue from e-commerce business and from dialog marketing is reduced by expected returns/cancellation rates due to statutory and contractual rights of return and cancellation. These assumptions and estimates reduce the corresponding trade receivables in proportion to the reduction in revenue.

For further information on revenue, please refer to notes 3 and 9.

Leasing

In addition to the determination of an appropriate discount rate, the measurement of lease liabilities and the associated right-of-use assets requires assumptions to be made about additional parameters related to their probability and timing. In particular, this includes assumptions about any purchase, extension, or termination options. The assessment of whether a contract actually satisfies the criteria of IFRS 16, and thus has to be accounted for as a lease, may also be subject to a degree of judgment.

For information about determining discount rates that are appropriate to the term and for further details on lease liabilities and the associated right-of-use assets, please refer to notes 3 and 35.

Impairment of goodwill

The annual impairment test for goodwill entails estimating future cash flows and selecting an appropriate discount rate. The necessary assumptions and underlying methodology used for the impairment test may have a significant impact on the individual values and thus on the amount by which goodwill is impaired. The determination of discounted cash flows, in particular, is heavily dependent on the planning assumptions made, which are sensitive to changes and may thus significantly affect recoverability. The cash flows are derived from the business planning for the relevant cash-generating units (CGUs). For further information, please refer to notes 3 and 19.

Reallocation of goodwill

With effect from January 1, 2021, the Ströer Group amalgamated its entire OOH business (digital and classic) in the Out-of-Home Media segment. At the same time, the PLUS business activities were grouped in a further segment, Digital & Dialog Media. These changes took account of the way in which the business has developed over recent years and reflect the Ströer Group's OOH+ strategy even more strongly. The high-growth businesses Statista and AsamBeauty, which are not part of the core business, have been included in a separate segment – DaaS & E-Commerce – since this date. All prior-year figures have been restated. Goodwill was reallocated on the basis of the relative fair value.

Fair value in acquisitions

Assumptions about the recognition and measurement of assets and liabilities are required for purchase price allocations in the context of acquisitions. In particular, this affects the measurement of the fair value of the assets and liabilities and the applicable useful lives at the time of acquisition. The fair value of these assets and liabilities is measured on the basis of an estimate of future cash flows and an appropriate discount rate. The actual cash flows may differ significantly from the cash flows assumed in the measurement of fair value.

In business combinations achieved in stages (step acquisitions), the fair value of previously held equity interests is determined on the basis of the purchase price of the new equity interests or by using a discounted cash flow method. For further information, please refer to notes 3 and 6.

Internally generated intangible assets

Expenses arising during the development phase for internally generated intangible assets are capitalized only if the relevant criteria are met. The development phase is deemed to be completed when the capitalized asset is available for use and can be deployed in the manner intended by management. In the case of agile software development, a distinction is made between preliminary completion and final completion. Consequently, the internally generated intangible assets are amortized over their useful lives, whereby the amortization of all expenses capitalized up to that point begins at the time of provisional completion. Research costs are recognized as an expense when they are incurred.

Pension and restoration obligations

In addition to the determination of an appropriate discount rate, the recognition of pension and restoration obligations requires assumptions to be made about additional actuarial parameters and about the probability and timing of utilization. For further information, please refer to notes 27 and 28. The expected restoration costs are determined on the basis of service specifications and restoration probabilities over the estimated contractual term of the advertising concessions. The restoration probabilities vary according to the nature of the underlying advertising concession (private vs. municipal concessions). For information on the estimated contractual terms, please refer to note 3. Due to the fact that provisions are calculated for a large number of different advertising concessions, it would not be meaningful to provide information on sensitivity to significant influencing factors here.

Deferred tax assets arising from loss carryforwards

The Group recognizes deferred tax assets arising from loss carryforwards based on planning relating to future income tax expense and the opportunity to utilize the loss carryforwards as part of this planning. For further information, please refer to note 16.

COVID-19 pandemic

Particularly in the second quarter of 2020, but also again in the first quarter of 2021, the COVID-19 pandemic led to a sharp fall in revenue that primarily affected the Ströer Group's OOH business. The main reason for this were the lockdown measures imposed to protect people's lives and health, which brought public life in Germany and most other European countries almost to a standstill. These measures significantly reduced the reach of advertising campaigns, especially in the OOH business, which therefore saw considerable decreases in new orders. The following points required the use of judgment in order to correctly reflect the impact of the further course of the COVID-19 pandemic in the Group's consolidated financial statements:

a) Recoverability of carrying amounts (impairment tests (IAS 36))

The Ströer Group tests its intangible assets and property, plant, and equipment for impairment if there is an indication that they may be impaired (triggering events). As the COVID-19 pandemic, when it first broke out in the second quarter of 2020, constituted a triggering event for the Ströer Group's OOH business that had not previously been included in the relevant planning, our testing paid particularly close attention to the recoverability of the recognized goodwill and of the right-of-use assets recognized in connection with leases (IFRS 16) as at June 30, 2020. Impairment came to EUR 2.3m. As at December 31, 2020 and December 31, 2021, however, there was no further impairment as the expected impact of the COVID-19 pandemic on the future cash flows of the OOH business was deemed moderate compared with June 30, 2020.

b) Adjustment of lease payments (IFRS 16)

Because of the COVID-19 pandemic, Ströer reached agreement with numerous contractual partners in the OOH business on reducing the minimum lease payments for existing advertising rights contracts. In this context, the Group used the practical relief for COVID-19-related rent concessions in cases where its criteria had been met. The reduction in lease liabilities achieved by renegotiating the advertising rights contracts totaled EUR 8.2m in 2021. In view of 'COVID-19-Related Rent Concessions (Amendment to IFRS 16)', Ströer recognized a partial amount of EUR 3.6m of this reduction of lease liabilities in profit or loss.

3 Significant accounting policies

Revenue and expense recognition

Revenue is mainly generated from the marketing of advertising space in the out-of-home business, from the marketing of online advertising space, from the subscription and e-commerce business, and from dialog marketing. In the **Out-of-Home Media** segment, the Ströer Group mainly generates its revenue from the marketing of advertising space in the large formats, street furniture, transport, and other product groups.

Customer contracts relating to analog advertising media do not constitute a lease within the meaning of IFRS 16, as decisions concerning the use of the advertising medium are predetermined and the customer itself does not have the right to operate the asset (e.g. a billboard). The key deliverables 'media services', 'production services', and 'billposting services' are bundled together in the single performance obligation 'out-of-home advertising' due to the significant level of integration within the Ströer Group.

Revenue recognition is based on agreed fixed prices for standardized services and products. Revenue is recognized net of deductions, comprising agency commissions, payments to specialist advertising agencies, rebates, and discounts. It is recognized over a period of time, from the time the advertising is first displayed, in line with the percentage of completion. This is based on the period of time during which the out-of-home advertising has already been displayed relative to the total period of time during which it is scheduled to be displayed. Revenue recognition is therefore based on the output-based method, as this is the most accurate representation of service provision.

Advertising media owned by third parties is marketed in addition to the Group's own media. Revenue earned using the Group's own advertising media is reported on the basis of the total consideration that is received in exchange for the service (acting as principal). Insofar as the Ströer Group has control over the advertising inventory of a third party prior to providing the advertising service (e.g. by way of exclusive marketing rights), has the right to instruct a third party to provide the advertising service on its behalf (e.g. by way of the Ströer Group having the right to determine on which of the third party's advertising spaces the advertising is delivered), or provides a significant integration service (e.g. by way of integrating media services and billposting services), the

Ströer Group is considered to be acting as principal. If the criteria for classification as principal are not met, the Ströer Group is acting as agent. Consequently, only the agreed sales commission is disclosed on a net basis under revenue (acting as agent). Based on the assessment of senior management, the Ströer Group is generally to be viewed as acting as principal.

The Ströer Group also generates revenue from the marketing of **online advertising space**. The deliverables 'generation of ad impressions', 'serving and measurement of ad impressions', and 'research services' are bundled together in the single performance obligation 'online advertising campaign'.

Revenue recognition is based on agreed fixed prices for standardized services and products. Revenue is recognized net of deductions, comprising agency commissions, payments to specialist advertising agencies, rebates, and discounts. It is recognized over a period of time in line with the percentage of completion, which is the number of ad impressions already made relative to the total number of ad impressions to be made. Revenue recognition is therefore based on the output-based method, as this is the most accurate representation of service provision.

Online advertising space owned by third parties is marketed in addition to the Group's own online advertising space (websites). Revenue earned using the Group's own online advertising space is reported on the basis of the total consideration that is paid in exchange for the service (acting as principal).

Insofar as the Ströer Group has the right to instruct a third party to provide the online advertising service on its behalf (e.g. by way of the Ströer Group's right to determine on which online advertising spaces the advertising is served) or provides a significant integration service (e.g. by way of integrating the generation of ad impressions and serving and measuring the ad impressions using AdServer technology, taking account of the customer's campaign objectives such as target group and targeting criteria), the Ströer Group is considered to be acting as principal. If the criteria for classification as principal are not met, the Ströer Group is acting as agent. Consequently, only the agreed sales commission is disclosed on a net basis under revenue (acting as agent). Based on the assessment of senior management, the Ströer Group is generally to be viewed as acting as principal.

Another aspect of the Ströer Group's business involves the generation of revenue in the **subscription business (Statista, StayFriends)**. The performance obligations comprise both stand-ready obligations (StayFriends) and the granting of access rights to intellectual property (Statista).

Revenue recognition is usually based on the fixed prices agreed for standardized services and products in the subscription agreement. It is recognized over a period of time, from the start of the subscription, in line with the percentage of completion. This is based on the period of time already elapsed relative to the total duration of the subscription. Revenue recognition is therefore based on the output-based method, as this is the most accurate representation of service provision.

The Ströer Group generates further revenue in its **e-commerce business**. The sale of goods is the performance obligation in this instance. Goods are sold either directly via online sales channels to end customers or through retailers and teleshopping companies. Revenue recognition is usually based on the prices contractually agreed for the products. As a result of the rights of return enjoyed by consumers in e-commerce business, the revenue is reduced by the anticipated returns. The return rates are based on historical experience.

Revenue from e-commerce business is recognized at the point in time when control over the products is transferred, i.e. when the goods are delivered to or received by the customer (end consumer, retailer, or teleshopping company). In e-commerce business, the Ströer Group is to be viewed as acting exclusively as principal.

The final revenue stream in the Ströer Group is **dialog marketing**. In this context, the performance obligation is, depending on the type of contract, either the successful brokerage of a contract between our client and its potential customers via our call center and direct sales (door-to-door) activities or the provision of services to our clients' existing customers in our call centers.

Revenue recognition is usually based on the prices contractually agreed for the brokerage services (commission) and other services. Revenue from the brokerage of contracts is reduced by expected cancellation rates. The cancellation rates are based on historical experience. Revenue from dialog marketing is recognized either at the point in time when the customer data from the brokerage of a contract is transferred to the client (call center; door-to-door) or over the period of time in which the service is provided, depending on the type of contract (call center). The Ströer Group acts as principal for the brokerage service provided but not for the service brokered.

Revenue from barter transactions is measured at the market value of the consideration received and is adjusted as appropriate by an additional cash payment. If the market value of the consideration cannot be reliably measured, barter transactions are measured at the market value of the advertising service rendered and are adjusted as appropriate by an additional cash payment. To estimate the variable consideration in customer contracts, the Group applies the expected value method or the most likely amount method.

Whereas payment conditions in most areas of the business specify payment after performance (with payments on account if applicable), prepayments are particularly common in the subscription business. As a rule, payment conditions do not include significant financing components.

In the case of revenue from multi-component transactions, the revenue attributable to the separately identifiable components is broken down by relative fair value and recognized in accordance with the above policies.

Operating expenses are recognized in profit or loss when the service is used or when they are incurred.

Interest is recognized on an accrual basis in net finance income/costs using the effective interest method.

Dividends are recognized at the time when the right to receive them is established.

Goodwill and other intangible assets

Pursuant to IFRS 3, goodwill is measured as the excess of the cost of the acquisition over the interest in the net fair value of the acquired identifiable assets, liabilities, and contingent liabilities as at the date of acquisition. It is not amortized.

All intangible assets acquired for a consideration, largely advertising concessions and software, have a finite useful life and are recognized at cost. Intangible assets are amortized on a straight-line basis over their useful lives. Amortization in the financial year is allocated to cost of sales, administrative expenses, and selling expenses on the basis of the function-of-expense method. Amortization of advertising rights is allocated to cost of sales.

Depreciation (including write-downs on hidden reserves recognized in the context of purchase price allocations (PPA)) is based on the following useful lives:

Useful life	Years
Advertising concessions awarded by municipalities	1–17
Other advertising concessions	1–30
Other intangible assets	1–10
Goodwill	Indefinite

The appropriateness of the useful lives and of the method of amortization is reviewed annually.

The cost for the development of new or considerably improved products and processes is capitalized if the development costs can be measured reliably, the product or process is technically and economically feasible, and future economic benefits are probable. In addition, the Ströer Group must intend, and have adequate resources available, to complete the development and to use or sell the asset.

The Group may incur development costs by developing advertising media and software.

Capitalized costs mainly include personnel expenses and directly allocable overheads. All capitalized development costs have a finite useful life and are recognized at cost. Amortization is charged on the basis of the useful lives of comparable acquired intangible assets. Development costs that do not meet the recognition criteria for capitalization are expensed in the period in which they are incurred.

Property, plant, and equipment

Property, plant, and equipment is recognized at depreciated cost less any impairment losses. Land is not depreciated.

Cost comprises the purchase price, acquisition-related costs, and subsequent costs net of purchase price reductions. Since no qualifying assets have been identified within the meaning of IAS 23, cost does not include any borrowing costs.

Separately identifiable technical components of an item of property, plant, and equipment are recognized and depreciated individually.

Depreciation is charged on a straight-line basis over the useful life. The depreciation expense is allocated on the basis of the function-of-expense method. Impairment losses are reversed if the reason for impairment ceases to apply. The residual carrying amounts, assumptions about remaining useful lives, and the appropriateness of the depreciation method are reviewed annually.

Depreciation (including write-downs on hidden reserves recognized in the context of purchase price allocations (PPA)) is based on the following useful lives:

Useful life	Years
Buildings	50
Plant and machinery	5–13
Advertising media	4–35
Other furniture and fixtures	3–15

The costs estimated for the probable dismantling and removal of advertising media at the end of an advertising concession contract are recognized at cost using the components approach and amortized over the useful life of the asset. The amount is measured on the basis of the provision recognized for restoration obligations in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. In accordance with IFRIC 1, changes in the provisions have to be added to or deducted from the cost of the asset in question in the current period.

The right-of-use assets that have to be recognized in connection with leases according to IFRS 16 are recognized under property, plant, and equipment. The amount to be recognized upon initial recognition is based on the present value of the minimum lease payments at that time.

If government grants are made for the purchase of property, plant, and equipment in accordance with the German Investment Allowance Act (InvZulG), these grants are deducted from the carrying amount of the asset in question.

Impairment testing

The Ströer Group tests its intangible assets and property, plant, and equipment for impairment if there is an indication that they may be impaired. Goodwill is tested for impairment at least once annually (on September 30) or more frequently if events or changes in circumstances indicate that the asset might be impaired. There are no intangible assets with an indefinite useful life in the Ströer Group.

If the recoverable amount of the asset is less than the carrying amount, the asset is written down to its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those of other assets or groups of assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the reasons for impairment recognized in prior years cease to apply, the relevant impairment losses – with the exception of those on goodwill – are reversed, but subject to a limit such that the carrying amount of the asset is no higher than its amortized cost.

Leasing

All contracts in the Ströer Group that represent a lease or contain a lease-type arrangement are measured as a financial liability at the present value of the lease payments over the underlying period at the date of initial recognition. At the date of initial recognition, a corresponding right to use the underlying asset is also recognized in the same amount in the relevant category of property, plant, and equipment. Variable lease payments that do not depend on an index or an interest rate in accordance with IFRS 16.27 b) are not included in the measurement.

Where Ströer has an extension option, it is included when determining the lease term provided that it is reasonably certain that Ströer will exercise the option. Automatic lease extensions are not taken into account, by contrast, if it is uncertain whether the lessor might give due notice to terminate the lease before the extension comes into force. The Ströer Group does not exercise the options afforded by IFRS 16 regarding the treatment of leasing arrangements with a term of no more than twelve months and leasing arrangements for low-value assets.

Besides typical rental or lease agreements relating to office buildings and company cars, leases also include the numerous advertising rights contracts in the Ströer Group's OOH business. They include contracts with local and municipal authorities and with private property owners. In these contracts, Ströer is granted the right to install its advertising media on public and private land.

The recognition of lease liabilities in connection with initial application of the standard led to an increase in financial liabilities of EUR 1,097.9m as at January 1, 2018. At the same time, property, plant, and equipment increased by EUR 1,097.9m as right-of-use assets in connection with leases for movable assets, real estate, and advertising locations had to be recognized. Advertising rights contracts at advertising locations in the Ströer Group's OOH business were the main reason for the significant increase in total assets in connection with the adoption of the new IFRS 16.

In the income statement, the lease payments are no longer recognized in full as an operating expense but are instead broken down into the interest expense and a principal portion. While the interest portion is recognized directly in net finance income/costs, the depreciation of the right-of-use asset is recognized in the income statement instead of the principal portion; the total principal repayments correspond to the total depreciation over the entire term of the individual leasing agreement.

In the statement of cash flows, the interest portion of the lease payments is included in cash flows from operating activities and the principal portion is included in cash flows from financing activities.

The lease payments are discounted at incremental borrowing rates that are consistent with the term of the lease. These rates are determined on the basis of the incremental borrowing costs that Ströer would have had to pay over a similar period to borrow the funds necessary to purchase the underlying asset. The practical expedients are exercised such that a single incremental borrowing rate is used for each class of lease. Separate incremental borrowing rates were determined for the OOH business in Poland because of the significant IFRS 16 effects there. The interest-rate curve used at the date of initial recognition of a lease is not adjusted in line with changes in the capital markets during the term of the lease.

The 'identified asset' criterion under IFRS 16.9 is regularly met in the OOH business, for both private and municipal advertising rights contracts. While the locations of advertising media are usually precisely defined in advertising rights contracts involving private land, the definitive locations are not usually explicitly defined in public advertising rights contracts. As a rule, however, a building permit and construction work are required for the installation of an OOH advertising medium, which means that the location is clearly defined for the remaining term of the lease no later than when the advertising medium is installed. By contrast, the criteria for a 'substantive substitution right' as defined in IFRS 16.B14 are not usually met by advertising rights contracts in the OOH business. This applies, for example, to the advertising rights contract with Deutsche Bahn, as the relocation of an advertising medium within a train station must meet extensive building law requirements and the necessary infrastructure (electricity and data lines) must be modified.

Investments in investees accounted for using the equity method

Equity investments in joint ventures and associates that are accounted for in the consolidated financial statements using the equity method are recognized at the cost of acquisition. If the acquisition cost is higher than the fair value of the Ströer Group's interest in the identifiable net assets of an acquiree, this excess is recognized as goodwill in the carrying amount of the equity investment.

The carrying amount of the equity-accounted investment is tested for impairment if there are indications that it may be impaired. If the carrying amount of the equity investment is greater than its recoverable amount, the difference is recognized as an impairment loss. If the recoverable amount subsequently increases, the difference between the carrying amount and the recoverable amount is recognized as a reversal of an impairment loss but subject to a limit that the carrying amount is no higher than the proportionate equity interest in the equity investment. The recoverable amount of the equity investment is deemed to be the higher of its fair value less costs to sell and its value in use.

Financial instruments

a) Recognition and initial measurement

Trade receivables are recognized from the time at which they arise. All other financial assets and liabilities are recognized for the first time on the trade date when the Company becomes a counterparty pursuant to the contractual terms of the instrument.

Financial assets (except for trade receivables without a significant financing component) and financial liabilities are initially recognized at fair value. In the case of an item not measured at fair value through profit or loss, the transaction costs that are directly attributable to its purchase or issue are added or deducted. Trade receivables without a significant financing component are initially recognized at the transaction price.

b) Classification and subsequent measurement

1) FINANCIAL ASSETS

Upon initial recognition, a financial asset is classified and measured as follows:

- At amortized cost
- FVOCI equity investments (equity investments that are measured at fair value through other comprehensive income)
- FVTPL (fair value through profit or loss)

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing the financial assets. In this case, all affected financial assets are reclassified on the first day of the reporting period following the change of business model.

A financial asset is measured at amortized cost if both of the following conditions are met and it has not been designated as at fair value through profit or loss:

- It is held as part of a business model whose aim is to hold financial assets in order to collect the contractual cash flows, and
- 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.

Upon initial recognition of an equity investment that is not held for trading, the Group can irrevocably elect to recognize subsequent changes in the fair value of the investment in other comprehensive income. This decision is made for each investment on a case-by-case basis.

All financial assets that are not measured at amortized cost or at FVOCI are measured at FVTPL. This includes all derivative financial assets. Upon initial recognition, the Group can irrevocably elect to designate financial assets as measured at FVTPL that otherwise meet the conditions for measurement at amortized cost or at FVOCI if this designation eliminates or significantly reduces accounting mismatches that would otherwise occur.

Assessment of the business model – The Group assesses the aims of the business model under which the financial asset is held at portfolio level as this best reflects the way in which the business is managed and in which information is provided to senior management.

Financial assets that are held or managed for trading, whose performance is assessed on the basis of fair value, are measured at FVTPL.

Assessments of whether contractual cash flows are solely payments of principal and interest – For the purposes of this assessment, the principal is defined as the fair value of the financial asset upon initial recognition. Interest is defined as the consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs (e.g. liquidity risk and administrative expenses), as well as a profit margin.

When assessing whether the contractual cash flows are solely payments of principal and interest, the Group takes account of the contractual agreements for the instrument. This includes an assessment of whether the financial asset contains a contractual agreement that could change the timing or the amount of the contractual cash flows, which would mean these criteria are no longer met. In its assessment, the Group considers:

- certain events that would change the amount or the timing of the cash flows,
- conditions that would adjust the interest rate, including variable interest rates,
- early repayment and extension features, and
- conditions that restrict the Group's entitlement to cash flows from a specific asset (e.g. no right of recourse).

An early repayment feature is compatible with the criterion of solely payments of principal and interest if the amount of the early repayment substantially represents unpaid amounts of principal and interest on the principal amount outstanding and may include reasonable compensation for the early termination of the contract. In addition, a provision for a financial asset acquired at a premium or discount to the contractual par amount is deemed compatible with this criterion if it permits or requires early repayment in an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (that may include reasonable compensation for the early termination of the contract), provided that the fair value of the early repayment feature is insignificant at the time of initial recognition.

Subsequent measurement and gains and losses – financial assets measured at FVTPL – These assets are subsequently measured at fair value. Net gains and losses, including any interest income or dividend income, are recognized in profit or loss. **Financial assets measured at amortized cost** – These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment charges. Interest income, exchange rate gains and losses, and impairment are recognized in profit or loss. A gain or loss on derecognition is recognized in profit or loss. **Equity investments measured at FVOCI** These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend

clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

II) FINANCIAL LIABILITIES

Classification, subsequent measurement, and gains and losses – Financial liabilities are classified and measured at amortized cost or at fair value through profit or loss (FVTPL). A financial liability is classified as FVTPL if it is held for trading, is a derivative, or is designated as such upon initial recognition.

Financial liabilities measured at FVTPL are measured at fair value, and net gains and losses, including interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and currency translation differences are recognized in profit or loss. Gains or losses on derecognition are also recognized in profit or loss.

c) Derecognition

I) FINANCIAL ASSETS

The Group derecognizes a financial asset when:

- its contractual right to the cash flows from the financial asset expires
or
- it transfers its contractual right to receive the cash flows in a transaction in which either:
 - substantially all the risks and rewards incidental to ownership of the financial asset are transferred
or
 - the Group neither transfers nor retains substantially all the risks and rewards and does not retain control over the transferred asset.

The Group carries out transactions in which it transfers recognized assets but retains either all, or substantially all, the risks and rewards of the transferred assets. In this case, the transferred assets are not derecognized.

II) FINANCIAL LIABILITIES

The Group derecognizes a financial liability when the obligations specified in the contract have been discharged or canceled or have expired. The Group also derecognizes a financial liability if its contractual terms are modified and the cash flows of the modified liability are significantly different. In this case, a new financial liability based on the modified conditions is recognized at fair value.

When a financial liability is derecognized, the difference between the carrying amount of the repaid liability and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss. Liabilities with extended payment terms (reverse factoring) are recognized as trade payables until they have been settled by the Group. The Group follows the rules set out in the IFRIC agenda paper dated December 2020 and the guidance of the Institute of Public Auditors in Germany set out in IDW RS HFA 50. Consequently, the original liabilities to the supplier initially remain unchanged because they are classed as part of the working capital definition and its management within the Group and also meet the other criteria for recognition in this way. The Group's payments in settlement of the liabilities are always recognized in full in cash flows from operating activities.

d) Offsetting

Financial assets and liabilities are netted and recognized in the statement of financial position as a net amount if the Group currently has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the affected asset and settle the associated liability simultaneously.

e) Impairment

Financial assets – The Group recognizes loss allowances for expected credit losses (ECLs) for:

- financial assets measured at amortized cost and
- contract assets.

The Group also recognizes loss allowances for expected credit losses for:

- lease receivables recognized under trade receivables and
- other receivables.

The Group measures the loss allowances at an amount equal to the lifetime expected credit losses, except for the following loss allowances, which are measured at an amount equal to twelve-month expected credit losses:

- Debt instruments that have low credit risk as at the reporting date and
- other debt instruments and bank balances whose credit risk (e.g. the default risk over the expected term of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and for contract assets are always measured at an amount equal to the lifetime expected credit losses.

When determining whether the credit risk of a financial asset has risen significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis that is based on the Group's past experience and on well-founded estimates, including forward-looking information.

The Group considers a financial asset to be in default if:

- it is unlikely that the debtor can fully repay its liability to the Group without the Group having to take steps such as the recovery of collateral (if available).

Lifetime expected credit losses are expected credit losses that result from all possible default events during the expected lifetime of the financial instrument.

Twelve-month credit losses are the portion of expected credit losses that result from default events that are possible within the twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months). The maximum period to consider when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of expected credit losses – Expected credit losses are a probability-weighted estimate of credit losses. They are measured as the present value of cash shortfalls (i.e. the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets – At each reporting date, the Group assesses whether financial assets measured at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the borrower
- A breach of contract, such as a default or past due event
- The restructuring of a loan by the Group that it would not otherwise consider
- It becoming probable that the borrower will enter bankruptcy or other financial reorganization, or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of loss allowances for expected credit losses in the statement of financial position – Loss

allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off – The gross carrying amount of a financial asset is written off if the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Inventories

Inventories are carried at cost, which is calculated on the basis of the weighted average method. Inventories are measured at the lower of cost and net realizable value (realizable sale price less costs incurred) as at the reporting date. If the net realizable value rises again at a later point in time, the relevant impairment loss is reversed, but only up to an amount that is no higher than the acquisition cost.

Deferred taxes

Deferred taxes are calculated in accordance with IAS 12 'Income Taxes'. They are recognized on temporary differences between the carrying amounts of assets and liabilities in the IFRS statement of financial position and their tax base as well as on temporary differences from consolidation entries and on potentially realizable loss carryforwards. Deferred taxes on items recognized directly in equity in accordance with the relevant standards are also recognized directly in equity. The accumulated amounts of deferred taxes recognized directly in equity as at the reporting date are presented in the consolidated statement of comprehensive income.

Deferred tax assets are recognized on deductible temporary differences and tax loss carryforwards to the extent that it is probable that taxable profit will be available in the future and where it appears reasonably certain that the deductible temporary differences and loss carryforwards can actually be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax assets can be utilized. Unrecognized deferred tax assets are reviewed at each reporting date and recognized to the extent to which it has become probable that future taxable profit will allow the deferred tax asset to be realized.

Deferred taxes are determined on the basis of the tax rates that apply in the individual countries at the time of realization. These are based on tax rates that are in force or have been adopted as at the reporting date. Effects from tax rate changes are recognized in profit or loss, unless they relate to items recognized directly in equity.

Deferred tax assets and liabilities are netted when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax type and tax authority.

Non-current assets and liabilities held for sale

Provided that the criteria of IFRS 5 are met and a sale is very likely within the next twelve months, non-current assets (or a disposal group) are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will essentially be recovered through a sale transaction rather than through continuing use. The liabilities associated with these non-current assets are also recognized separately.

Pension provisions

Provisions are recognized for obligations to third parties arising from past events, the settlement of which is expected to result in an outflow of cash and whose amount can be reliably estimated.

Post-employment benefit plans are classified as either defined benefit plans or defined contribution plans, depending on the substance of the plan as derived from its principal terms and conditions.

Provisions for defined benefit and similar obligations are measured using an actuarial technique, the projected unit credit method. This method takes into account the pensions known and entitlements earned as at the reporting date as well as increases in pensions and salaries expected in the future. Pension obligations are calculated on the basis of actuarial reports. Actuarial gains and losses are recognized in equity through other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs. They comprise not only any change in the present value of the defined benefit obligation that results from curtailment or settlement and that has to be recognized in profit or loss but also any related actuarial gains and losses and any past service cost.

In the case of defined contribution plans (e.g. direct insurance policies), the contributions payable are immediately expensed. Provisions for pension obligations are not recognized for defined contribution obligations as the Ströer Group's only obligations in this case are the obligation to pay the premiums.

Other provisions

Other provisions are measured on the basis of the best estimate of the expected net cash outflows or, in the case of non-current provisions, at the present value of the expected net cash outflows, provided that the time value of money is material.

If legal or contractual obligations provide for the removal of advertising media and the restoration of the site at the end of the advertising concession contract, a provision is recognized for this obligation if it is probable that the obligation will have to be settled. The provision is measured on the basis of the estimated future costs of restoration at the end of the term, discounted to the date on which the provision was initially recognized. The provision is then recognized in this amount and an asset of the same amount is recognized under property, plant, and equipment at the same time. Changes in the value of provisions are immediately reflected in the value of the corresponding property, plant, and equipment.

Provisions for onerous contracts are recognized if the unavoidable costs of fulfilling the contract, which Ströer is unable to avoid due to contractual obligations, exceed the economic benefits expected to flow from the contract.

Other non-financial assets and liabilities

Deferrals, prepayments, and non-financial assets and liabilities are recognized at amortized cost.

Contingent liabilities

Contingent liabilities are potential obligations that are based on past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events that are beyond the Ströer Group's control. Furthermore, present obligations are deemed contingent liabilities if an outflow of resources is not sufficiently probable for the recognition of a provision and/or the amount of the obligation cannot be reliably estimated. Contingent liabilities reflect the scope of liability existing as at the reporting date. They are disclosed in the notes to the financial statements rather than being recognized in the statement of financial position.

Share-based payment

Goods or services received or acquired in a share-based payment transaction are recognized/expensed when the goods are acquired or as the services are received. The expense is determined on the basis of the fair value at the time the relevant commitment is granted. A corresponding increase in equity is recognized if the goods or services were received in an equity-settled share-based payment transaction. For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are recognized at the fair value of the liability. Until the liability is settled, the fair value of the liability must be remeasured at the end of each reporting period, with changes in fair value recognized in profit or loss.

For share-based payment transactions in which the terms of the arrangement provide Ströer SE & Co. KGaA with the choice of whether to settle in cash or by issuing shares (see the current Stock Option Plan), the Company assumes that it will settle by issuing shares provided it has not specified anything else and has not set a precedent. The fair value is therefore measured at the grant date. The fair value is allocated to profit or loss over the vesting period until the claims for share-based payment vest in full and are settled by issuing shares.

Put options

Put options written on shares held by non-controlling interests are presented as a notional acquisition on the reporting date in cases where Ströer is not the beneficial owner (present owner). The adjustment item for these interests recognized in equity is derecognized and a liability in the amount of a notional purchase price liability is recognized instead. The cumulative difference between the derecognized adjustment item and the notional purchase price liability is offset directly against retained earnings. The value of the notional purchase price liability and details on its calculation are presented in note 34. The equity attributable to non-controlling interests was decreased by EUR 7,146k in 2020 and had been increased by EUR 3,186k in 2021 in connection with the put options granted to non-controlling interests of subsidiaries.

Purchases of shares by non-controlling interests

Transactions with non-controlling interests involving the purchase of further shares, or sale of shares, that do not result in the Ströer Group losing its controlling influence are recognized directly in equity. The difference between the purchase price of the shares and the carrying amount of equity attributable to the non-controlling interests in question is recognized in equity under capital reserves.

Overview of selected measurement methods

Line item in the statement of financial position	Measurement method
Assets	
Goodwill	Lower of cost and recoverable amount
Other intangible assets	At (amortized) cost
Property, plant, and equipment	At (amortized) cost
thereof right-of-use assets under leases (IFRS 16)	At (amortized) cost
Investments in investees accounted for using the equity method	The lower of the carrying amount of the share of equity in the equity investment or the recoverable amount
Financial assets	At fair value through other comprehensive income
Trade receivables	At (amortized) cost
Other financial assets	At (amortized) cost
Inventories	Lower of cost and net realizable value
Cash	Nominal value
Equity and liabilities	
Provisions	
Provisions for pensions and similar obligations	Projected unit credit method
Other provisions	Settlement value
Financial liabilities	
thereof lease liabilities (IFRS 16)	At (amortized) cost
thereof contingent liabilities from acquisitions	fair value
Trade payables	At (amortized) cost
Other liabilities	Settlement value

4 Changes in financial reporting standards and methods

All new and amended standards and interpretations published by the IASB and the IFRS Interpretations Committee that are effective for financial years beginning on January 1, 2021 and are required to be applied in the EU were applied in preparing the consolidated financial statements.

Changes in accounting policies and accounting estimates

There were no material changes in accounting policies or accounting estimates in 2021.

Adopted standards and pronouncements relating to the Group's financial reporting

The following standards and pronouncements of the IASB became effective or were applied for the first time in 2021. With the exception of the amendments to IFRS 16 outlined below, the specific nature of the amendments to all other standards meant that they had no, or no significant, effect on the Group's financial reporting:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to **IFRS 9**, **IAS 39**, **IFRS 7**, **IFRS 4**, and **IFRS 16**) – effective for financial years beginning on or after January 1, 2021 (endorsed by the European Commission on January 13, 2021)
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to **IFRS 4** Insurance Contracts) – effective for financial years beginning on or after January 1, 2021 (endorsed by the European Commission on December 15, 2020)
- COVID-19-Related Rent Concessions beyond June 30, 2021 (Amendments to **IFRS 16**) – effective for financial years beginning on or after April 1, 2021 (endorsed by the European Commission on August 30, 2021)

The Ströer Group adopted 'COVID-19-Related Rent Concessions June 30, 2021' (Amendment to IFRS 16)' retrospectively for the whole of the 2021 financial year. The amendment constitutes voluntary practical relief in respect of leases in which the Group is the lessee. This

means that, in the case of leases for which the Group can apply the practical relief, it does not have to assess whether qualifying rent concessions directly resulting from the COVID-19 pandemic and that extend beyond June 30, 2021 are lease modifications. Because of the pandemic, Ströer reached agreement with numerous contractual partners in the OOH business on reducing the minimum lease payments for existing advertising rights contracts. Of the reduction in lease liabilities of EUR 8.2m achieved in 2021, a sum of EUR 3.6m met the criteria for practical relief and was therefore recognized in profit or loss.

Standards and pronouncements that are not yet effective

The following standards issued or amended by the IASB/IFRS Interpretations Committee were not yet effective in the reporting period and have not been applied by the Group to date. Initial application of these standards is not expected to have any significant effects on the net assets, financial position, or financial performance of the Group:

- Amendments to **IFRS 3**, **IAS 16**, and **IAS 37** and improvements to **IFRS 1**, **IFRS 9**, **IAS 41**, and **IFRS 16** (Annual Improvements to IFRS Standards 2018–2020) – effective for financial years beginning on or after January 1, 2022 (endorsed by the European Commission on June 28, 2021)
- **IFRS 17** (Insurance Contracts) – effective for financial years beginning on or after January 1, 2023 (endorsed by the European Commission on November 19, 2021)
- Presentation of Financial Statements (Amendments to **IAS 1** and IFRS Practice Statement 2) – effective for financial years beginning on or after January 1, 2023 (endorsed by the European Commission on March 2, 2022)
- Classification of Liabilities as Current or Non-current (Amendments to **IAS 1** Presentation of Financial Statements) – effective for financial years beginning on or after January 1, 2023 (not yet endorsed by the European Commission)
- Definition of Accounting Estimates (Amendments to **IAS 8** Accounting Policies, Changes in Accounting Estimates and Errors) – effective for financial years beginning on or after January 1, 2023 (endorsed by the European Commission on March 2, 2022)

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to **IAS 12** Income Taxes) effective for financial years beginning on or after January 1, 2023 (not yet endorsed by the European Commission)
- Initial Application of **IFRS 17** and IFRS 9 (Amendments to IFRS 17) – effective for financial years beginning on or after January 1, 2023 (not yet endorsed by the European Commission)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to **IFRS 10** and **IAS 28**) – the effective date has been deferred indefinitely (not yet endorsed by the European Commission)

5 Basis of consolidation

The consolidated financial statements include the financial statements of all significant entities that Ströer SE & Co. KGaA directly or indirectly controls. In addition to Ströer SE & Co. KGaA, a further 83 German and 42 foreign subsidiaries were consolidated as at December 31, 2021 on the basis of full consolidation and five German joint ventures and three associates were included in the consolidated financial statements using the equity method.

The Ströer Group owns more than 50% of the shares in every fully consolidated entity, thus controlling each entity in accordance with IFRS 10 by holding the majority of voting rights in the relevant corporate bodies.

The equity interests are disclosed in accordance with section 16 (4) of the German Stock Corporation Act (AktG). This means that the direct parent company's share is stated in each case, rather than the effective share.

Fully consolidated entities

Name	Registered office	Country	Equity interest (%)	
			Dec. 31, 2021	Dec. 31, 2020
4EVER YOUNG GmbH	Munich	Germany	100.0	75.0
Adscale Laboratories Ltd.	Christchurch	New Zealand	100.0	100.0
ahuhu GmbH	Unterföhring	Germany	80.0	80.0
Ambient-TV Sales & Services GmbH	Hamburg	Germany	70.0	70.0
Asam Betriebs-GmbH	Beilngries	Germany	100.0	100.0
ASAMBEAUTY GmbH	Unterföhring	Germany	100.0	100.0
ASAMBEAUTY TRADING (SHANGHAI) CO., LTD.	Shanghai	China	100.0	–
ASAMBEAUTY US INC.	New York	USA	100.0	–
Assur Eco Conceil S.A.S.	Metz	France	–	100.0
AVEDO Essen GmbH	Essen	Germany	100.0	100.0
AVEDO Gelsenkirchen GmbH	Gelsenkirchen	Germany	100.0	100.0
Avedo Hellas M.A.E.	Thessaloniki	Greece	100.0	–
Avedo II GmbH	Pforzheim	Germany	100.0	100.0
Avedo Köln GmbH	Cologne	Germany	100.0	100.0
Avedo Leipzig GmbH	Leipzig	Germany	100.0	100.0
AVEDO Leipzig West GmbH	Leipzig	Germany	100.0	100.0
Avedo München GmbH	Munich	Germany	100.0	100.0
Avedo Palma S.A.U.	Palma de Mallorca	Spain	100.0	100.0
Avedo Rostock GmbH	Rostock	Germany	100.0	100.0

Name	Registered office	Country	Equity interest (%)	
			Dec. 31, 2021	Dec. 31, 2020
BHI Beauty & Health Investment Group Management GmbH	Unterföhring	Germany	51.0	51.0
blowUP Media Belgium BVBA	Antwerp	Belgium	80.0	80.0
blowUP Media Benelux B.V.	Amsterdam	Netherlands	100.0	100.0
BlowUP Media GmbH ¹	Cologne	Germany	100.0	100.0
blowUP Media U.K. Ltd.	London	UK	100.0	100.0
Boojum Kft.	Budapest	Hungary	–	60.0
Business Advertising GmbH	Düsseldorf	Germany	65.7	65.7
Business Power GmbH	Düsseldorf	Germany	100.0	100.0
Contacteur Sarl	Tunis	Tunisia	100.0	100.0
Content Fleet GmbH	Hamburg	Germany	90.0	90.0
Courtier en Economie d'Énergie S.A.S.U.	Metz	France	100.0	100.0
Dea Holding S.r.l.	Bergamo	Italy	51.0	51.0
Dea S.r.l.	Bergamo	Italy	100.0	100.0
Delta Concept S.A.S.	Metz	France	55.0	55.0
DERG Vertriebs GmbH	Cologne	Germany	100.0	100.0
Diciotto Plus S.r.l.	Bergamo	Italy	100.0	100.0
Dieci S.c.a.r.l.	Bergamo	Italy	100.0	100.0
Diler Power Italia S.r.l.	Bergamo	Italy	100.0	100.0
DSA Schuldisplay GmbH	Hamburg	Germany	51.0	51.0
DSM Deutsche Städte Medien GmbH	Frankfurt am Main	Germany	100.0	100.0
DSM Krefeld Außenwerbung GmbH	Krefeld	Germany	51.0	51.0
DSM Rechtegesellschaft mbH	Cologne	Germany	100.0	100.0
DSM Werbeträger GmbH & Co. KG	Cologne	Germany	100.0	100.0
DSM Zeit und Werbung GmbH	Cologne	Germany	100.0	100.0
ECE flatmedia GmbH	Hamburg	Germany	75.1	75.1
Edgar Ambient Media Group GmbH	Hamburg	Germany	82.4	82.4
Erdbeerlounge GmbH	Cologne	Germany	–	100.0
FA Business Solutions GmbH	Hamburg	Germany	50.0	50.0
Fahrgastfernsehen Hamburg GmbH	Hamburg	Germany	100.0	100.0
grapevine marketing GmbH	Munich	Germany	62.2	62.2
Hamburger Verkehrsmittel-Werbung GmbH	Hamburg	Germany	75.1	75.1
HanXX Media GmbH	Cologne	Germany	51.0	51.0
iBillBoard Internet Reklam Hizmetleri ve Bilisim Teknolojileri A.S.	Istanbul	Turkey	96.0	96.0
iBillBoard Poland Sp. z o.o.	Warsaw	Poland	100.0	100.0
Immoclassic S.A.	Luxembourg City	Luxembourg	100.0	100.0
INFOSCREEN GmbH	Cologne	Germany	100.0	100.0
InnoBeauty GmbH	Unterföhring	Germany	100.0	100.0
Interactive Media CCSP GmbH	Cologne	Germany	94.2	94.2
Internet BillBoard a.s. ¹	Ostrava	Czech Republic	100.0	100.0
INTREN Informatikai Tanácsadó és Szolgáltató Kft. ¹	Budapest	Hungary	–	50.9
ITwo S.r.l.	Bergamo	Italy	100.0	100.0

¹ Ströer SE & Co. KGaA holds a direct interest in these entities.

Name	Registered office	Country	Equity interest (%)	
			Dec. 31, 2021	Dec. 31, 2020
Klassenfreunde.ch GmbH	Alpnach	Switzerland	100.0	100.0
Klassträffen Sweden AB	Karlskoga	Sweden	100.0	100.0
Liberdatum Internet Reklam Hizmetleri ve Danismanlik A.S.	Istanbul	Turkey	100.0	100.0
LSP Digital GmbH & Co. KG	Hamburg	Germany	100.0	100.0
LSP Digital Management GmbH	Hamburg	Germany	100.0	100.0
M. Asam GmbH	Unterföhring	Germany	100.0	100.0
MBR Targeting GmbH	Berlin	Germany	100.0	100.0
MediaSelect Media-Agentur GmbH	Baden-Baden	Germany	–	100.0
Media-Direktservice GmbH	Cologne	Germany	100.0	100.0
Nachsendeauftrag DE Online GmbH	Cologne	Germany	–	100.0
Neo Advertising GmbH	Hamburg	Germany	100.0	100.0
Omnea GmbH	Berlin	Germany	100.0	100.0
OPS Online Post Service GmbH	Berlin	Germany	100.0	100.0
optimise-it GmbH	Hamburg	Germany	100.0	100.0
Outsite Media GmbH	Mönchengladbach	Germany	51.0	51.0
Permodo GmbH	Munich	Germany	100.0	100.0
PosterSelect Media-Agentur für Aussenwerbung GmbH	Baden-Baden	Germany	100.0	100.0
PrintSafari.com GmbH	Berlin	Germany	75.1	75.1
PrintSafari Inc.	Ashburnham	USA	100.0	100.0
Ranger France S.A.S.U.	Paris	France	100.0	100.0
Ranger Marketing & Vertriebs GmbH	Düsseldorf	Germany	100.0	100.0
RegioHelden GmbH	Stuttgart	Germany	100.0	100.0
Retail Media GmbH	Cologne	Germany	100.0	100.0
Sales Holding GmbH	Düsseldorf	Germany	100.0	100.0
Seeding Alliance GmbH	Cologne	Germany	70.0	70.0
SEM Internet Reklam Hizmetleri ve Danismanlik A.S. ¹	Istanbul	Turkey	100.0	100.0
Service Planet GmbH	Düsseldorf	Germany	100.0	100.0
Services PrintSafari Canada Inc.	Montreal	Canada	100.0	100.0
SIGN YOU mediascreen GmbH	Oberhausen	Germany	100.0	100.0
Smartplace GmbH	Düsseldorf	Germany	–	100.0
SMD Rechtesgesellschaft mbH	Cologne	Germany	100.0	100.0
SMD Werbeträger GmbH & Co. KG	Cologne	Germany	100.0	100.0
SRG Rechtesgesellschaft mbH	Cologne	Germany	100.0	100.0
SRG Werbeträger GmbH & Co. KG	Cologne	Germany	100.0	100.0
Statista GmbH	Cologne	Germany	100.0	100.0
Statista Inc.	New York	USA	100.0	100.0
Statista Japan Ltd.	Tokyo	Japan	100.0	100.0
Statista Ltd.	London	UK	100.0	100.0
Statista Pte. Ltd.	Singapore	Singapore	100.0	100.0
Statista S.a.r.l.	Paris	France	100.0	100.0
Stayfriends GmbH (formerly: stylefruits GmbH, Munich)	Berlin	Germany	100.0	100.0
Ströer Content Group GmbH ¹	Cologne	Germany	100.0	100.0

¹ Ströer SE & Co. KGaA holds a direct interest in these entities.

Name	Registered office	Country	Equity interest (%)	
			Dec. 31, 2021	Dec. 31, 2020
Ströer Content Group Sales GmbH	Cologne	Germany	100.0	100.0
Ströer Core GmbH & Co. KG	Leverkusen	Germany	100.0	100.0
Ströer Core Verwaltungs GmbH	Leverkusen	Germany	100.0	100.0
Ströer DERG Media GmbH	Kassel	Germany	100.0	100.0
Ströer Deutsche Städte Medien GmbH	Cologne	Germany	100.0	100.0
Ströer Dialog Group GmbH	Leipzig	Germany	–	100.0
Ströer Digital Commerce GmbH ¹	Cologne	Germany	100.0	100.0
Ströer Digital Group GmbH	Cologne	Germany	100.0	100.0
Ströer Digital Media GmbH	Hamburg	Germany	100.0	100.0
Ströer Digital Publishing GmbH ¹	Cologne	Germany	100.0	100.0
Ströer media brands apps d.o.o.	Zagreb	Croatia	100.0	100.0
Ströer media brands GmbH	Berlin	Germany	100.0	100.0
Ströer Media Deutschland GmbH ¹	Cologne	Germany	100.0	100.0
Ströer Media Sp. z.o.o.K.	Warsaw	Poland	100.0	100.0
Ströer Netherlands B.V.	Amsterdam	Netherlands	100.0	100.0
Ströer Netherlands C.V.	Amsterdam	Netherlands	100.0	100.0
Ströer News Publishing GmbH	Cologne	Germany	100.0	100.0
Ströer Next Publishing GmbH	Cologne	Germany	100.0	100.0
Ströer Performance Group GmbH	Cologne	Germany	–	100.0
Ströer Polska Sp. z.o.o. ¹	Warsaw	Poland	100.0	100.0
Ströer Sales & Services GmbH	Cologne	Germany	100.0	100.0
STRÖER SALES France S.A.S.U.	Paris	France	100.0	100.0
Ströer Sales Group GmbH ¹	Cologne	Germany	100.0	100.0
Ströer Social Publishing GmbH	Berlin	Germany	100.0	100.0
Ströer SSP GmbH	Munich	Germany	100.0	100.0
Ströer Werbeträgerverwaltungs GmbH	Cologne	Germany	100.0	100.0
Ströer X GmbH (formerly: Mercury Beteiligungs GmbH, Leipzig)	Leipzig	Germany	100.0	100.0
Super M&N GmbH (formerly: SuperM&N UG (haftungsbeschränkt), Cologne)	Cologne	Germany	80.0	51.0
Tom S.r.l.	Bergamo	Italy	100.0	100.0
Trombi Acquisition SARL	Paris	France	100.0	100.0
Vendi S.A.S.	Paris	France	100.0	100.0
Yieldlove GmbH	Hamburg	Germany	100.0	51.0

¹ Ströer SE & Co. KGaA holds a direct interest in these entities.

Boojum Kft., Budapest, and INTREN Informatikai Tanácsadó és Szolgáltató Kft.¹, Budapest, were sold in the reporting year. The following entities were acquired by other Group entities in intragroup mergers in 2021:

- Assur Eco Conceil S.A.S., Metz
- Delta Advertising GmbH, Munich²
- Erdbeerlounge GmbH, Cologne
- MAIRDUMONT NETLETIX GmbH & Co. KG, Ostfildern²
- MAIRDUMONT NETLETIX Verwaltungs GmbH, Ostfildern²

- MediaSelect Media-Agentur GmbH, Baden-Baden
- Nachsendeauftrag DE Online GmbH, Cologne
- Smartplace GmbH, Düsseldorf
- Ströer Dialog Group GmbH, Leipzig
- Ströer Performance Group GmbH, Cologne

Subsidiaries with a material non-controlling interest

The table below provides financial information on subsidiaries with a material non-controlling interest and, with respect to parents of a subgroup, on the group of entities comprising the subgroup.

Company/parent of the subgroup	Registered office	Country	Non-controlling interest (%)	
			Dec. 31, 2021	Dec. 31, 2020
BHI Beauty & Health Investment Group Management GmbH (AsamBeauty)	Unterföhring	Germany	49	49
Interactive Media CCSP GmbH	Cologne	Germany	6	6
Edgar Ambient Media Group GmbH	Hamburg	Germany	18	18

The following tables present financial information on subsidiaries and groups of entities with a material non-controlling interest from the Group's perspective (**after consolidation** but excluding put options):

EUR k	Dec. 31, 2021	Dec. 31, 2020
Accumulated balance of material non-controlling interests		
BHI Group (AsamBeauty)	10,164	10,703
Interactive Media Group	11,299	11,975
EAM Group	2,828	2,727

EUR k	2021	2020
Profits (+)/losses (-) attributable to material non-controlling interests		
BHI Group (AsamBeauty)	4,420	6,481
Interactive Media Group	1,358	2,897
EAM Group	938	1,086

The following tables provide summarized financial information on these subsidiaries and groups of entities. All figures are presented **before elimination of intercompany balances, intercompany income and expenses, and intercompany profits and losses**, as well as before taking into account any put options for shares held by non-controlling interests.

¹ Ströer SE & Co. KGaA holds a direct interest in these entities.

² The company was acquired in 2021.

Summarized income statements (before consolidation):

2021

EUR k	BHI Group (AsamBeauty)	Interactive Media Group	EAM Group
Revenue	179,741	393,123	45,722
Cost of sales	-88,436	-337,046	-25,764
Selling and administrative expenses	-92,078	-54,730	-18,556
Other net operating income/loss	8,519	9,356	898
Net finance income/costs	1,172	577	1,182
Profit or loss before taxes	8,919	11,280	3,482
Income taxes	1,919	-832	-1,813
Post-tax profit or loss	10,838	10,448	1,669
Total comprehensive income	10,838	10,448	1,669
Thereof attributable to non-controlling interests	5,310	606	294
Dividends paid to non-controlling interests	6,907	3,647	837

2020

EUR k	BHI Group (AsamBeauty)	Interactive Media Group	EAM Group
Revenue	150,764	349,280	44,453
Cost of sales	-75,604	-305,749	-26,273
Selling and administrative expenses	-63,522	-49,946	-16,155
Other net operating income/loss	5,475	13,849	244
Net finance income/costs	292	-3,761	793
Profit or loss before taxes	17,405	3,674	3,062
Income taxes	-1,033	-684	-614
Post-tax profit or loss	16,372	2,990	2,448
Total comprehensive income	16,372	2,990	2,448
Thereof attributable to non-controlling interests	8,022	173	431
Dividends paid to non-controlling interests	5,242	3,078	747

Summarized statement of financial position (before consolidation):

Dec. 31, 2021

EUR k	BHI Group (AsamBeauty)	Interactive Media Group	EAM Group
Non-current assets	66,001	268,762	15,886
Current assets	80,520	269,074	18,460
Non-current liabilities	4,934	16,116	5,124
Current liabilities	89,376	258,599	20,819
Equity	52,211	263,120	8,402
Thereof attributable to:			
Owners of the parent	26,628	247,859	6,924
Non-controlling interests	25,584	15,261	1,479

Dec. 31, 2020

EUR k	BHI Group (AsamBeauty)	Interactive Media Group	EAM Group
Non-current assets	59,832	278,168	16,786
Current assets	74,457	269,956	16,439
Non-current liabilities	4,164	11,766	5,508
Current liabilities	76,447	265,688	18,821
Equity	53,678	270,670	8,896
Thereof attributable to:			
Owners of the parent	27,376	254,971	7,330
Non-controlling interests	26,302	15,699	1,566

Summarized statement of cash flows:**Dec. 31, 2021**

EUR k	BHI Group (AsamBeauty)	Interactive Media Group	EAM Group
From operating activities	27,001	31,419	630
From investing activities	-11,224	-19,114	-1,823
From financing activities	-17,291	-27,280	-1,706
Total net cash flow	-1,514	-14,976	-2,899

Dec. 31, 2020

EUR k	BHI Group (AsamBeauty)	Interactive Media Group	EAM Group
From operating activities	18,993	50,196	2,937
From investing activities	-5,897	-21,738	-2,472
From financing activities	-12,787	-12,649	-1,272
Total net cash flow	310	15,808	-807

The decrease in cash flows from operating activities in the Interactive Media Group is due to undesirable changes in working capital.

Joint ventures

The following joint ventures are mainly engaged in the marketing of out-of-home media. The Group's investments in these joint ventures are accounted for in the consolidated financial statements using the equity method.

Name	Registered office	Country	Equity interest (%)	
			Dec. 31, 2021	Dec. 31, 2020
DSMDecaux GmbH	Munich	Germany	50	50
mediateam Stadtservice GmbH/ Ströer Media Deutschland GmbH in GbR (formerly: mediateam Werbeagentur GmbH/ Ströer Media Deutschland GbR)	Berlin	Germany	50	50
Trierer Gesellschaft für Stadtmöblierung mbH	Trier	Germany	-	50
X-City Marketing Hannover GmbH	Hannover	Germany	50	50
OS Data Solutions GmbH & Co. KG	Hamburg	Germany	50	50
OS Data Solutions Verwaltung GmbH	Hamburg	Germany	50	50

The following tables provide financial information on DSMDecaux GmbH, X-City Marketing Hannover GmbH, and the other joint ventures taken from the financial statements prepared in accordance with IFRS and a reconciliation of this information to the carrying amounts of the investments in these joint ventures:

Dec. 31, 2021

EUR k	DSMDecaux GmbH	X-City Marketing Hannover GmbH	Other joint ventures	Total
Non-current assets	25,329	27,773	35	53,137
Current assets	17,609	9,902	3,779	31,290
Non-current liabilities	19,522	18,657	0	38,179
Current liabilities	7,377	6,124	1,667	15,168
Equity	16,039	12,895	2,146	31,080
Group's share	50%	50%	50%	50%
Group's share of equity	8,019	6,448	1,073	15,540
Residual carrying amount of the allocated hidden reserves, less deferred taxes/impairment	1,601	0	0	1,601
Goodwill	4,294	1,549	27	5,870
Carrying amount of the investments in investees accounted for using the equity method	13,914	7,997	1,100	23,011

Dec. 31, 2020

EUR k	DSMDecaux GmbH	X-City Marketing Hannover GmbH	Other joint ventures	Total
Non-current assets	26,778	30,993	33	57,804
Current assets	16,460	9,567	3,258	29,285
Non-current liabilities	19,463	21,388	702	41,553
Current liabilities	10,293	6,824	1,532	18,649
Equity	13,482	12,348	1,057	26,887
Group's share	50%	50%	50%	50%
Group's share of equity	6,741	6,174	529	13,444
Residual carrying amount of the allocated hidden reserves, less deferred taxes/impairment	2,402	0	0	2,402
Goodwill	4,294	1,561	29	5,884
Carrying amount of the investments in investees accounted for using the equity method	13,437	7,735	558	21,730

2021

EUR k	DSMDecaux GmbH	X-City Marketing Hannover GmbH	Other joint ventures	Total
Revenue	27,774	12,561	8,641	48,976
Cost of sales	-6,029	-6,249	-3,570	-15,848
Selling and administrative expenses	-1,682	-3,498	-3,488	-8,668
Other net operating income/loss	227	699	161	1,087
Net finance income/costs	-328	-452	-10	-790
Profit or loss before taxes	19,962	3,062	1,733	24,757
Income taxes	-6,609	-1,039	-278	-7,926
Post-tax profit or loss	13,353	2,024	1,455	16,832
Group's share of profit or loss	6,677	1,012	727	8,416
Amortization/depreciation of hidden reserves	-1,185	-17	0	-1,202
Deferred taxes recognized in profit or loss	385	6	0	391
Share of the profit or loss of investees accounted for using the equity method	5,877	1,001	727	7,605

2020

EUR k	DSMDecaux GmbH	X-City Marketing Hannover GmbH	Other joint ventures	Total
Revenue	23,181	11,520	6,241	40,942
Cost of sales	-6,040	-6,737	-2,293	-15,070
Selling and administrative expenses	-1,504	-3,317	-2,805	-7,626
Other net operating income/loss	121	199	127	447
Net finance income/costs	-211	-502	-15	-728
Profit or loss before taxes	15,547	1,163	1,255	17,965
Income taxes	-4,947	-226	-200	-5,373
Post-tax profit or loss	10,600	937	1,055	12,592
Group's share of profit or loss	5,300	469	525	6,294
Amortization/depreciation of hidden reserves	-1,185	-23	-307	-1,515
Deferred taxes recognized in profit or loss	385	0	0	385
Share of the profit or loss of investees accounted for using the equity method	4,500	446	218	5,164

The investments in investees accounted for using the equity method disclosed in the consolidated statement of financial position include the investments in associates in addition to these investments in joint ventures. Furthermore, the share of the profit or loss of investees accounted for using the equity method disclosed in the consolidated income statement includes the share of the profit or loss of investments in associates in addition to the share of the profit or loss of these investments in joint ventures. For more information, please refer to the next section 'Associates'.

The Group received a gross dividend of EUR 5,398k from DSMDecaux GmbH in 2021 (prior year: EUR 6,335k). The cost of sales and the selling and administrative expenses included amortization and depreciation of EUR 3,735k (prior year: EUR 3,147k). In 2021 and 2020, there were no contingent liabilities or capital commitments.

The Group received a gross dividend of EUR 738k from X-City Marketing Hannover GmbH in 2021 (prior year: EUR 0k). The cost of sales and the selling and administrative expenses included amortization and depreciation of EUR 3,706k (prior year: EUR 3,904k). In 2021 and 2020, there were no contingent liabilities or capital commitments.

The Group received a gross dividend of EUR 22k from the other joint ventures in 2021 (prior year: EUR 46k). In 2021 and 2020, there were no contingent liabilities or capital commitments.

Associates

The following associates are accounted for in the consolidated financial statements using the equity method and, with the exception of tricontes360 GmbH, are considered insignificant:

Name	Registered office	Country	Equity interest (%)	
			Dec. 31, 2021	Dec. 31, 2020
eValue 2nd Fund GmbH (in liquidation) ¹	Berlin	Germany	33	33
Instytut Badán Outdooru IBO Sp. z.o.o.	Warsaw	Poland	50	50
tricontes360 GmbH	Cologne	Germany	50	50

¹ Ströer SE & Co. KGaA holds a direct interest in this entity.

Due to the successful restructuring of the tricontes360 Group in 2020, the resulting sharp improvement in the operating business in 2021, and the greatly improved outlook, which is reflected in the current planning, the impairment loss that had been recognized on the equity investment in the consolidated financial statements of the Ströer Group was reversed and the carrying amount of the equity investment – which includes the current share of the profit of tricontes360 – stood at EUR 11,989k as at December 31 2021.

In contrast, the Ströer Group received EUR 1,000k in liquidation proceeds from the liquidation of eValue 2nd Fund GmbH (in liquidation). The remaining residual value of EUR 251k was written down in full.

The carrying amount of the associates accounted for using the equity method thus came to EUR 11,989k (prior year: EUR 1,251k).

Dec. 31, 2021

EUR k	tricontes360 Group
Non-current assets	10,478
Current assets	30,536
Non-current liabilities	9,638
Current liabilities	15,688
Non-controlling interests	776
Equity	14,913
Group's share	50%
Group's share of equity	8,957¹
Residual carrying amount of the allocated hidden reserves, less deferred tax assets/reversals of impairment losses	3,031
Goodwill	0
Carrying amount of the investments in investees accounted for using the equity method	11,989

¹ The Group's share of equity of EUR 8,957k arises from a capital contribution to which only the Ströer Group is entitled (EUR 3,000k), the share of profit for 2020 (EUR 1,014k) and for 2021 (EUR 4,931k), and the share of nominal capital (EUR 12k). In 2021, the overall sum of EUR 8,957k was written up to EUR 11,989k following the elimination of hidden liabilities.

Dec. 31, 2020

EUR k	tricontes360 Group
Non-current assets	12,750
Current assets	19,849
Non-current liabilities	14,550
Current liabilities	12,222
Non-controlling interests	776
Equity	5,051
Group's share	50%
Group's share of equity	4,026¹
Residual carrying amount of the allocated hidden reserves, less deferred taxes/impairment	-4,026
Goodwill	0
Carrying amount of the investments in investees accounted for using the equity method	0

¹ The Group's share of equity of EUR 4,026k arises from a capital contribution to which only the Ströer Group is entitled (EUR 3,000k), the share of profit (EUR 1,014k), and the share of nominal capital (EUR 12k). The total amount of EUR 4,026k was written down in full in 2020.

The share of the profit or loss of the associates accounted for using the equity method was EUR 11,738k (prior year: loss of EUR 3,012k).

2021

EUR k	tricontes360 Group
Revenue	106,526
Cost of sales	-86,787
Selling and administrative expenses	-7,985
Other net operating income/loss	3,392
Net finance income/costs	-164
Profit or loss before taxes	14,983
Income taxes	-4,782
Non-controlling interests	339
Post-tax profit or loss	9,862
Group's share of profit or loss	4,931
Amortization/depreciation of hidden reserves/reversal of impairment losses on equity interests	7,059
Deferred taxes recognized in profit or loss	0
Share of the profit or loss of investees accounted for using the equity method (incl. reversal of impairment losses on equity interests)	11,989

2020

EUR k	tricontes360 Group
Revenue	85,681
Cost of sales	-74,224
Selling and administrative expenses	-8,056
Other net operating income/loss	1,282
Net finance income/costs	-344
Profit or loss before taxes	4,337
Income taxes	-2,038
Non-controlling interests	272
Post-tax profit or loss	2,027
Group's share of profit or loss	1,014
Amortization/depreciation of hidden reserves/impairment of share of profit or loss	-1,014 ¹
Deferred taxes recognized in profit or loss	0
Share of the profit or loss of investees accounted for using the equity method (incl. impairment of equity interests)	-3,012

¹ Of the post-tax profit of EUR 2,027k, the share of profit attributable to Ströer in the prior year came to EUR 1,014k. Both this share of profit (EUR 1,014k) and the remaining share of equity (EUR 3,012k) were written down in full.

6 Significant business combinations

Transactions involving a change of control

With effect from January 29, 2021, the Ströer Group acquired all the shares in MAIRDUMONT NETLETIX GmbH & Co. KG, Ostfildern, and in MAIRDUMONT NETLETIX Verwaltungs GmbH, Ostfildern. The purchase price for the two companies including one further subsidiary amounted to EUR 2,247k and was paid in cash. The companies were merged with the parent company Ströer Digital Media GmbH during the course of 2021.

The purchase price allocation, including the identification and measurement at fair value of the assets and liabilities, was completed in 2021. The carrying amounts of the acquired receivables and the other financial and non-financial assets are equivalent to their respective fair values. The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables. The identified hidden reserves of EUR 1,790k relate to the company's customer base. The goodwill amounts to EUR 753k and is allocated to the Digital Media CGU. The goodwill is based on the positive prospects for generating additional cash flows by leveraging further synergies in the Ströer Group. It was calculated using the purchased goodwill method. The goodwill is non-deductible for tax purposes.

As the aforementioned MAIRDUMONT companies were the Ströer Group's sole acquisitions in 2021, the summarized information for 2021 relates only to this acquisition. The summary information for 2020 relates to the prior year's acquisitions.

Summary information

The contractually agreed purchase prices for acquisitions involving a change in control totaled EUR 2,247k (prior year: EUR 13,440k), including payments in subsequent periods and redemption of financial liabilities. In 2021, the acquisitions gave rise to total transaction costs of EUR 4k, which were reported under administrative expenses.

The effects on the cash flows from investing activities are presented below:

EUR k	2021	2020
Total amount of purchase prices including the redemption of shareholder loans	-2,247	-11,127
Total cash acquired	1,273	2,148
Net cash outflow from acquisitions	-974	-8,979

The total amount of assets and liabilities acquired can be seen below:

EUR k	2021	2020
Intangible assets	1,794	5,266
Property, plant, and equipment	10	142
Financial assets	0	10
Trade receivables	376	4,094
Other financial assets	183	17
Other non-financial assets	144	125
Current tax assets	0	708
Cash	1,273	2,148
Other provisions	1,477	24
Deferred tax liabilities	534	1,447
Financial liabilities	0	95
Trade payables	138	680
Other liabilities	138	1,091
Current tax liabilities	0	882
Net assets acquired	1,494	8,291

The assets and liabilities of all newly acquired companies, as well as their goodwill, were allocated to the Digital Media CGU as they were incorporated into this part of the Ströer Group.

Since the date on which control over the entities acquired was obtained, they have generated revenue of EUR 4,189k that is included in the consolidated income statement.

The effect on the Group's revenue and post-tax profit or loss in the consolidated financial statements if all the entities of the MAIRDUMONT Group acquired in 2021 had been fully consolidated with effect from January 1, 2021 is presented in the table below, in which the amounts shown already reflect the effects of the purchase price allocations for the entities acquired in 2021.

EUR k	Revenue	Post-tax profit or loss
Jan. 1–Dec. 31, 2021	1,627,668	130,257

Transactions not involving a change of control

Yieldlove GmbH

The Ströer Group acquired the remaining 49.0% of the shares in Yieldlove GmbH with effect from May 17, 2021 by exercising two call options in respect of non-controlling interests. The purchase price amounted to EUR 11.6m and was paid in cash.

Other transactions not involving a change of control

Other transactions not involving a change in control took place but, individually, were insignificant.

Summary information

All acquisitions were presented as a transaction between shareholders in accordance with IFRS 10. The related accounting effects are presented in the following table.

EUR k	
Total purchase prices	12,978
Non-controlling interests	1,473
Change in consolidated equity attributable to the shareholders of Ströer SE & Co. KGaA	–11,506

The transactions mainly affected the consolidated retained earnings of the shareholders of Ströer SE & Co. KGaA.

Restatement in connection with purchase price allocations

Dea Group

The purchase price allocation for the measurement of the assets and liabilities of the Dea Group, which was acquired in 2020, was completed in 2021. The restatement in connection with the purchase price allocation had the following effects on the statement of financial position as at October 1, 2020 (acquisition date) and on the income statement for 2020:

EUR k	Carrying amount as at acquisition date	Restatement in connection with purchase price allocation	Carrying amount in Ströer's consolidated statement of financial position
Intangible assets	18	5,093	5,111
Property, plant, and equipment	136		136
Financial assets	10		10
Trade receivables	3,874		3,874
Other financial assets	13		13
Other non-financial assets	100		100
Current tax assets	689		689
Cash	2,000		2,000
Deferred tax liabilities	0	1,447	1,447
Financial liabilities	95		95
Trade payables	442		442
Other liabilities	1,077		1,077
Current income tax liabilities	876		876
Net assets acquired	4,350	3,646	7,996

EUR k	2020 restated	2020 original
Cost of sales	2,800	2,190
Income taxes	–76	97

The intangible assets related to customer relationships with a useful life of five years.

Goodwill was calculated using the purchased goodwill method and is as follows:

EUR k	2020 restated	2020 original
Purchase price	12,512	10,577
Non-controlling interests	3,918	2,131
Net assets acquired	7,996	4,350
Goodwill	8,434	8,358

The goodwill is based on the positive prospects for expanding the customer base through the Dea Group's existing sales organization and for generating additional cash flows by increasing market penetration. The goodwill is assigned to the Dialog Marketing CGU.

Acquisitions after the reporting date

No significant acquisitions took place after the reporting date.

7 Consolidation principles

The assets and liabilities of the consolidated entities are measured on the basis of uniform accounting policies. The reporting date of all consolidated entities is December 31.

Subsidiaries are fully consolidated from the date of acquisition, i.e. the date on which the Group obtains control. Control within the meaning of IFRS 10 'Consolidated Financial Statements' is achieved when Ströer is exposed, or has rights, to variable returns from the subsidiary and has the ability to affect those returns through its power over the subsidiary. A subsidiary is deconsolidated as soon as the parent company ceases to have control.

The acquisition cost for foreign entities is translated into euros at the exchange rate applicable on the date of acquisition.

The acquisition method is used for the initial accounting. As part of the purchase price allocation, the assets acquired and liabilities assumed, as well as certain contingent liabilities, are recognized at their fair value. Any excess of the cost of the acquisition over the Group's interest in the fair value of the identifiable assets, liabilities,

and contingent liabilities is recognized as goodwill. Goodwill attributable to non-controlling interests is recognized as an asset on a case-by-case basis in accordance with IFRS 3. Any remaining negative goodwill is recognized immediately in profit or loss. If the cost of the equity investment or the fair values to be allocated to the assets acquired and liabilities assumed from the acquired entity can only be provisionally determined at the time of first-time recognition, the business combination is recognized using these provisional values.

The hidden reserves and liabilities recognized are subsequently measured applying the accounting policy for the corresponding assets and liabilities. Recognized goodwill is tested for impairment annually (see note 19).

Furthermore, the impairment test is always carried out immediately if there are any indications of impairment (triggering events).

Any impairment losses, and reversals thereof, on investments in consolidated entities that are recognized in the separate financial statements during the year are eliminated in the consolidated financial statements. Intragroup profit and losses, revenue, expenses and income, and receivables and liabilities between consolidated entities are eliminated.

Income tax effects are taken into consideration in the consolidation process and deferred taxes are recognized.

Non-controlling interests in equity and profit or loss are recognized in a separate item under equity.

If additional interests in fully consolidated entities are acquired or sold, the difference is directly offset against equity.

A joint venture is defined as a type of joint arrangement in which the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Under IFRS 11, the question of whether legal or beneficial rights to net assets are held is assessed on the basis of the contractual relationships (e.g. articles of association, shareholder agreements, exchange of goods and services) between the vehicle and the shareholders. Joint ventures and associates are consolidated using the equity method. In the income statement, the Group's share of the profit or loss for the period of the associates and joint ventures

is included in earnings before net finance income/costs and before net tax income/expense. Changes in the other comprehensive income of these investees are recognized in the Group's other comprehensive income.

Significant investments over which the Ströer Group can exercise significant influence are accounted for using the equity method. These are generally equity investments in which the Ströer Group holds between 20% and 50% of the shares. In accordance with the equity method, the interests in an associate in the statement of financial position are recognized at the cost of acquisition plus the changes in the Group's share of the net assets of the associate arising after the acquisition. The Group's share of the profit or loss of an associate is presented in the income statement. This is the post-tax profit attributable to the shareholders of the associate.

Other investments are classified as at fair value through other comprehensive income pursuant to IFRS 9.

8 Currency translation

The separate financial statements of the consolidated foreign entities whose functional currency is not the euro are translated into the Group's presentation currency (euros) in accordance with IAS 21 'The Effects of Changes in Foreign Exchange Rates'. The functional currency of a foreign entity is its local currency.

Assets and liabilities are translated at the closing rate. Equity is reported at the historical rate. Expenses and income are translated into euros at the weighted average rate for the period in question. Exchange differences recognized directly in equity are only recognized in profit or loss if the entity is sold or deconsolidated.

Transactions conducted by the consolidated entities in a foreign currency are translated into the functional currency at the exchange rate valid on the date of the transaction. Gains and losses arising on the settlement of such transactions or on translating monetary assets and liabilities in a foreign currency at the closing rate are recognized in profit or loss.

Exchange rate effects from intragroup loans are recorded in other comprehensive income if the loans meet the criteria of a net investment as defined by IAS 21.

The following exchange rates were used for the most important foreign currencies in the Ströer Group:

	Currency	Closing rate		Weighted average rate	
		Dec. 31, 2021	Dec. 31, 2020	2021	2020
Canada	CAD	1.4393	1.5633	1.4828	1.6754
Switzerland	CHF	1.0331	1.0802	1.0811	1.0702
China	CNY	7.1947	8.0225	7.6283	7.8674
Czech Republic	CZK	24.8580	26.2420	25.6438	26.4364
UK	GBP	0.8402	0.8990	0.8598	0.8887
Japan	JPY	130.3800	126.4900	129.8420	121.7039
Poland	PLN	4.5969	4.5597	4.5636	4.4413
Sweden	SEK	10.2503	10.0343	10.1443	10.4837
Singapore	SGD	1.5279	1.6218	1.5893	1.5726
Turkey	TRY	15.2335	9.1131	10.2390	7.9133
USA	USD	1.1326	1.2271	1.1829	1.1396

NOTES TO THE CONSOLIDATED INCOME STATEMENT

9 Revenue

Revenue can be broken down as follows:

EUR k	2021	2020
Revenue from the provision of services in the wider sense	1,456,246	1,303,445
Revenue from the sale of products	171,077	138,714
Total	1,627,323	1,442,159

For a breakdown of revenue by segment, please refer to the disclosures in the segment information. Revenue from the sale of products is mainly generated in the e-commerce product group in the DaaS & E-Commerce segment and is recognized at a point in time, whereas revenue from services is recognized over a period of time.

The Group's customer relationships are characterized by short lead times and bookings at short notice. As a result, orders on hand as at the reporting date are mainly short-term.

Revenue included an amount of EUR 13,506k in revenue from barter transactions (prior year: EUR 13,525k). As at the reporting date, outstanding receivables and liabilities from barter transactions amounted to EUR 8,503k (prior year: EUR 8,079k) and EUR 6,179k (prior year: EUR 4,862k) respectively.

For information about revenue recognized in respect of deferred receipts, please refer to note 31 in these notes to the consolidated financial statements.

10 Cost of sales

Cost of sales includes all costs incurred in connection with the sale of products and the provision of services and can be broken down as follows:

EUR k	2021	2020
Amortization, depreciation, and impairment	270,313	288,054
Personnel expenses	186,387	175,953
Rental, lease, and royalty payments	71,392	65,938
Other cost of sales	456,183	408,256
Total	984,274	938,201

11 Selling expenses

Selling expenses include all direct selling expenses and sales overheads incurred. They can be broken down into:

EUR k	2021	2020
Personnel expenses	164,085	155,329
Amortization, depreciation, and impairment	10,987	12,913
Other selling expenses	97,924	74,497
Total	272,996	242,740

12 Administrative expenses

Administrative expenses include the personnel and non-personnel expenses as well as amortization, depreciation, and impairment relating to all administrative areas that are not connected to technology, sales, or product development. Administrative expenses can be broken down as follows:

EUR k	2021	2020
Personnel expenses	120,856	92,925
Amortization, depreciation, and impairment	28,767	34,366
Other administrative expenses	68,338	49,438
Total	217,962	176,729

13 Other operating income

The breakdown of other operating income is shown in the following table:

EUR k	2021	2020
Income from the reversal of provisions and derecognition of liabilities	13,303	7,329
Income from the reversal of bad debt allowances	5,967	1,905
Income from the disposal of property, plant, and equipment and intangible assets	2,321	471
Income from services	3,267	1,406
Income from exchange differences	2,660	1,986
Income from changes in the basis of consolidation	614	2,866
Miscellaneous other operating income	18,835	23,673
Total	46,967	39,635

The income arising from changes in the basis of consolidation for 2021 relates to the disposal of INTREN Informatikai Tanácsadó és Szolgáltató Kft., Budapest, Hungary. In 2020, it mainly stemmed from the disposal of TUBE ONE Networks GmbH, Cologne.

Miscellaneous other operating income included, among other items, income of EUR 3,590k (prior year: EUR 2,503k) from rent reductions that were negotiated with contractual partners due to the COVID-19 pandemic.

14 Other operating expenses

Other operating expenses can be broken down as follows:

EUR k	2021	2020
Expenses related to the recognition of impairment losses	4,898	7,859
Expenses related to the derecognition of receivables and other assets	4,801	3,736
Expected impairment loss on receivables not measured individually	609	1,234
Out-of-period expenses	5,259	5,772
Expenses from exchange differences	2,721	2,843
Expense from the disposal of property, plant, and equipment and intangible assets	1,250	4,178
Miscellaneous other operating expenses	1,581	5,766
Total	21,119	31,388

15 Net finance income/costs

The following table shows the composition of net finance income/costs:

EUR k	2021	2020
Finance income	1,673	2,021
Interest income from loans and receivables	816	503
Income from exchange differences on financial instruments	821	1,361
Other finance income	36	158
Finance costs	-30,249	-36,030
Unwinding of the discount on finance lease liabilities	-17,795	-15,376
Interest expense from loans and liabilities	-9,382	-10,706
Expense from exchange differences on financial instruments	-1,240	-1,231
Other finance costs	-1,832	-8,717
Net finance income/costs	-28,576	-34,009

Income/expenses from exchange differences on financial instruments contain non-cash currency gains/losses from the translation of loan arrangements with Group entities outside the eurozone, which do not meet the criteria of a net investment within the meaning of IAS 21.

In the prior year, other finance costs had included impairment losses on loans to former Group companies.

16 Income taxes

Income taxes consist of the income taxes paid or owed in the individual countries and deferred taxes. Income taxes can be broken down as follows:

EUR k	2021	2020
Current tax expense	48,794	31,078
thereof for prior years	-365	1,096
Expenses (+)/income (-) from deferred taxes	-10,342	-18,403
thereof for prior years	667	484
thereof from temporary differences	-17,421	-23,883
Expenses (+)/income (-)	38,452	12,675

The changes in the transactions recognized directly in equity and the deferred taxes arising thereon are presented in the following table:

2021

EUR k	Before taxes	Taxes	After taxes
Exchange differences on translating foreign operations	139	0	139
Actuarial gains and losses	1,134	-460	674
Changes in the fair value of equity instruments recognized in other comprehensive income	-569	0	-569
	704	-460	244

2020

EUR k	Before taxes	Taxes	After taxes
Exchange differences on translating foreign operations	-2,989	0	-2,989
Actuarial gains and losses	-1,139	281	-858
Changes in the fair value of equity instruments recognized in other comprehensive income	299	0	299
	-3,829	281	-3,548

The statutory corporation tax rate in Germany for the 2021 tax-assessment period was 15%. Together with trade tax and the reunification surcharge, this resulted in an effective tax charge of 31.55% (prior year: 31.62%).

For the measurement of deferred taxes, a tax rate of 31.55% (prior year: 31.62%) is applied in the German tax group.

The income tax rates applied at local level for foreign companies and companies that are not part of the tax group varied, as in the prior year, between 17% and 32.975%.

The dividends paid in 2021 for the 2020 financial year had no income tax consequences. Any dividend payments made in 2022 for the 2021 financial year will, in all likelihood, have no income tax consequences either.

Deferred taxes are allocated to the following items in the statement of financial position:

EUR k	Dec. 31, 2021		Dec. 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	14,455	37,088	18,531	46,406
Property, plant, and equipment	976	295,911	1,062	290,315
Financial assets	124	7,382	60	755
Receivables, other financial and non-financial assets	4,201	7,830	4,412	8,621
Pension provisions	6,314	192	6,842	157
Other provisions	6,586	3,340	6,180	5,421
Liabilities	306,942	6,626	296,685	6,561
Deferred taxes on temporary differences	339,598	358,369	333,772	358,236
Tax loss and interest carryforwards	26,475	0	22,833	0
Total deferred taxes	366,073	358,369	356,605	358,236
Set-offs	-336,068	-336,068	-345,400	-345,400
Carrying amount of deferred taxes	30,007	22,301	11,205	12,836

No deferred tax assets were recognized for loss carryforwards of EUR 120,055k (prior year: EUR 136,757k). Of this total, EUR 119,018k related to German Group entities and EUR 1,037k to foreign Group entities. Loss carryforwards attributable to foreign Group entities for which no deferred tax assets were recognized will largely expire as follows:

Year	Amount (EUR k)
2022	0
2023	8
2024	58
2025	56
2026	79
2027	0

Deferred tax assets were recognized for loss carryforwards in an amount of EUR 4,882k, although the entities to which these loss carryforwards are attributable generated losses in 2021 or 2020 and insufficient taxable temporary differences are available. On the basis of the positive tax budget accounts of the entities concerned, which are partly the result of restructuring, we assume, however, that we will be able to use these loss carryforwards in future periods due to an increase in taxable income.

In accordance with IAS 12, deferred taxes must be recognized on the difference between the share of equity held in subsidiaries recognized in the consolidated statement of financial position and the carrying amount of the equity interest in these subsidiaries recognized in the parent company's tax accounts ('outside basis differences') if this difference is expected to be realized. In this context, deferred taxes were recognized in the consolidated financial statements for equity investments if distributions are expected from them in the near future. Overall, deferred tax liabilities on outside basis differences were recognized in an amount of EUR 599k (prior year: EUR 326k).

The IFRIC 23 'Uncertainty over Income Tax Treatments' that was implemented clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Recognition and measurement requires estimates and assumptions to be made, e.g. whether a tax treatment should be considered separately or together with other uncertain tax treatments, whether the most likely amount or the expected value should be used for the uncertain tax treatment, and whether there have been changes compared with the prior period. The risk of material errors not being discovered is insignificant with regard to the accounting treatment of uncertain line items. The accounting treatment is based on the assumption that the tax authorities will examine the matter in question and will have access to all of the relevant information.

The reconciliation of the expected tax expense and the actual tax expense is presented below:

EUR k	2021	2020
Profit/loss for the period before income taxes pursuant to IFRS	168,706	60,880
Group income tax rate	31.55%	31.62%
Expected income tax expense for the reporting year	53,221	19,250
Effects of tax rate changes	246	-270
Trade tax additions/deductions	-5,737	-18,856
Effects of taxes from prior years recognized in the reporting year	303	1,152
Effects of differing tax rates	-2,660	1,501
Effects of tax-exempt income	-6,335	-1,144
Effects of equity method accounting	0	-534
Effects of non-deductible business expenses	6,859	5,402
Recognition and adjustment of interest and loss carryforwards for tax purposes	-7,326	4,998
Other differences	-119	1,176
Total tax expense (+)/ tax income (-)	38,452	12,675

From 2015 to 2020, the Ströer Group's tax rate was predominantly influenced by the following two factors:

Under its 2010–2018 strategy, the Ströer Group took two approaches in order to generate further growth. The first approach was to establish a variety of vertical markets, in particular by means of acquisitions in the digital sector. The acquisitions were frequently start-ups. The Ströer Group therefore generally invested in further, profitable growth following the acquisition. This resulted in increased amortization and depreciation. This was offset against taxes within the scope of the tax rules.

Secondly, the marketing structure in the OOH segment was to be streamlined by strategically pooling the advertising rights in one company in order to increase transparency and thus improve coordination and compliance. In line with the internationalization strategy, a location outside Germany was sought for this project. Eventually, a Dutch entity was established in 2015 in which the desired bundling of advertising rights and of various activities in connection with the exploitation of these rights was carried out. From a German perspective, this entity was a partnership (Personengesellschaft). In terms of taxation, the pooling of the advertising rights resulted in the German partners in this partnership having to reduce the income for trade tax purposes that was attributable to them from the transfer of rights to the partnership. In the Netherlands, the consideration for the transfer of rights reduced the income for corporate income tax purposes (trade tax is not collected there). This accounted for the bulk of the line 'Trade tax additions/deductions' in the tax reconciliation.

The two aforementioned factors had only a minor impact in 2021.

17 Notes on earnings per share

EUR k	2021	2020
Basic earnings attributable to the shareholders of Ströer SE & Co. KGaA (continuing operations)	122,134	35,198
Thousands	2021	2020
Weighted average number of ordinary shares in issue as at Dec. 31	56,666	56,580
Effects from pre-emption rights issued	533	297
Weighted average number of ordinary shares in issue as at Dec. 31 (diluted)	57,199	56,877

In 2021, the number of shares increased by 45,000 (prior year: 70,000) to 56,691,571 (prior year: 56,646,571) due to the Stock Option Plans. As a result, earnings per share for 2021 was calculated on the basis of a time-weighted number of shares of 56,666,092 (prior year: 56,579,631).

Earnings per share is subject to potential dilution due to the Stock Option Plans launched in 2015 and 2019 and due to the 'share price' LTI component. Please refer to note 26 'Equity'.

Of the consolidated profit for the period of EUR 130,254k (prior year: EUR 48,205k), EUR 122,134k was attributable to the shareholders of the parent company (prior year: EUR 35,198k) and EUR 8,120k to non-controlling interests (prior year: EUR 13,007k).

18 Other notes

Personnel expenses

Cost of sales, administrative expenses, and selling expenses included personnel expenses of EUR 471,328k (prior year: EUR 424,208k).

The average number of employees in the reporting year can be broken down as follows:

Number	2021	2020
Salaried employees	9,442	9,503
Wage earners	13	164
Total	9,455	9,667

The number of employees is calculated as the average of the number of people employed at the end of each of the four quarters, taking into account the nature of their employment relationship. Part-time employees are included in full. Members of senior management, trainees, interns, pensioners, and employees on parental leave are not included.

As at December 31, 2021, the Group had a total headcount (full-time and part-time employees) of 10,079 (prior year: 10,003). The difference of 624 compared with the average number disclosed above is due in part to the fact that it is a snapshot on the reporting date of December 31; under this approach the number of employees at newly acquired entities is not time-weighted. Another reason for the difference is the inclusion of employees on parental leave, trainees, and temporary workers. These employees are not included in the disclosure above in accordance with section 314 (1) no. 4 in conjunction with section 285 no. 7 HGB.

Personnel expenses mainly consisted of wages and salaries of EUR 391,639k (prior year: EUR 351,861k), social security contributions of EUR 70,295k (prior year: EUR 61,709k), and expenses for pension provision of EUR 2,262k (prior year: EUR 2,403k).

Amortization, depreciation, and impairment

The amortization, depreciation, and impairment included in cost of sales, administrative expenses, and selling expenses is disclosed in notes 10 to 12. In 2021, amortization, depreciation, and impairment declined by EUR 25,266k, to EUR 310,067k (prior year: EUR 335,333k).

Currency effects

In 2021, net losses of EUR 480k arising from exchange differences (prior year: EUR 728k) were recognized in the income statement, of which an expense of EUR 419k was recognized in net finance income/costs (prior year: income of EUR 129k).

NOTES TO THE STATEMENT OF
FINANCIAL POSITION

19 Intangible assets

The changes in intangible assets in 2021 and 2020 are presented in the following table.

EUR k	Rights and licenses	Goodwill	Prepay-ments and projects under development	Own develop-ment costs	Acquired technologies	Total
Cost						
Opening balance as at Jan. 1, 2020	776,678	913,058	7,118	7,519	79,561	1,783,934
Changes in the basis of consolidation	-2,110	6,861	-1,118	-2,535	0	1,098
Additions	33,539	0	18,975	223	0	52,738
Reclassifications	6,723	0	-18,346	11,429	0	-194
Disposals	-19,288	0	-226	-1,792	0	-21,306
Exchange differences	-2,090	-610	-1	-290	0	-2,991
Closing balance as at Dec. 31, 2020/ opening balance as at Jan. 1, 2021	793,451	919,309	6,402	14,556	79,561	1,813,280
Changes in the basis of consolidation	1,709	548	0	0	0	2,258
Additions	6,926	0	22,852	1,243	0	31,021
Reclassifications	4,373	-1,580	-15,577	13,904	0	1,119
Disposals	-19,146	0	-124	0	0	-19,270
Exchange differences	-155	-69	-1	-283	0	-509
Closing balance as at Dec. 31, 2021	787,158	918,207	13,553	29,419	79,561	1,827,898
Depreciation and impairment/ reversals of impairment						
Opening balance as at Jan. 1, 2020	557,952	3,893	0	6,957	56,452	625,254
Changes in the basis of consolidation	-7,346	-924	-516	0	0	-8,785
Amortization, depreciation, and impairment	98,351	0	516	5,576	5,960	110,404
Disposals	-19,269	0	0	0	0	-19,269
Exchange differences	-1,193	-44	0	-70	0	-1,307
Closing balance as at Dec. 31, 2020/ opening balance as at Jan. 1, 2021	628,496	2,925	0	12,463	62,412	706,297
Changes in the basis of consolidation	-78	0	0	0	0	-78
Amortization, depreciation, and impairment	61,868	0	0	4,457	3,975	70,300
Reclassifications	-1,394	0	0	2,099	1,412	2,117
Disposals	-17,605	0	0	0	0	-17,605
Exchange differences	-105	-5	0	-294	0	-404
Closing balance as at Dec. 31, 2021	671,182	2,920	0	18,724	67,799	760,626
Carrying amount as at Dec. 31, 2020¹	164,955	916,384	6,402	2,093	17,149	1,106,982
Carrying amount as at Dec. 31, 2021	115,976	915,288	13,553	10,693	11,762	1,067,273

¹ The comparative figures for December 31, 2020 have been restated because of a purchase price allocation that was finalized after December 31, 2020. Please refer to note 6 in the notes to the consolidated financial statements for our disclosures on restatement in connection with purchase price allocations.

Of the intangible assets, EUR 1,580k (prior year: EUR 0k) was reclassified to non-current assets classified as held for sale in accordance with IFRS 5; the amount reclassified related to goodwill. The non-capitalizable components

of product development costs amounted to EUR 16,430k in 2021 (prior year: EUR 26,220k). They were primarily included in the cost of sales.

In the reporting year, as in 2020, no material investment allowances pursuant to the InvZulG were recognized as a reduction in cost.

(Out-of-Home Media segment) that are no longer recoverable. The impairment loss was primarily included in the cost of sales.

Impairment of EUR 9,602k (prior year: EUR 6,130k) was recognized on intangible assets (mainly rights and licenses). Of this total, EUR 3,539k was attributable to hidden reserves of the Dea Group (Digital & Dialog Media segment) that are no longer recoverable and EUR 3,158k to advertising contracts from Ströer Poland

All goodwill acquired in business combinations was tested for impairment in 2021.

The table below gives an overview of the allocation of goodwill to CGUs and of the assumptions made for the purposes of the impairment test:

EUR k	Ströer Germany	Digital Media	Ströer Poland	Asam Group	Statista Group	Dialog Marketing	BlowUP Group
Carrying amount as at Dec. 31, 2020	379,599	214,269	5,517	99,109	83,724	122,404	11,762
Changes in the basis of consolidation	0	548	0	0	0	0	0
Reclassification	0	-1,580	0	0	0	0	0
Exchange rate effects	0	-20	-45	0	0	0	0
Carrying amount as at Dec. 31, 2021	379,599	213,217	5,473	99,109	83,724	122,404	11,762
Detailed forecast period (years)	5	5	5	5	5	5	5
Revenue growth after the forecast period	1.0% (prior year: 1.0%)	1.2% (prior year: 1.1%)	2.3% (prior year: 2.4%)	1.0%	1.0%	1.0% (prior year: 1.0%)	1.0% (prior year: 1.0%)
Interest rate (after taxes)	6.6% (prior year: 5.3%)	7.5% (prior year: 6.2%)	8.8% (prior year: 7.7%)	7.0%	7.1%	6.2% (prior year: 5.6%)	6.7% (prior year: 5.1%)

The Ströer Group has adjusted its goodwill impairment testing to reflect the new segmentation that came into effect on January 1, 2021. The Digital OOH & Content CGU has been divided into the three new units 'Public Video', 'Digital Media', and 'Statista Group' as a result. Whereas the Digital Media and Statista Group units are now being tested separately, the Public Video unit is being tested together with the Ströer Germany unit, in part due to the ever-increasing synergies arising from the ongoing expansion of roadside screens and the general switch from analog to digital advertising spaces. In addition, the 'Transactions' CGU has been renamed 'Asam Group', as it now consists solely of the companies of the Asam Group. The carrying amounts of all newly assigned goodwill

assets were reallocated as at December 31, 2020 on the basis of the relative fair values and tested for impairment as part of the reallocation process.

The recoverable amount of the CGUs is determined using cash flow forecasts generated as at September 30 each year on the basis of financial forecasts approved by senior management.

Ströer Germany, Ströer Poland, and the BlowUP Group are budgeted to fully return to their medium-term growth trend once the effects of the COVID-19 pandemic have been overcome. These three CGUs are set to benefit from structural shifts in their respective advertising

markets, leading to increased demand for out-of-home advertising products compared with other types of media. In Germany, in particular, the accelerated digitalization of the advertising inventory and the use of innovative technologies in its marketing is driving additional growth and a strong EBITDA performance. The use of digital media also means that advertising can now be targeted even more precisely at local and regional customer groups. Together with the ongoing expansion of local sales, this is attracting new customer groups and contributing to growth.

In the Digital Media CGU, a solid EBITDA performance is expected to be driven by the exploitation of robust market growth, particularly in mobile online advertising, bolstered by the use of new product formats and technologies. Further gains in reach by the individual portals are likely to provide additional support to the growth of the business.

In the Dialog Marketing segment, EBITDA growth is expected to be driven by a moderate uptrend in the market, the more rapid expansion of fiber-optic broadband, and the corresponding marketing activities in Germany. Greater use of nearshoring is also set to have a positive impact on EBITDA.

The Statista and the Asam Group CGUs are forecast to drive high EBITDA growth in the medium term by building on their leading positions in the existing markets. They are expected to do this by expanding their product offerings and by giving their businesses a greater international reach in order to access new markets.

Initially, the budgeted EBITDA is determined on the basis of detailed forecasts regarding the market assumptions, income, and expenses expected in the future. The projected growth of the EBITDA expected in the detailed forecast period is closely related to the expected advertising spend of companies that advertise, the competitive situation going forward, the prospects for innovative advertising formats, local inflation rates, the prospects for the out-of-home advertising industry in individual markets, and the expansion investment

planned by Ströer in each segment. These expectations are primarily derived from publicly available market data. Based on these expectations, average EBITDA growth rates are calculated for the individual CGUs that, depending on the market environment, are in the mid to high single-digit percentage range (BlowUP Group, Ströer Poland, Digital OOH & Content), the low double-digit percentage range (Ströer Germany, Dialog Marketing) or the high double-digit percentage range (Asam Group, Statista Group). In a second step, the planned investment and working capital changes are used to transform the budgeted EBITDA into a cash flow forecast. The detailed forecasts are then aggregated into financial plans and approved by senior management. These financial plans reflect anticipated performance in the forecast period.

For the purpose of testing goodwill for impairment, the fair value less costs to sell was classified as the recoverable amount (Level 3 of the fair value hierarchy). The discount rate used for the cash flow forecast was determined on the basis of market data and key performance indicators for the peer group and depends on the economic environment in which the cash flows are generated. As a result, separate discount rates were calculated for foreign CGUs based on local circumstances.

The growth rate used for the terminal value (TV) is determined on the basis of long-term economic expectations and the expectations regarding the inflation trend in each market. Information from central banks, economic research institutes, and official statements by the relevant governments is gathered and evaluated in order to calculate these growth rates.

For each non-impaired CGU, we conduct a scenario analysis to assess the effect of significant parameters on the need for impairment. This is based on the difference between the recoverable amount and the carrying amount.

As the difference between the recoverable amount and the carrying amount is high enough for all of the CGUs, no scenario analyses were required in the reporting year.

20 Property, plant, and equipment

The changes in property, plant, and equipment are presented in the following statement of changes in non-current assets.

EUR k	Land, land rights, and buildings	Plant and machinery	Other equipment, furniture, and fixtures	Property, plant, and equipment (leasing)	Prepayments and assets under construction	Total
Cost						
Opening balance as at Jan. 1, 2020	9,511	3,600	556,227	1,316,642	45,111	1,931,091
Changes in the basis of consolidation	-8	-19	2,539	-962	0	1,550
Additions	340	498	37,256	96,869	10,314	145,276
Reclassifications	18	149	8,876	0	-8,849	194
Disposals	0	-10	-17,538	-15,212	-1,928	-34,688
Exchange differences	-21	-1	-1,885	-3,567	-442	-5,915
Closing balance as at Dec. 31, 2020/ opening balance as at Jan. 1, 2021	9,840	4,218	585,474	1,393,770	44,206	2,037,509
Changes in the basis of consolidation	-20	0	-91	0	0	-111
Additions	806	1,747	50,546	239,879	27,229	320,207
Reclassifications	791	403	7,047	-209	-8,389	-358
Disposals	-524	-279	-23,096	-25,745	-1,691	-51,334
Exchange differences	23	0	-40	837	-34	786
Closing balance as at Dec. 31, 2021	10,915	6,089	619,840	1,608,532	61,321	2,306,698
Depreciation and impairment/ reversals of impairment						
Opening balance as at Jan. 1, 2020	1,306	1,166	336,706	342,221	3,375	684,775
Changes in the basis of consolidation	-8	-9	2,396	-786	0	1,594
Amortization, depreciation, and impairment	456	766	44,997	178,619	92	224,929
Reclassifications	4	0	19	0	-23	0
Reversals of impairment losses	0	0	0	-157	0	-157
Disposals	0	-10	-16,169	-868	-110	-17,157
Exchange differences	-5	0	-1,110	-2,471	-191	-3,777
Closing balance as at Dec. 31, 2020/ opening balance as at Jan. 1, 2021	1,753	1,912	366,840	516,559	3,143	890,207
Changes in the basis of consolidation	-4	0	-58	0	0	-62
Amortization, depreciation, and impairment	937	963	42,086	193,885	1,897	239,767
Reclassifications	0	0	-96	-122	0	-218
Reversals of impairment losses	0	0	0	-144	0	-144
Disposals	-456	-276	-19,239	-16,323	-1,075	-37,368
Exchange differences	9	0	15	470	-22	472
Closing balance as at Dec. 31, 2021	2,239	2,599	389,548	694,324	3,943	1,092,654
Carrying amount as at Dec. 31, 2020	8,088	2,306	218,634	877,211	41,063	1,147,302
Carrying amount as at Dec. 31, 2021	8,676	3,490	230,292	914,208	57,378	1,214,044

Of the property, plant, and equipment, EUR 184k (prior year: EUR 0k) was reclassified to assets classified as held

for sale in accordance with IFRS 5; the amount reclassified primarily related to office furniture and equipment.

Other equipment mainly includes advertising media (residual carrying amount as at December 31, 2021: EUR 199,100k; prior year: EUR 191,658k).

In the reporting year, as in the prior year, no investment allowances pursuant to InvZulG were recognized as a reduction in cost (2021: EUR 0k; prior year EUR 0k).

An amount of EUR 918k was recognized as income from compensation for damage to or destruction of property, plant, and equipment (prior year: EUR 230k).

Property, plant, and equipment (leasing) as at December 31, 2021 was higher than on the same date in the prior year as more new leases were extended or entered into in 2021 than in 2020. Please refer to our explanations in note 35 in these notes to the consolidated financial statements.

Impairment of EUR 4,428k (prior year: EUR 6,793k) was recognized on property, plant, and equipment (mainly other equipment), of which EUR 2,939k (prior year: EUR 2,959k) was attributable to impairment of dismantled advertising media (property, plant, and equipment) (Out-of-Home Media segment). The impairment loss was primarily included in the cost of sales.

21 Trade receivables

The changes in specific loss allowances on trade receivables were as follows:

EUR k	2021	2020
Loss allowances at the start of the reporting year	10,456	5,794
Additions (recognized in profit or loss)	4,761	6,413
Reversals (recognized in profit or loss)	-5,788	-1,628
Utilization	-600	30
Exchange differences	88	-153
Loss allowances at the end of the reporting year	8,916	10,456

Within the scope of specific loss allowances, trade receivables with a gross invoice value of EUR 19,118k were written down as at the reporting date (prior year: EUR 12,012k). Net of specific loss allowances of EUR 8,916k (prior year: EUR 10,456k), the carrying amount of these receivables stood at EUR 10,202k as at the reporting date (prior year: EUR 1,556k).

The Group also uses a provision matrix in order to measure the expected credit losses on trade receivables from a very large number of customers who only have small balances and for whom specific loss allowances were therefore not recognized.

The changes in loss allowances on trade receivables from the very large number of customers who have small balances were as follows:

EUR k	2021	2020
Loss allowances at the start of the reporting year	2,305	1,557
Additions (recognized in profit or loss)	609	1,234
Reversals (recognized in profit or loss)	-306	-618
Utilization	234	48
Exchange differences	-50	-4
Other changes	31	89
Loss allowances at the end of the reporting year	2,823	2,305

The following table shows the carrying amounts of past due trade receivables, the estimated credit risk, and the expected credit losses as at December 31, 2021. The loss rates were calculated on the basis of the actual credit losses in the two preceding years.

EUR k	Past due by				
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	More than 180 days
Dec. 31, 2021					
Gross carrying amounts	26,602	7,742	3,302	2,567	4,070
Estimated credit risk (%)	1.9%	2.1%	7.5%	15.2%	23.5%
Expected credit loss	519	161	247	390	957
Dec. 31, 2020					
Gross carrying amounts	20,068	5,745	2,326	1,990	1,526
Estimated credit risk (%)	1.5%	1.8%	9.0%	36.3%	18.4%
Expected credit loss	294	102	209	723	281

Including the expected credit losses on receivables that are not yet past due, on which credit risk of 0.3% (prior year: 0.5%) and a credit loss of EUR 549k (prior year: EUR 696k) are expected, the resulting loss allowances on trade receivables amounted to EUR 2,823k (prior year: EUR 2,305k).

22 Other financial and non-financial assets

A breakdown of non-current other financial and non-financial assets is shown in the following table:

EUR k	Dec. 31, 2021	Dec. 31, 2020
Financial assets		
Other loans	4	17
Residual purchase price receivables from the disposal of Group entities	0	1,000
Miscellaneous non-current financial assets	554	768
Total	558	1,785
Non-financial assets		
Prepaid expenses	7,226	7,887
Miscellaneous other non-current assets	3,371	4,410
Total	10,597	12,297

Miscellaneous other non-current (non-financial) assets include, among other items, capitalized transaction costs that are amortized over the term of the credit facility.

Current other financial and non-financial assets can be broken down as follows:

EUR k	Dec. 31, 2021	Dec. 31, 2020
Financial assets		
Receivables from existing and former shareholders of Group entities	0	24
Creditors with debit balances	5,481	2,383
Security deposits	1,772	1,415
Residual purchase price receivables from the disposal of Group entities	675	850
Other loans	838	2,422
Miscellaneous financial assets	5,011	4,187
Total	13,778	11,282
Non-financial assets		
Prepaid expenses	21,578	14,603
Tax receivables	12,440	11,236
Other prepayments	839	1,204
Receivables from investment allowances	153	153
Miscellaneous other assets	4,037	3,878
Total	39,047	31,073

In accordance with IFRS 15, the prepaid expenses include deferred contract extension costs in an amount of EUR 813k in non-current assets and in an amount of EUR 610k in current non-financial assets.

The following table shows the changes in the specific allowances recognized on other financial assets, which are measured at amortized cost:

EUR k	2021	2020
Loss allowances at the start of the reporting year	3,112	1,817
Additions (recognized in profit or loss)	137	1,447
Reversals (recognized in profit or loss)	-137	-144
Utilization	-15	-7
Loss allowances at the end of the reporting year	3,097	3,112

Within the scope of specific loss allowances, financial assets with a nominal value of EUR 3,692k were written down as at the reporting date (prior year: EUR 3,688k). Net of specific loss allowances of EUR 3,097k (prior year: EUR 3,112k), the carrying amount of these receivables stood at EUR 595k as at the reporting date (prior year: EUR 577k).

The following table shows the carrying amounts of past due financial assets that were not yet impaired.

EUR k	Past due by				
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	More than 180 days
Dec. 31, 2021	1,317	247	23	80	735
Dec. 31, 2020	1,399	44	18	155	319

As at the reporting date, no losses were expected in respect of current financial assets that were neither impaired nor past due.

23 Inventories

EUR k	Dec. 31, 2021	Dec. 31, 2020
Materials and supplies	8,154	5,829
Finished goods	15,905	9,698
Prepayments made on inventories	330	16
Total	24,388	15,542

The inventories recognized as an expense in the income statement during the reporting year amounted to EUR 41,570k (prior year: EUR 31,017k). As in the prior year, the total cost of inventories expensed did not include any write-downs to net realizable value.

24 Cash

EUR k	Dec. 31, 2021	Dec. 31, 2020
Bank balances	63,322	85,231
Cash on hand	60	238
Total	63,382	85,469

The bank balances included overnight money and time deposits of EUR 472k (prior year: EUR 448k). As in the prior year, the interest rates achieved were approximately 0.00%.

As at the reporting date, bank balances of EUR 409k were subject to short-term restrictions on availability (prior year: EUR 943k).

25 Non-current assets classified as held for sale and liabilities associated with assets held for sale

As at the reporting date, the Ströer Group recognized as held for sale and as a disposal group the assets and liabilities of the subsidiary SEM Internet Reklam Hizmetleri ve Danismanlik A.S. Istanbul, Turkey. These items were recognized separately because of the pre-contractual agreement to sell the company, which is part of the Digital Media CGU, in 2022.

Assets classified as held for sale (2021: EUR 9,040k; prior year: EUR 0k) primarily comprised trade receivables (EUR 7,054k). Liabilities associated with assets classified as held for sale (2021: EUR 7,142k; prior year: EUR 0k) mainly resulted from current trade payables (EUR 5,822k). An accrued foreign currency loss of EUR 2,996k is allocated to the disposal group.

26 Equity

The changes in the individual components of equity in 2021 and 2020 are presented in the consolidated statement of changes in equity.

Subscribed capital

The Company's subscribed capital increased by 45,000 to 56,691,571 shares as at December 31, 2021 as a result of stock options being exercised. As at December 31, 2021, the subscribed capital was thus divided into 56,691,571 no-par-value bearer shares. They have a nominal value of 1.00 EUR each and are fully paid up.

The following disclosures are mainly taken from the articles of association of Ströer SE & Co. KGaA.

2019 approved capital

Subject to the approval of the Supervisory Board, the general partner is authorized until June 18, 2024 to increase the Company's share capital once or several times by a maximum of EUR 5,652,657.00 in total by issuing up to 5,652,657 new no-par-value bearer shares for contributions in cash and/or in kind (2019 approved capital).

The shareholders must as a matter of principle receive a pre-emption right. The legal pre-emption right may also be granted by way of the new shares being acquired by a bank or an entity that operates in accordance with section 53 (1) sentence 1 or section 53b (1) sentence 1 (7) of the German Banking Act (KWG), subject to the requirement that they are offered indirectly to shareholders for subscription in accordance with section 186 (5) AktG. However, the general partner is authorized, subject to the approval of the Supervisory Board, to exclude the shareholders' legal pre-emption rights for one or more capital increases within the scope of the approved capital:

- (i) in order to exclude fractional amounts from the shareholders' pre-emption rights;
- (ii) if the capital increase is made in return for contributions in kind including for, but not limited to, the purpose of acquiring entities, parts of entities, or equity investments in entities;
- (iii) if the capital increase is made in return for cash contributions and the issue price of the new shares is not significantly below – in accordance with section 203 (1) and (2) and section 186 (3) sentence 4 AktG – the market price of shares of the same class and voting rights already listed on the stock market on

the date on which the final issue price is determined, and the portion of the share capital attributable to the new shares issued in accordance with this clause (iii), subject to the exclusion of pre-emption rights pursuant to section 186 (3) sentence 4 AktG, does not exceed 10% of the total share capital at the time that such authorization becomes effective or is exercised. The proportional amount of the share capital attributable to new or treasury shares issued or sold since June 19, 2019, subject to the simplified exclusion of pre-emption rights in accordance with, or analogously to, section 186 (3) sentence 4 AktG, must be added to this maximum amount, as must the proportional amount of the share capital attributable to shares with attaching warrants and/or conversion rights/option obligations and/or mandatory conversion requirements from debt securities or participation rights issued since June 19, 2019, applying section 186 (3) sentence 4 AktG analogously; and/or

- (iv) to the extent necessary to issue pre-emption rights for new shares to holders of bonds with warrants or beneficial owners of convertible bonds or participation rights with conversion rights or warrants that are issued by the Company or entities that it controls or in which it holds a majority stake in the scope to which they would be entitled after exercising the warrants or conversion rights or after fulfilling the mandatory conversion requirement.

The shares issued under the above authorization subject to the exclusion of shareholders' pre-emption rights in capital increases in return for cash contributions or contributions in kind may not exceed 10% of the share capital either at the time such authorization becomes effective or – if this figure is lower – at the time it is exercised. The proportionate amount of the share capital attributable to those shares that are issued during the term of this authorization under another authorization subject to the exclusion of pre-emption rights must be deducted from this maximum amount of 10%. Likewise, rights that were issued during the term of this authorization until the date of their exercise under other authorizations, subject to the exclusion of pre-emption rights, and that carry the ability or obligation to subscribe to the Company's shares must also be deducted.

Subject to the approval of the Supervisory Board, the general partner decides on the content of the share rights, the issue price, the consideration to be paid for the new shares, and the other conditions of share issue. After a

full or partial increase in the share capital from approved capital or after expiry of the authorization period, the Supervisory Board is authorized to make amendments to the articles of association that only affect the wording.

2015 conditional capital

The share capital is subject to a conditional increase of a maximum of EUR 1,629,523.00 by issuing a maximum of 1,629,523 no-par-value bearer shares (2015 conditional capital). This conditional capital increase, however, may not exceed the remaining amount and the remaining number of shares under the conditional capital increase pursuant to article 6b (1) of the articles of association of Ströer SE on the date on which the change in the legal form of Ströer SE to a partnership limited by shares pursuant to the conversion resolution dated September 25, 2015 took effect. The sole purpose of the conditional capital increase is for the Board of Management to grant, as authorized by resolution of the shareholder meeting dated September 25, 2015, rights to holders of stock options under the 2015 Stock Option Plan. The conditional capital increase will only be implemented to the extent that the holders of stock options granted under the authorization of the shareholder meeting on September 25, 2015 exercise these stock options and that the Company does not settle the stock options in cash. The new shares are eligible for dividend from the beginning of the financial year for which no resolution on the appropriation of profit has been adopted by the shareholder meeting at the time of their issue.

Subject to the approval of the Supervisory Board, the general partner is authorized to determine the further details of the conditional capital increase unless stock options and shares are to be granted to members of the general partner's Board of Management. If this is the case, the Supervisory Board will determine the further details of the conditional capital increase. The Supervisory Board is authorized to amend the articles of association to reflect the scope of the capital increase from the 2015 conditional capital.

2017 conditional capital

The Company's share capital is subject to a conditional increase of a maximum of EUR 11,056,400.00 by issuing a maximum of 11,056,400 new no-par-value bearer shares (2017 conditional capital). The purpose of the conditional capital increase is to grant no-par-value bearer

shares to holders/beneficial owners of convertible bonds and/or bonds with warrants that are being issued by the Company or an investee as a result of the authorization granted under item 9 on the agenda of the shareholder meeting on June 14, 2017. New no-par-value bearer shares are issued at a particular conversion or option price determined by the aforementioned authorization resolution. The conditional capital increase will only be implemented to the extent that conversion or option rights are exercised or holders/beneficial owners who are obliged to do so fulfill their obligation to exercise their conversion rights and provided that a cash settlement is not granted or use is not made of treasury shares or new shares issued from approved capital. The new no-par-value bearer shares are eligible for dividend from the beginning of the financial year in which they are formed as a result of the exercise of warrants or conversion rights or after fulfillment of the mandatory conversion requirements. Subject to the approval of the Supervisory Board, the general partner is authorized to determine the further details of the conditional capital increase.

2019 conditional capital

The share capital is subject to a conditional increase of a maximum of EUR 2,200,000.00 by issuing a maximum of 2,200,000 no-par-value bearer shares (2019 conditional capital). The sole purpose of the conditional capital increase is for rights to be granted, as authorized by the shareholder meeting on June 19, 2019, to holders of stock options under the 2019 Stock Option Plan. The conditional capital increase will only be implemented to the extent that the holders of stock options granted under the authorization of the shareholder meeting on June 19, 2019 exercise these stock options and that the Company does not settle the stock options in cash or by granting treasury shares. The new shares are eligible for dividend from the beginning of the financial year for which no resolution on the appropriation of profit has been adopted by the shareholder meeting at the time of their issue. The general partner is authorized to determine the further details of the conditional capital increase unless stock options and shares are to be granted to members of the general partner's Board of Management. If this is the case, the Supervisory Board of the general partner will determine the further details of the conditional capital increase. The Company's Supervisory Board is authorized to amend the articles of association to reflect the scope of the capital increase from the 2019 conditional capital.

Capital reserves

The Group's capital reserves rose by EUR 7,465k to EUR 762,342k as at December 31, 2021 (prior year: EUR 754,877k). This increase related to the Stock Option Plans of Ströer SE & Co. KGaA.

Retained earnings

Retained earnings contain profits that were generated in the past by entities included in the consolidated financial statements and that have not been distributed. By resolution of the shareholder meeting on September 3, 2021, a sum of EUR 113,343k was distributed as a dividend (EUR 2.00 per dividend-bearing no-par-value share) and a sum of EUR 120,000k from the accumulated profit for 2020 was carried forward to the next accounting period.

Accumulated other comprehensive income/loss

Accumulated other comprehensive income/loss includes exchange differences from the financial statements of foreign subsidiaries prepared in foreign currency. This item also generally includes the effects of measuring hedged derivative financial instruments as well as the exchange differences resulting from the translation of loans designated as net investments that are granted to the Group's foreign entities and thus do not affect consolidated profit or loss for the period (including deferred taxes). As had been also been the case in 2020, there were no such financial instruments or loans designated as net investments in 2021. Deferred tax liabilities on measurement gains/losses on hedged derivative financial instruments, which are recognized in other comprehensive income, therefore amounted to EUR 0k at the end of 2021, as they had a year earlier.

Non-controlling interests

Non-controlling interests comprise minority interests in the equity of consolidated entities.

Obligation to purchase own equity instruments

By granting put options to the non-controlling shareholders of subsidiaries, the Company has undertaken to purchase the non-controlling interest if certain contractual conditions are met. We have presented these options as a notional acquisition on the reporting date in accordance with our disclosures on accounting policies. For these obligations, liabilities of EUR 27,519k (prior year: EUR 29,796k) were recognized in financial liabilities.

Appropriation of profit

Profit is appropriated in accordance with the provisions of German commercial and stock corporation law that determine how the accumulated profit of Ströer SE & Co. KGaA is calculated.

In 2021, a profit for the period of EUR 134,959k was recognized in the separate financial statements of Ströer SE & Co. KGaA prepared in accordance with German commercial law (prior year: EUR 65,635k).

Capital management

The objective of capital management in the Ströer Group is to ensure the continuation and growth of the Company and to maintain and build on its attractiveness to investors and market participants. To ensure this, the Board of Management continually monitors the level and structure of debt. The debt included in the general capital management system comprises the financial liabilities and other liabilities recognized in the consolidated statement of financial position. In its Group financing through bank loans, the Ströer Group observes an external covenant in the form of the maximum permitted leverage ratio. Key elements of the internal management system are the planning and ongoing monitoring of the adjusted operating profit (EBITDA (adjusted)) because, through the leverage ratio, EBITDA (adjusted) is factored into the determination of the credit margin to be applied. This leverage ratio is defined as the ratio of net debt to operating profit before interest, depreciation, and amortization (EBITDA (adjusted)). The relevant key performance indicators are submitted to the Board of Management for evaluation as part of regular reporting. The Company comfortably complied with the permitted net debt ratio as at the reporting date, as it also had a year earlier. For details on EBITDA (adjusted), please refer to note 33 'Segment information'.

The Board of Management also monitors the Group's equity ratio. The equity used as a basis for determining the equity ratio is the equity reported in the statement of financial position including non-controlling interests.

Equity is also monitored at the level of the individual entities as part of the monitoring of compliance with the minimum capital requirements aimed at averting proceedings under insolvency law. The equity monitored in this context is the equity recognized in accordance with the law of the country in question.

The capital management strategy was otherwise unchanged compared with the previous year.

27 Provisions for pensions and similar obligations

The major pension plans in place are defined benefit plans in Germany, where the defined benefit obligation either depends on the remuneration of the employee in question upon reaching retirement age or is based on a fixed commitment. As the actuarial gains and losses are recognized directly in other comprehensive income, the present value of the defined benefit obligation less plan assets corresponds to the pension provision reported in the statement of financial position.

Provisions for pensions and similar obligations are calculated as follows:

EUR k	Dec. 31, 2021	Dec. 31, 2020
Present value of defined benefit obligation as at Jan. 1	44,949	44,145
Current service cost	808	812
Net interest cost	398	416
Actuarial gains (-)/losses (+)	-1,134	993
Benefits paid	-1,587	-1,569
Changes in the basis of consolidation	0	1
Exchange differences	0	-2
Other changes	11	154
Present value of defined benefit obligation as at Dec. 31/carrying amount	43,445	44,949

In the year under review, actuarial gains of EUR 1,134k were recognized directly in equity (prior year: losses of EUR 993k). This increase was mainly due to the rise in the discount rate compared with that in the previous year. For 2022, payments in connection with pension obligations totaling EUR 1,613k (prior year: EUR 1,539k) are anticipated.

There were no plan curtailments in 2021. The plan assets consist of reinsurance with a fair value as at December 31, 2021 of EUR 43k (prior year: EUR 51k). No further disclosures are provided in respect of the plan assets as the amounts are not material.

Sensitivities were calculated with half a percentage point above and below the discount rate used. Raising the discount rate by 0.5 percentage points would decrease the present value of the defined benefit obligation by EUR 2,533k (prior year: EUR 2,739k) while lowering it by 0.5 percentage points would increase the defined benefit obligation by EUR 2,777k (prior year: EUR 3,012k) as at the reporting date.

In addition to a change in the discount rate, the rate of pension increase was identified as a significant factor influencing the present value of the defined benefit obligation. Raising the rate of pension increase by 0.5 percentage points would increase the present value of the defined benefit obligation by EUR 1,150k (prior year: EUR 1,227k) while lowering it by 0.5 percentage points would decrease the defined benefit obligation by EUR 1,063k (prior year: EUR 1,133k) as at the reporting date.

The sensitivities were calculated using the same methods as the provisions that were recognized. The ranges used in calculating the sensitivities of the parameters are derived from the changes that are considered possible up to the next reporting date based on historical experience. These methods have their limitations in the sense that historical experience is not always a reliable guide for forecasting future trends and because they are unable to factor in simultaneous changes in multiple parameters.

The present value of the pension entitlements was calculated using the following assumptions:

Group (%)	Dec. 31, 2021	Dec. 31, 2020
Discount rate	1.30	0.90
Rate of pension increase	1.00	1.00
Rate of salary increase	2.00	2.00
Employee turnover	1.00	1.00

The components of the expenses for pension benefits recognized in profit or loss are presented in the following table:

EUR k	2021	2020
Interest cost	398	416
Service cost and other changes	819	966
Expenses for defined benefit pension benefits	1,217	1,382
Expenses for statutory pension contributions (defined contribution)	32,177	25,945
Total expenses for pension benefits	33,394	27,327

The interest cost from pension obligations is included in net interest expense, while the service cost is included in personnel expenses. Actuarial gains and losses are recognized directly in equity immediately.

Cumulative actuarial gains (+) and losses (–) recognized directly in equity amounted to a net loss of EUR 7,798k after taxes as at the reporting date (prior year: net loss of EUR 8,457k).

The average weighted duration of the defined benefit plans was twelve years (prior year: twelve years).

The present value of the defined benefit obligation and the actuarial gains and losses can be broken down as follows:

EUR k	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Present value of the shortfall	43,445	44,949	44,145	40,476	39,727
Gain/loss for the period from					
Experience adjustments to plan liabilities	954	524	–386	91	69
Adjustments to actuarial assumptions	–2,088	469	4,013	825	316

28 Other provisions

The changes in provisions in 2021 were as follows:

EUR k	Jan. 1, 2021	Exchange differences	Changes in the basis of consolidation	Allocation	Effects from unwinding the discount and changes in the discount rates	Utilization	Reversal	Reclassification	Dec. 31, 2021
Restoration obligations	27,782	–21	0	2,685	83	–2,144	–912	0	27,474
thereof non-current	16,050								18,960
Personnel	26,267	399	1,477	49,436	4	–35,870	–3,412	0	38,300
thereof non-current	9,809								1,667
Miscellaneous	38,795	739	0	76,363	0	–65,236	–2,172	–8	48,481
thereof non-current	1,638								2,345
Total	92,844	1,117	1,477	128,484	87	–103,250	–6,496	–8	114,255

The personnel provisions include bonuses for the Board of Management and employees and obligations arising from severance payments.

Miscellaneous other provisions include, for example, provisions for compensation claims and process risks.

The provision for restoration obligations is based on the anticipated costs of restoration. The provision was discounted using a discount rate of 0.00% (prior year: 0.00%).

29 Financial liabilities

Non-current financial liabilities can be broken down as follows:

EUR k	Carrying amount	
	Dec. 31, 2021	Dec. 31, 2020
Lease liabilities (IFRS 16)	793,326	763,004
Liabilities from note loans	130,884	349,664
Other liabilities to banks	265,058	155,831
Obligation to purchase own equity instruments	25,509	29,796
Liabilities from acquisitions	1,338	378
Other financial liabilities	64	84
Total	1,216,179	1,298,756

Lease liabilities as at December 31, 2021 (IFRS 16) were up slightly on the corresponding date in the prior year as more leases expired or were entered into in 2021 than in 2020. Please refer to our explanations in note 35 in these notes to the consolidated financial statements.

Ströer SE & Co. KGaA placed a note loan with a volume of EUR 145,000k on the capital markets in June 2016. A total of EUR 127,000k of this loan was paid back in 2021. The remaining EUR 18,000k is due to be repaid by June 2023. Of this amount, a volume of EUR 15,000k has a variable interest rate of EURIBOR plus a margin of 110bp.

The remaining EUR 3,000k is subject to a fixed interest rate of 127bp.

Ströer SE & Co. KGaA placed a further note loan with a volume of EUR 350,000k on the capital markets in October 2017, of which a total of EUR 18,000k was repaid in 2020. The remaining tranches have a residual term until October 2022 (EUR 219,000k) and October 2024 (EUR 113,000k). A volume of EUR 151,500k has a variable interest rate of EURIBOR plus a margin that ranges between 75bp and 90bp. The interest rate on the other EUR 180,500k is fixed and ranges between 95bp and 140bp.

Furthermore, Ströer SE & Co. KGaA agreed on a credit facility of EUR 600,000k with a banking syndicate comprising selected German and foreign financial institutions in December 2016, with the option to extend the volume by a further EUR 100,000k if required. The facility has been committed for a fixed term ending in December 2023. The total volume of EUR 600,000k has been structured as a flexible revolving facility. The credit facility has a variable interest rate of EURIBOR plus a margin that ranges between 65bp and 160bp depending on the leverage ratio.

As is the case with the costs for previous financing arrangements, the transaction costs will be recognized over the term of the loan. Please refer to note 22 in these notes to the consolidated financial statements.

Current financial liabilities can be broken down as follows:

EUR k	Dec. 31, 2021	Dec. 31, 2020
Lease liabilities (IFRS 16)	151,808	137,318
Obligation to purchase own equity instruments	2,010	0
Liabilities from note loans	218,920	126,952
Other liabilities to banks	15,598	11,620
Debtors with credit balances	17,560	12,571
Liabilities from acquisitions	76	5,421
Interest liabilities	1,189	868
Other current financial liabilities	25,020	24,233
Total	432,181	318,983

The decrease in non-current liabilities from note loans and the increase in current liabilities from note loans are due, in particular, to the reclassification of the aforementioned individual loan tranches that have a volume of EUR 219,000k and are due to be repaid in October 2022. By contrast, the liability recognized as current in the prior year related to a tranche with a volume of EUR 127,000k that was due to be repaid in June 2021 and was repaid. The raising of funds to repay this tranche led to a corresponding increase in non-current other liabilities to banks.

Other current financial liabilities include, among other items, liabilities to non-controlling interests of EUR 4,885k (prior year: EUR 7,993k) that had to be accounted for as settlement claims within the scope of profit-and-loss transfer agreements.

For information about liabilities from acquisitions, please refer to note 6 in these notes to the consolidated financial statements.

30 Trade payables

Non-current and current trade payables can be broken down as follows:

EUR k	Dec. 31, 2021	Dec. 31, 2020
Trade payables	125,865	161,774
Accrued liabilities for outstanding invoices	102,041	81,307
Total	227,906	243,080

31 Other liabilities

Other non-current and current liabilities can be broken down as follows:

EUR k	Dec. 31, 2021	Dec. 31, 2020
Liabilities from other taxes	38,754	38,465
Deferred receipts	70,855	51,797
Miscellaneous other liabilities	19,277	18,891
Total	128,886	109,153

As in the prior year, a significant proportion of the deferred receipts was attributable to payments received in the Group's subscription business that fall due at the start of the subscription and are recognized as revenue over the contractual term of the subscription. Of the deferred receipts from the prior year, a sum of EUR 48,654k (prior year: EUR 41,564k) was recognized as revenue in the reporting year.

OTHER NOTES

32 Notes to the statement of cash flows

The statement of cash flows has been prepared in accordance with IAS 7 'Statement of Cash Flows' and shows the cash flows in the financial year, broken down by operating, investing, and financing activities.

Cash flows from operating activities are presented using the indirect method by deducting non-cash transactions from profit or loss for the period in accordance with IAS 7. Furthermore, items that are attributable to cash flows from investing or financing activities are eliminated. The starting point for cash flows from operating activities is consolidated profit or loss for the period before net finance income/costs, net tax income/expense, and amortization, depreciation, and impairment. Cash flows from operating activities include, among other items, cash received from distributions by associates and joint ventures. As was also the case in the prior year, however, cash flows from operating activities in the reporting year did not include any other dividends received.

Besides the amounts contained in the statement of cash flows, IAS 7.43 requires the disclosure of non-cash

transactions that result in an increase in non-current assets. Non-cash transactions in the wider sense also include leasing in accordance with IFRS 16. In 2021, the additions under IFRS 16 leases amounted to EUR 239.9m (prior year: EUR 96.9m). IFRS 16 leases only impact on cash at the time of the actual lease payments. They are recognized within cash flows from operating activities in the amount of the interest portion and within cash flows from financing activities in the amount of the principal portion. Liabilities with extended payment terms (reverse factoring) are also classed as non-cash transactions. These liabilities totaled EUR 0.0m as at December 31, 2021 (prior year: EUR 25.1m). The total volume of liabilities assumed in connection with reverse factoring in 2021 came to EUR 68.6m (prior year: EUR 86.1m). The Group's payments in settlement of the liabilities are always recognized in full in cash flows from operating activities.

Cash and cash equivalents consists of the cash reported in the statement of financial position. Cash comprises cash on hand and bank balances.

The following table shows the cash and non-cash changes in financial liabilities:

EUR m	Jan. 1, 2021	Cash change in cash flows from financing activities	Non-cash change			Dec. 31, 2021
			Changes in the basis of consolidation	Changes in fair value	Other	
Lease liabilities (IFRS 16)	900.3	-178.1	0.0	17.8	205.1	945.1
Non-current liabilities to banks	505.5	109.2	0.0	0.2	-219.0	395.9
Current liabilities to banks	138.6	-123.1	0.0	0.0	219.0	234.6
Obligation to purchase own equity instruments	29.8	0.0	0.0	-2.3	0.0	27.5
Other financial liabilities	43.4	-41.6	0.0	-0.2	43.6	45.2
Total financial liabilities	1,617.7	-233.6	0.0	15.5	248.7	1,648.4

EUR m	Jan. 1, 2020	Cash change in cash flows from financing activities	Non-cash change			Dec. 31, 2020
			Changes in the basis of consolidation	Changes in fair value	Other	
Lease liabilities (IFRS 16)	994.2	-154.3	0.1	15.4	44.9	900.3
Non-current liabilities to banks	571.8	60.3	0.1	0.2	-127.0	505.5
Current liabilities to banks	22.4	-10.7	0.0	0.0	127.0	138.7
Obligation to purchase own equity instruments	20.4	-1.5	15.9	-4.9	0.0	29.8
Other financial liabilities	57.0	-48.3	3.3	3.3	28.1	43.4
Total financial liabilities	1,665.8	-154.5	19.4	14.0	73.0	1,617.7

33 Segment information

Reporting by operating segment

With effect from January 1, 2021, the Ströer Group amalgamated its entire OOH business (digital and classic) in the Out-of-Home Media segment. At the same time, the PLUS business activities were grouped in a further segment, Digital & Dialog Media. These changes took account of the way in which the business has developed over recent years and reflect the Ströer Group's OOH+ strategy and management even more strongly. The high-growth businesses Statista and AsamBeauty, which

are not part of the core business, have been included in a separate segment – DaaS & E-Commerce – since this date. The Ströer Group has therefore grouped its business activities into three new segments that operate independently in the market, working in close cooperation with the Group holding company Ströer SE & Co. KGaA. While the Classic OOH, Digital OOH, and OOH Services product groups are allocated to the Out-of-Home Media segment, the Digital & Dialog Media segment comprises the Digital and Dialog product groups. The DaaS & E-Commerce segment consists of the Data as a Service and E-Commerce product groups. All prior-year figures have been restated.

2021

EUR k	OOH Media	Digital & Dialog Media	DaaS & E-Commerce	Reconciliation	Group
External revenue	658,109	727,440	241,773	0	1,627,323
Internal revenue	42,669	6,442	142	-49,253	0
Segment revenue	700,779	733,882	241,914	-49,253	1,627,323
EBITDA (adjusted)	335,860	187,359	22,058	-32,005	513,272
Amortization, depreciation, and impairment	226,858	52,483	17,287	13,440	310,067
Interest income	313	525	107	-128	816
Interest expense	17,082	2,859	336	6,899	27,177
Income taxes	-4,417	-2,764	-127	-31,143	-38,452

2020

EUR k	OOH Media	Digital & Dialog Media	DaaS & E-Commerce	Reconciliation	Group
External revenue	630,395	631,851	179,913	0	1,442,159
Internal revenue	25,269	4,852	99	-30,219	0
Segment revenue	655,664	636,703	180,011	-30,219	1,442,159
EBITDA (adjusted)	298,244	155,495	21,565	-22,532	452,772
Amortization, depreciation, and impairment	235,872	70,317	14,848	14,296	335,333
Interest income	202	226	171	-96	503
Interest expense	15,170	3,083	361	7,468	26,082
Income taxes	7,390	1,923	-1,968	-20,020	-12,675

OOH Media

The OOH Media segment encompasses the Group's entire OOH advertising business, comprising the Classic OOH, Digital OOH, and OOH Services product groups. Furthermore, the segment includes all of the operations of Ströer Poland and the giant poster business blowUP.

Digital & Dialog Media

The Digital & Dialog Media segment comprises all of the operations in the Digital and Dialog product groups.

DaaS & E-Commerce

This segment comprises all of the operations of the Data as a Service and E-commerce product groups.

Internal management and reporting is based on the IFRS accounting principles described in note 1 'General'.

Intersegment revenue is calculated using prices that would be charged on an arm's-length basis.

The reconciliation of revenue from all segments to the Group's revenue only includes consolidation effects.

The Group uses the internally defined key performance indicator of EBITDA (adjusted) to measure the performance of its segments. From the Board of Management's perspective, this KPI provides the most appropriate

information for assessing the economic performance of the individual segments.

The segment KPI of EBITDA (adjusted) comprises the total of gross profit, selling and administrative expenses, other net operating income/loss (other operating income less other operating expenses), and the share of the profit or loss of investees accounted for using the equity method, in each case before amortization, depreciation, and impairment and adjusted for exceptional items.

The segment performance indicator EBITDA (adjusted) is adjusted for certain exceptional items. The Group has defined the following as exceptional items: expenses and income from changes in the investment portfolio (e.g. transaction costs for due diligence, legal advice, recording by a notary, purchase price allocations), reorganization and restructuring measures (e.g. costs for integrating entities and business units, adjustments for exceptional items arising from material restructuring and from performance improvement programs), and capital structure measures (e.g. material fees for amending and adjusting loan agreements, including external consulting fees), and other exceptional items (e.g. costs for potential legal disputes, currency effects).

The exceptional items are broken down into individual classes in the table below:

EUR k	2021	2020
Expenses and income from changes in the investment portfolio	886	1,930
Expenses and income from capital structure measures	1	0
Reorganization and restructuring expenses	4,547	6,357
Other exceptional items	490	14,263
Total	5,923	22,550

In 2021, expenses and income from changes in the investment portfolio primarily consisted of expenses relating to M&A activities totaling EUR 1,158k (prior year: EUR 1,380k). The fall in reorganization and restructuring expenses reflects the reduction in salary and severance payments at various Group entities – for example, under the voluntary redundancy scheme of Ströer Digital Publishing GmbH – amounting to EUR 1,292k (prior year: EUR 1,590k) and the decrease in severance payments for the SDI integration project (EUR 0k; prior year: EUR 429k).

Other exceptional items came to EUR 490k in 2021 (prior year: EUR 14,263k). This decrease is mainly the result of the reversal of an impairment loss on the equity-accounted investment tricones360 GmbH, Cologne, taking the carrying amount from EUR 0k to EUR 11,989k. Of this reversal, an amount of EUR 7,060k was deemed to be an adjustment, whereas in the prior year the carrying

amount of the equity investment had been written down, and EUR 3,034k of this amount was deemed to be an adjustment. The overall effect of the change in valuation of tricones360 GmbH in the reporting year compared with the prior year therefore comes to EUR 10,094k and is recognized in other exceptional items.

The reconciliation from segment figures to Group figures contains information on Group units that do not meet the definition of a segment ('reconciliation items'). They mainly relate to all costs for central functions, such as the Board of Management, corporate communications, accounting, and financial planning and reporting less their income from services rendered.

The following table shows the reconciliation of segment earnings to the figures included in the consolidated financial statements:

EUR k	2021	2020
Total segment earnings (EBITDA (adjusted))	545,278	475,304
Reconciliation items	-32,005	-22,532
EBITDA (adjusted) for the Group	513,272	452,772
Adjustments	-5,923	-22,550
EBITDA	507,349	430,222
Depreciation (right-of-use assets under leases (IFRS 16))	-193,885	-176,299
Amortization and depreciation (other non-current assets)	-102,152	-146,111
Impairment losses (including goodwill impairment)	-14,029	-12,923
Net finance income/costs	-28,576	-34,009
Profit or loss before taxes	168,706	60,880

Reporting by geographical location

Revenue and non-current assets are allocated according to the location principle (i.e. the geographical location of the revenue-generating Ströer entity).

2021

EUR k	Germany	Rest of the world	Group
External revenue	1,453,454	173,868	1,627,323
Non-current assets (IFRS 8)	2,245,480	81,938	2,327,418

2020

EUR k	Germany	Rest of the world	Group
External revenue	1,306,836	135,323	1,442,159
Non-current assets (IFRS 8)	2,198,962	90,600	2,289,562

Reporting by product group

The Group has defined a total of seven product groups on the basis of the products and services that it provides.

2021

EUR k	Classic OOH	Digital OOH	OOH Services	Digital	Dialog	Data as a Service	E-Commerce	Reconciliation	Group
Segment revenue	473,701	173,824	53,254	429,543	304,339	101,842	140,072	-49,253	1,627,323

2020

EUR k	Classic OOH	Digital OOH	OOH Services	Digital	Dialog	Data as a Service	E-Commerce	Reconciliation	Group
Segment revenue	465,588	139,732	50,344	386,736	249,967	73,745	106,266	-30,219	1,442,159

Classic OOH

The Classic product group comprises the traditional (analog) OOH advertising products, from traditional poster media to advertisements at bus and tram shelters and on public transport.

Digital OOH

The Digital OOH product group consists of digital out-of-home products, particularly public video and roadside screens.

OOH Services

The OOH Services product group covers all revenue from the local marketing of digital products to small and medium-sized customers as well as smaller, complementary acquisitions that are a good fit with the customer-centric portfolio in the out-of-home advertising business.

Digital

This product group comprises revenue from online marketing activities conducted both on internal and third-party advertising platforms.

Dialog

The dialog product group comprises all revenue from tele-sales, telemarketing, and field sales services (customer communication services).

Data as a Service

The Data as a Service product group comprises revenue from the processing and provision of statistical market and consumer data.

E-Commerce

All revenue from e-commerce business is included in this product group.

In 2021, no single end customer accounted for 10% or more of total revenue.

34 Other notes pursuant to IFRS 7 and IFRS 13 on financial risk management and financial instruments

Financial risk management and derivative financial instruments

Through its operating activities, the Group is exposed to credit risk, liquidity risk, and market risk in relation to its finances. Market risk mainly consists of interest-rate risk and currency risk.

Credit risk

Credit risk is related to the deterioration of the economic situation of Ströer's customers and counterparties. This gives rise to the risk of a partial or full default on contractually agreed payments and the risk of credit-risk-related impairment losses on financial instruments. Excluding collateral, the maximum credit risk equates to the carrying amount.

Credit risk mainly results from trade receivables. The receivables portfolio is monitored on an ongoing basis in order to manage credit risk. Customers wishing to enter into transactions with large business volumes undergo a creditworthiness check beforehand; credit risk is at a level customary for the industry. Loss allowances are recognized for the residual risk. To a lesser extent, the Ströer Group is also exposed to credit risk arising from other financial assets.

Working with the relevant departments, the risk management function regularly analyzes, in particular, whether credit risk concentrations have arisen as a result of the build-up of receivables with comparable features. The Group has defined comparable features as a high amount of receivables accumulated from a single debtor or a group of related debtors. As at the reporting date of December 31, 2021, no such risk concentrations involving significant amounts were evident.

Interest-rate risk

The Ströer Group is mainly exposed to interest-rate risk in connection with non-current floating-rate financial liabilities and its holdings of cash and cash equivalents.

Liabilities amounting to EUR 183.5m were subject to a fixed rate of interest as at the reporting date. The remaining liabilities had a floating interest rate. Interest rates are monitored regularly to enable a swift response to changes. Hedging is coordinated and executed centrally. There were no interest-rate hedges either at the end of the reporting year or at the end of the previous year. In 2021, as had also been the case in 2020, no measurement gains on interest-rate swaps were taken to equity.

Sensitivity analysis of interest-rate risk shows the effect of an upward shift in the interest-rate curve of 100bp and a downward shift of 10bp on the profit or loss for the period, all other things being equal. The interest-rate curve was only shifted down by 10bp as the Group believes that this decrease is the maximum interest-rate risk arising from the current low level of interest rates. The analysis relates to floating-rate financial liabilities and holdings of cash and cash equivalents. The results are summarized in the following table:

EUR k	Dec. 31, 2021		Dec. 31, 2020	
	+100bp	-10bp	+100bp	-10bp
Change in profit or loss for the period	-1,439	1	-1,438	0

Currency risk

With the exception of the translation of the operating profit/loss of foreign operations into euros, currency risk is only of minor significance in the Ströer Group. The functional currency of a foreign operation is its local currency.

Currency risk arising on monetary financial instruments that are not denominated in the functional currencies of the individual Ströer group entities is included in sensitivity analysis. Effects from the translation of financial statements of foreign operations prepared in foreign currency into the Group's reporting currency (euro) are not included in the sensitivity analysis in accordance with IFRS 7.

A 10% increase/decrease in the value of the euro against the Polish zloty would decrease/increase the profit or loss for the period by EUR 212k (prior year: EUR 276k). A 10% increase/decrease in the value of the euro against the US dollar would decrease/increase the profit or loss for the period by EUR 1,090k (prior year: EUR 934k). The effect on profit or loss for the period of all other currencies in the Group was insignificant as at December 31, 2021. The designation of any euro-denominated loans as a net investment in a foreign operation (IAS 21) was considered in this analysis, which was performed on the assumption that all other variables, in particular interest rates, remain unchanged and is based on the foreign currency positions as at the reporting date.

Liquidity risk

Liquidity risk is defined as the risk that Ströer SE & Co. KGaA will not have sufficient funds to settle its payment obligations. It is mitigated by means of systematic liquidity management. A liquidity forecast for a fixed planning horizon and the unutilized credit lines in place ensure that the Group has adequate liquidity at all times. Liquidity risk also exists in connection with liabilities with extended payment terms (reverse factoring). However, as the volume of these liabilities was reduced in full to EUR 0.0m (prior year: EUR 25.1m), there was no longer any liquidity risk as at the end of 2021. The cash payments in settlement of the liabilities were recognized in full in cash flows from operating activities.

The following table shows the liquidity situation and the contractual maturities of the payments due under financial liabilities as at December 31, 2021:

Contractual maturity of financial liabilities including interest payments as at Dec. 31, 2021

EUR k	Carrying amount	Less than 1 year	1 to 3 years	4 to 5 years	> 5 years	Total
Financial liabilities ¹	675,707	283,086	400,925	1,205	0	685,216
Lease liabilities	945,134	169,603	357,638	227,737	399,929	1,154,907
Trade payables	227,906	226,463	1,443	0	0	227,906
Obligation to purchase own equity instruments	27,519	2,010	0	21,967	4,391	28,368
Total	1,876,266	681,162	760,006	250,909	404,320	2,096,397

Contractual maturity of financial liabilities including interest payments as at Dec. 31, 2020

EUR k	Carrying amount	Less than 1 year	1 to 3 years	4 to 5 years	> 5 years	Total
Financial liabilities ¹	687,621	186,399	360,199	156,363	0	702,961
Lease liabilities	900,322	195,275	273,913	212,927	398,769	1,080,884
Trade payables	243,080	241,936	1,144	0	0	243,080
Obligation to purchase own equity instruments	29,796	0	4,266	15,866	9,665	29,797
Total	1,860,820	623,610	639,523	385,156	408,434	2,056,722

¹ Excluding the obligation to purchase own equity instruments and lease liabilities.

Additional disclosures on financial instruments

The following table presents the carrying amount and fair value of the financial instruments included in the individual items of the statement of financial position, broken down by class and measurement category according to IFRS 9.

EUR k	Measurement category pursuant to IFRS 9	Carrying amount as at Dec. 31, 2021	Carrying amount pursuant to IFRS 9			Fair value as at Dec. 31, 2021
			Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	
Assets						
Cash	AC	63,382	63,382			63,382
Trade receivables	AC	200,724	200,724			200,724
Other non-current financial assets	AC	558	558			558
Other current financial assets	AC	13,778	13,778			13,778
Equity instruments measured at fair value through other comprehensive income	FVTOCI	3,413		3,413 ¹		3,413
Equity and liabilities						
Trade payables	AC	227,906	227,906			227,906
Non-current financial liabilities ²	AC	1,189,332	1,189,332			1,190,813
Current financial liabilities ²	AC	430,095	430,095			430,095
Contingent purchase price liabilities	FVTPL	1,414			1,414	1,414
Obligation to purchase own equity instruments	AC	27,519	27,519			27,519
Thereof aggregated by measurement category pursuant to IFRS 9:						
Assets measured at amortized cost	AC	278,442	278,442			278,442
Equity instruments measured at fair value through other comprehensive income	FVTOCI	3,413		3,413		3,413
Financial liabilities measured at fair value through profit or loss	FVTPL	1,414			1,414	1,414
Financial liabilities measured at amortized cost	AC	1,874,852	1,874,852			1,876,333

¹ Other equity investments (Level 3)

² Excluding the obligation to purchase own equity instruments and excluding contingent purchase price liabilities (Level 3)

EUR k	Measurement category pursuant to IFRS 9	Carrying amount as at Dec. 31, 2020	Carrying amount pursuant to IFRS 9			Fair value as at Dec. 31, 2020
			Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	
Assets						
Cash	AC	85,469	85,469			85,469
Trade receivables	AC	170,018	170,018			170,018
Other non-current financial assets	AC	1,785	1,785			1,785
Other current financial assets	AC	11,282	11,282			11,282
Equity instruments measured at fair value through other comprehensive income	FVTOCI	3,565		3,565 ¹		3,565
Equity and liabilities						
Trade payables	AC	243,080	243,080			243,080
Non-current financial liabilities ²	AC	1,268,582	1,268,582			1,268,582
Current financial liabilities ²	AC	316,807	316,807			316,807
Contingent purchase price liabilities	FVTPL	2,555			2,555	2,555
Obligation to purchase own equity instruments	AC	29,796	29,796			29,796
Thereof aggregated by measurement category pursuant to IFRS 9:						
Assets measured at amortized cost	AC	268,553	268,553			268,553
Equity instruments measured at fair value through other comprehensive income	FVTOCI	3,565		3,565		3,565
Financial liabilities measured at fair value through profit or loss	FVTPL	2,555			2,555	2,555
Financial liabilities measured at amortized cost	AC	1,858,265	1,858,265			1,858,265

¹ Other equity investments (Level 3)² Excluding the obligation to purchase own equity instruments and excluding contingent purchase price liabilities (Level 3)

Due to the short terms of cash and cash equivalents, trade receivables, trade payables, other financial assets, and current financial liabilities, it is assumed that the fair values correspond to the carrying amounts (Level 2 fair values).

The fair values of the liabilities to banks included in non-current financial liabilities are calculated as the present values of the estimated future cash flows, taking into account Ströer's own credit risk (Level 2 fair values). Market interest rates with matching maturities are used for discounting. It is therefore assumed that the carrying amount of non-current financial liabilities is equal to the fair value as at the reporting date. The only deviation from this was among the note loans, where a fixed-rate tranche with a volume of EUR 85.0m was determined to have a slightly higher fair value of EUR 86.5m as at the reporting date.

The fair value hierarchy levels and their application in respect of the Group's assets and liabilities are described below:

Level 1: Quoted market prices are available in active markets for identical assets or liabilities. The quoted market price for the financial assets held by the Group is equivalent to the current bid price. These instruments are assigned to Level 1.

Level 2: Quoted or market prices for similar financial instruments in an active market or for identical or similar financial instruments in a market that is not active or inputs other than quoted market prices that are based on observable market data. An instrument is assigned to Level 2 if all significant inputs required to determine the fair value of the instrument are observable in the market.

Level 3: Valuation techniques that use inputs that are not based on observable market data. Instruments assigned to Level 3 include, in particular, unquoted equity instruments.

Changes in the assessment of the level to be used for measuring the assets and liabilities are made at the time that any new facts are established.

Purchase price liabilities from acquisitions

There are also contingent purchase price liabilities from acquisitions that are assigned to Level 3. These liabilities, which are linked to contractually agreed conditions, are remeasured as financial liabilities at fair value as at the reporting date on the basis of the measurement model laid down in the contract. The fair values of liabilities from contingent purchase price payments are determined on the basis of discounted cash flows and using unobservable inputs. The valuation models include the EBITDA figures forecast for the interests concerned (which are probability-weighted in some cases) and maturity-matched, risk-adjusted interest rates. The EBITDA figures result from the relevant short-term and medium-term planning. They are estimated and, if necessary, updated on a quarterly basis. The following table shows the changes in the liabilities assigned to Level 3:

EUR k	Jan. 1, 2021	Additions	Impairment losses	Reversals of impairment losses	Disposals	Dec. 31, 2021
Contingent purchase price liabilities	2,555	1,141	-223	0	-2,059	1,414

EUR k	Jan. 1, 2020	Additions	Impairment losses	Reversals of impairment losses	Disposals	Dec. 31, 2020
Contingent purchase price liabilities	9,814	950	-643	274	-7,840	2,555

The remeasurement of contingent purchase price liabilities led to expenses of EUR 0.0m (prior year: EUR 0.3m) that were recognized in other operating expenses and to income of EUR 0.2m (prior year: EUR 0.1m) that was recognized in other operating income. In addition, contingent purchase price liabilities of EUR 0.0m (prior year: EUR 0.6m) were reversed through other comprehensive income due to adjusting events. Interest expense from the unwinding of discounts amounted to EUR 0.0m (prior year: EUR 0.0m).

The valuation models are sensitive to the amounts of forecast and actual EBITDA. Because the amounts are small, however, the fair values of the contingent purchase price liabilities would change only marginally (EUR 0.0m; prior year: EUR 0.0m) if the EBITDA figure in question were to increase or decrease by 20%.

The valuation models are also sensitive to the discount rates used. However, if the discount rate increased or decreased by 100 basis points, there would only be a marginal change in the liabilities due to the predominantly short terms. This also applies to the prior-year amounts.

Other equity investments

The valuation model for equity instruments measured at fair value through other comprehensive income (Level 3) is largely based on market multiples derived from comparable transactions. The estimated fair value would rise (fall) if the relevant market multiples were bigger (smaller). The volume of equity instruments of EUR 3,413k as at the reporting date (prior year: EUR 3,565k) resulted from additions of EUR 444k (prior year: EUR 295k), disposals of EUR 27k (prior year: EUR 0k), reversals of impairment losses of EUR 62k (prior year: EUR 299k), and impairment losses on the fair value of EUR 631k (prior year: EUR 0k).

The following table shows the net gains and losses on financial instruments recognized in the income statement, broken down by measurement category according to IFRS 9 (excluding derivative financial instruments that are part of a hedge):

EUR k	2021	2020
Financial assets measured at cost	-3,336	-11,050
Financial liabilities measured at cost	-244	-291

The net gains and losses on financial assets measured at cost included gains/losses from impairment losses (EUR 4,160k; prior year: EUR 10,795k), reversals of impairment losses, and currency translation effects.

The net gains and losses on financial liabilities measured at cost included gains/losses from currency translation effects and from the unwinding of the discount on loans.

The total interest income for financial assets or financial liabilities that are not measured at fair value through profit or loss came to EUR 816k in 2021 (prior year: EUR 503k). The total interest expense for financial assets or financial liabilities that are not measured at fair value through profit or loss came to EUR 26,690k in 2021 (prior year: EUR 25,093k).

35 Notes on leasing pursuant to IFRS 16

The changes in right-of-use assets under leases are broken down by asset class in the following table:

EUR k	Advertising media locations	Real estate	Furniture and fixtures/ other	Total
Cost				
Opening balance as at Jan. 1, 2020	1,088,210	198,005	30,427	1,316,642
Changes in the basis of consolidation	0	-791	-172	-962
Additions	71,794	22,221	2,853	96,869
Reclassifications	0	0	0	0
Disposals	-12,898	-2,310	-5	-15,212
Exchange differences	-2,962	-566	-39	-3,567
Closing balance as at Dec. 31, 2020/ opening balance as at Jan. 1, 2021	1,144,145	216,561	33,065	1,393,770
Changes in the basis of consolidation	0	0	0	0
Additions	204,458	25,243	10,178	239,879
Reclassifications	0	-161	-48	-209
Disposals	-22,035	-1,049	-2,661	-25,745
Exchange differences	540	313	-16	837
Closing balance as at Dec. 31, 2021	1,327,109	240,907	40,517	1,608,532
Depreciation and impairment/ reversals of impairment				
Opening balance as at Jan. 1, 2020	271,484	52,598	18,140	342,221
Changes in the basis of consolidation	0	-664	-121	-786
Amortization, depreciation, and impairment	142,043	29,221	7,354	178,619
Reversals of impairment losses	-95	-17	-46	-157
Reclassifications	0	0	0	0
Disposals	-694	-180	6	-868
Exchange differences	-2,149	-291	-31	-2,471
Closing balance as at Dec. 31, 2020/ opening balance as at Jan. 1, 2021	410,589	80,668	25,302	516,559
Changes in the basis of consolidation	0	0	0	0
Amortization, depreciation, and impairment	157,601	28,970	7,314	193,885
Reversals of impairment losses	-134	-6	-4	-144
Reclassifications	0	-100	-22	-122
Disposals	-13,217	491	-3,597	-16,323
Exchange differences	298	188	-16	470
Closing balance as at Dec. 31, 2021	555,137	110,211	28,976	694,324
Carrying amount as at Dec. 31, 2020	733,557	135,893	7,762	877,211
Carrying amount as at Dec. 31, 2021	771,972	130,696	11,541	914,208

The year-on-year increase in advertising media locations is due mainly to the fact that, in 2021, more advertising rights contracts were entered into or extended than in

2020 and the advertising rights contracts in many cases had higher volumes and/or longer terms.

Further information on leasing:

EUR k	2021	2020
Expense for variable lease payments not included in the measurement of lease liabilities	36,032	26,831
Income from the sub-leasing of real-estate right-of-use assets to third parties	2,538	2,714
Total cash outflows for leases	231,907	196,499

The lease liabilities expected to be payable under leases already entered into but that will not be recognized in the statement of financial position until after December 31, 2021 amounted to EUR 2,600k (prior year: EUR 60,000k). The lease liabilities not yet recognized in the statement of financial position are also disclosed under 'Miscellaneous other financial obligations' in note 36.

For information about lease liabilities, please refer to note 29 'Financial liabilities'. Interest expense from leasing is disclosed in note 15 'Net finance income/costs'. For further information on leasing, please refer to note 34 'Other notes pursuant to IFRS 7 and IFRS 13 on financial risk management and financial instruments'.

36 Contingent liabilities and other financial obligations**Contingent liabilities**

There were no guarantees or liabilities similar to guarantees as at December 31, 2021.

Financial obligations

There are other financial obligations from the following contractual obligations, which are shown by maturity as at the reporting date below:

Dec. 31, 2021				
EUR k	Total amount	thereof due in		
		Up to 1 year	1 to 5 years	More than 5 years
Investment obligations	14,113	10,022	4,092	0
Maintenance services	3,784	1,622	2,162	0
Miscellaneous other financial obligations	27,737	24,220	3,517	0

As at December 31 of the previous year, the obligations could be broken down as follows:

Dec. 31, 2020				
EUR k	Total amount	thereof due in		
		Up to 1 year	1 to 5 years	More than 5 years
Investment obligations	12,974	7,698	4,895	381
Maintenance services	3,528	1,536	1,967	25
Miscellaneous other financial obligations	79,456	26,363	48,388	4,705

In the prior year, the other financial obligations of EUR 60,000k comprised advertising rights contracts that were entered into in 2020 but were not to be recognized as an addition under IFRS 16 Leases until after December 31, 2020. In 2021, other financial obligations included agreed IFRS 16 leases amounting to EUR 2,600k that were not to be recognized as an addition under IFRS 16 Leases until 2022 (see note 35).

37 Related parties

The Board of Management, the Supervisory Board, and their close family members are deemed related parties (persons). Besides the entities included in the consolidated financial statements, related parties (companies) include, in particular, those entities in which related parties (persons) hold a controlling position alone or jointly with others.

The following transactions were conducted between the Ströer Group and related parties in 2021:

Mr. Udo Müller is a shareholder of Ströer SE & Co. KGaA and Chairman of the Board of Management of Ströer Management SE, Düsseldorf. Based on the current Group structure that is unchanged from the prior year, Mr. Müller is classed as the ultimate controlling party as defined by IAS 24. In 2021, the Ströer Group procured services with a value of EUR 74k (prior year: EUR 75k) that were either performed by Mr. Müller or by an entity which he is able to control (alone or jointly with others) or significantly influence. Conversely, the Ströer Group performed services with a value of EUR 104k (prior year: EUR 5k) for Mr. Müller or for an entity which he is able to control (alone or jointly with others) or significantly influence. The services procured and received mainly related to rentals and to media services. As at December 31, 2021, these relationships gave rise to receivables of EUR 18k (prior year: EUR 0k) and liabilities of EUR 6k (prior year: EUR 0k).

Mr. Dirk Ströer is a shareholder and until the end of May 2021 served as a member of the Supervisory Board of Ströer SE & Co. KGaA. He also holds shares in entities with which relationships for the provision of goods and services existed in the year under review that largely involved the marketing of advertising media, the award of advertising rights, and the rental of buildings. The expenses resulting from the goods and services received amounted to EUR 31,180k in 2021 (prior year: EUR 31,743k); the corresponding income totaled EUR 6,951k (prior year: EUR 10,388k). As at December 31, 2021, these relationships gave rise to receivables of EUR 8,105k (prior year: EUR 2,186k) and liabilities of EUR 5,641k (prior year: EUR 162k).

Ms. Angela Barzen is a member of the Supervisory Board of Ströer SE & Co. KGaA. In 2021, as in the prior year, she also provided advisory services to a Group entity. The services received in this context amounted to EUR 20k (prior year: EUR 16k); the income generated totaled EUR 0k (prior year: EUR 0k). There were no receivables or liabilities as at December 31, 2021, as had also been the case a year earlier.

Ströer SE & Co. KGaA has a business relationship with Deutsche Telekom AG. In addition, Ströer SE & Co. KGaA had been an associated company of Deutsche Telekom AG until November 4, 2020. The services received from this business relationship amounted to EUR 8,909k in 2020; the income generated totaled EUR 92,191k. As at December 31, 2020, these relationships gave rise to receivables of EUR 14,936k and liabilities of EUR 352k.

Ströer SE & Co. KGaA distributed a dividend totaling EUR 113,343k in the reporting year. Mr. Udo Müller and Mr. Dirk Ströer received a share of this dividend in line with the interests that they hold.

Ströer Management SE, which is the general partner of Ströer SE & Co. KGaA, provides management services to Ströer SE & Co. KGaA. This business relationship is also assigned to Mr. Udo Müller as he currently holds the majority of shares in Ströer Management SE. The services received from this business relationship in respect of corporate management mainly relate to the services of the Board of Management and amounted to EUR 11,779k in 2021 (prior year: EUR 9,257k); the income generated totaled EUR 374k (prior year: EUR 552k). As at December 31, 2021, these relationships gave rise to receivables of EUR 22k (prior year: EUR 102k) and liabilities of EUR 16,620k (prior year: EUR 10,865k).

The services received from business relationships with investees accounted for using the equity method amounted to EUR 9,552k in the reporting year (prior year: EUR 14,924k); the income generated totaled EUR 5,428k (prior year: EUR 5,091k). As at December 31, 2021, these relationships gave rise to receivables of EUR 1,017k (prior year: EUR 1,510k) and liabilities of EUR 14,348k (prior year: EUR 14,353k).

38 Auditor's fees

The following expenses for services rendered by the Group's auditor KPMG AG Wirtschaftsprüfungsgesellschaft were posted in 2021:

EUR k	2021	2020
Auditor's fees		
Fees for audit services	1,997	1,389
Fees for audit-related services	9	9
Fees for tax services	0	0
Fees for other services	67	210
Total	2,073	1,608

The fees for audit services by the auditing firm KPMG AG Wirtschaftsprüfungsgesellschaft related primarily to the audit of the consolidated financial statements and the separate financial statements, including the combined management report, of Ströer SE & Co. KGaA plus various audits of the annual financial statements of its subsidiaries including statutory additions to the audit engagement. Of the fees for audit services in 2021, EUR 479k related to the prior year. Other attestation services relate to the provision of miscellaneous attestation services (e.g. revenue certification) from contractual relationships. The fees for other services relate to expenses for advisory services in connection with due diligence and other business matters.

39 Disclosures pursuant to section 264 (3) HGB

The following German subsidiaries with the legal form of a corporation or partnership make use of the exemption from certain provisions concerning the presentation, audit, and publication of separate financial statements/management reports in accordance with section 264 (3) HGB and section 264b HGB:

Asam Betriebs-GmbH, Beilngries
 ASAMBEAUTY GmbH, Unterföhring
 AVEDO Essen GmbH, Essen
 AVEDO Gelsenkirchen GmbH, Gelsenkirchen
 Avedo II GmbH, Pforzheim
 Avedo Köln GmbH, Cologne
 Avedo Leipzig GmbH, Leipzig
 AVEDO Leipzig West GmbH, Leipzig
 Avedo München GmbH, Munich
 Avedo Rostock GmbH, Rostock

BHI Beauty & Health Investment Group Management GmbH, Unterföhring
 BlowUP Media GmbH, Cologne
 Business Advertising GmbH, Düsseldorf
 Content Fleet GmbH, Hamburg
 DERG Vertriebs GmbH, Cologne
 DSM Deutsche Städte Medien GmbH, Frankfurt am Main
 DSM Rechtegesellschaft mbH, Cologne
 DSM Werbeträger GmbH & Co. KG, Cologne
 DSM Zeit und Werbung GmbH, Cologne
 ECE flatmedia GmbH, Hamburg
 Edgar Ambient Media Group GmbH, Hamburg
 Hamburger Verkehrsmittel-Werbung GmbH, Hamburg
 INFOSCREEN GmbH, Cologne
 InnoBeauty GmbH, Unterföhring
 Interactive Media CCSP GmbH, Cologne
 M. Asam GmbH, Unterföhring
 OPS Online Post Service GmbH, Berlin
 Permodo GmbH, Munich
 Ranger Marketing & Vertriebs GmbH, Düsseldorf
 RegioHelden GmbH, Stuttgart
 Retail Media GmbH, Cologne
 Sales Holding GmbH, Düsseldorf
 Service Planet GmbH, Düsseldorf
 SMD Rechtegesellschaft mbH, Cologne
 SMD Werbeträger GmbH & Co. KG, Cologne
 SRG Rechtegesellschaft mbH, Cologne
 SRG Werbeträger GmbH & Co. KG, Cologne
 Statista GmbH, Cologne
 StayFriends GmbH (formerly: stylefruits GmbH, Munich), Berlin
 Ströer Content Group GmbH, Cologne
 Ströer Content Group Sales GmbH, Cologne
 Ströer DERG Media GmbH, Kassel
 Ströer Deutsche Städte Medien GmbH, Cologne
 Ströer Digital Commerce GmbH, Cologne
 Ströer Digital Group GmbH, Cologne
 Ströer Digital Media GmbH, Hamburg
 Ströer Digital Publishing GmbH, Cologne
 Ströer media brands GmbH, Berlin
 Ströer Media Deutschland GmbH, Cologne
 Ströer News Publishing GmbH, Cologne
 Ströer Next Publishing GmbH, Cologne
 Ströer Sales & Services GmbH, Cologne
 Ströer Sales Group GmbH, Cologne
 Ströer Social Publishing GmbH, Berlin
 Ströer SSP GmbH, Munich
 Ströer Werbeträgerverwaltungs GmbH, Cologne
 Ströer X GmbH (formerly: Mercury Beteiligungs GmbH, Leipzig), Leipzig
 Yieldlove GmbH, Hamburg

40 Declaration of compliance with the German Corporate Governance Code

The Board of Management of Ströer Management SE, which is the general partner of Ströer SE & Co. KGaA, and the Supervisory Board of Ströer SE & Co. KGaA submitted the annual declaration of compliance with the German Corporate Governance Code in accordance with section 161 AktG on December 15, 2021. This declaration of compliance was made permanently available to shareholders in the corporate governance section of the Company's website at <https://ir.stroeer.com/investor-relations/corporate-governance>.

41 Remuneration of the Board of Management and the Supervisory Board

The remuneration of the Board of Management is paid by Ströer Management SE, which is reimbursed for these sums by Ströer SE & Co. KGaA on the basis of billing for corporate management services. The recognized expense arising from remuneration agreements with the Board of Management and the Supervisory Board of the Ströer Group is presented below:

EUR k	2021	2020
Board of Management		
Short-term benefits	5,459	3,995
Other long-term benefits	5,495	3,952
Share-based payments	4,254	3,073
Total	15,208	11,020
Supervisory Board		
Short-term benefits	414	312
Total	414	312

Short-term benefits primarily comprise salaries, remuneration in kind, and performance-based remuneration components that are paid during the following year. Long-term benefits comprise performance-based remuneration components granted to the Board of Management (excluding share-based payments) that are only paid in later years. The share-based payments relate to long-term incentives (LTI) and remuneration under the Stock Option Plan resolved upon in 2015, under which stock options were granted in 2015 and 2017 to 2020, and under a Stock Option Plan resolved upon in 2019, under which stock options were granted in the period 2019 to 2021.

A reference price for the shares in Ströer SE & Co. KGaA is determined at the end of each financial year for

share-based LTI payments granted to the Board of Management (for the last time in 2020, excluding the Stock Option Plan).

After four financial years, the reference price is compared with the share price at the end of the year and the remuneration is paid on the basis of the share price reached (cash-settled transaction). An upper limit has been agreed for share-based payments.

Calculating the value of the share-based payments requires the future share price to be estimated at each reporting date. This is done using a Black-Scholes valuation model that, as at December 31, 2020, was based on volatility of 23.7% and a dividend yield of 2.5%. The interest rates used for the model are -0.7%. For the share-based payments for 2020, we currently assume that the share price at the end of the vesting period will be 100% of the reference price.

The 3,424 phantom stock options granted in 2020 each have a fair value of EUR 74.18. This resulted in an expense of EUR 480k from the addition to provisions in 2020.

The total provision for the share-based LTI payments granted to the Board of Management amounted to EUR 1,090k as at December 31, 2021 (prior year: EUR 2,187k).

2015 Stock Option Plan

Under the Stock Option Plan resolved upon by the shareholder meeting in 2015, the Board of Management received a total of 1,097,846 options from 2015 to 2020 and no options in 2021. This led to an expense of EUR 1,100k in 2021 (prior year: EUR 1,411k).

The weighted average fair value of options granted does not apply in 2021 because no options were granted during this period (prior year: EUR 3.76).

The weighted average fair value of all options granted under the 2015 Stock Option Plan was EUR 9.78 (prior year: EUR 9.78).

For further details, please refer to note 42 'Share-based payment'.

2019 Stock Option Plan

Under the Stock Option Plan resolved upon by the shareholder meeting in 2019, the Board of Management received a total of 1,480,000 options in 2019 and 2020 and a total of 60,000 options in 2021. This led to an expense of EUR 3,155k in 2021 (prior year: EUR 1,181k).

The weighted average fair value of the options granted during the reporting year was EUR 6.57 (prior year: EUR 5.88).

The weighted average fair value of all options granted under the 2019 Stock Option Plan was EUR 8.77 (prior year: EUR 8.86).

For further details, please refer to note 42 'Share-based payment'.

As at December 31, 2021, a total of EUR 16,222k (prior year: EUR 13,071k) was recognized as provisions for all potential future short-term and long-term bonus entitlements of the Board of Management, of which EUR 1,090k (prior year: EUR 2,187k) was attributable to current share-based payment entitlements. For further information, please refer to the remuneration report, which is published separately.

Of the long-term benefits (LTI), a sum of EUR 4,146k is due for payment in 2022.

Additional disclosures in accordance with HGB:

The total remuneration for the Board of Management's performance of its duties amounted to EUR 11,349k for 2021 (prior year: EUR 9,186k). This included share-based payments with a fair value of EUR 395k at the time of grant (prior year: EUR 1,238k). In 2021, the active members of the Board of Management were granted 60,000 stock options (prior year: 239,466) under the 2019 Stock Option Plan.

In 2021, the members of the Supervisory Board were granted total remuneration of EUR 414k (prior year: EUR 312k) for their work on the Supervisory Board. The remuneration of the individual Supervisory Board members is disclosed in the remuneration report.

42 Share-based payment

2015 Stock Option Plan for executives and employees

In 2015, the Group launched a Stock Option Plan that entitles the relevant members of the Board of Management and executives to acquire shares in the Company.

The option rights can be exercised at the earliest at the end of a four-year vesting period beginning on the option grant date. The options have a contractual term of seven years. The Company has the right to settle the options in cash instead of granting new shares. The options are expected to be equity settled.

The right to exercise the stock options is dependent on the fulfillment of a certain length of service (vesting period), the Company's share price, and a minimum EBITDA (adjusted) for the Group of EUR 250m. The gain that can be achieved by option holders from exercising their stock options must not exceed three times the relevant exercise price.

As at the grant date, the fair value of the stock options granted is determined using a Black-Scholes model and taking into account the conditions at which the stock options were issued.

The following table shows the number and weighted average exercise prices (WAEP) of, and movements in, stock options during the financial year.

EUR	2021	2021	2020	2020
	Number	WAEP	Number	WAEP
Outstanding on Jan. 1	1,395,846	53.75	1,259,380	52.17
Granted	0	0	226,466	61.48
Forfeited	0	0	0	0
Exercised	-45,000	51.32	-70,000	50.89
Expired	-20,000	51.97	-20,000	51.97
Outstanding on Dec. 31	1,330,846	53.85	1,395,846	53.75
Exercisable on Dec. 31	531,460	49.65	240,000	50.88

The expense recognized for benefits received during the financial year is shown in the following table:

EUR k	2021	2020
Expenses arising from equity-settled share-based payment transactions	1,549	2,266

The weighted average remaining contractual term for the stock options outstanding as at December 31, 2021 was 3.1 years (prior year: 4.0 years).

The weighted average fair value of options granted does not apply in 2021 because no options were granted during this period (prior year: EUR 4.37).

The weighted average fair value of all options granted under the 2015 Stock Option Plan was EUR 10.33 (prior year: EUR 9.99).

The table below lists the inputs used to value the options granted under the 2015 Stock Option Plan in 2020. There are no figures for 2021 because no options were granted during this period.

	Options granted in 2020	
	Board of Management members	Executives
Dividend yield (%)	4.3	3.5
Expected volatility (%)	36.1	31.3
Risk-free interest rate (%)	-0.65	-0.72
Expected term of stock options (years)	5.5	4.0
Share price at grant date (EUR)	40.32	59.45
Model used	Black Scholes	Black Scholes

The expected volatility is based on an assessment of the historical volatility of the Company's share price, in particular in the period that corresponds to the expected term. The expected term of the stock options is based on estimates made by the Board of Management.

2019 Stock Option Plan for executives and employees

In 2019, the Group launched another Stock Option Plan that entitles the relevant members of the Board of Management and executives to acquire shares in the Company.

The option rights can be exercised at the earliest at the end of a four-year vesting period beginning on the option grant date. The options have a contractual term of eight years. The Company has the right to settle the options in cash instead of granting new shares. The options are expected to be equity settled.

The right to exercise the stock options is dependent on the fulfillment of a certain length of service (vesting period), the Company's share price, and a minimum EBITDA (adjusted) for the Group of EUR 600m. The gain that can be achieved by option holders from exercising their stock options must not exceed three times the relevant exercise price.

As at the grant date, the fair value of the stock options granted is determined using a Black-Scholes model and taking into account the conditions at which the stock options were issued.

The following table shows the number and weighted average exercise prices (WAEP) of, and movements in, stock options during the financial year.

EUR	2021	2021	2020	2020
	Number	WAEP	Number	WAEP
Outstanding on Jan. 1	1,710,000	52.18	1,670,000	51.85
Granted	60,000	69.62	40,000	66.06
Forfeited	0	0	0	0
Exercised	0	0	0	0
Expired	0	0	0	0
Outstanding on Dec. 31	1,770,000	52.78	1,710,000	52.18
Exercisable on Dec. 31	0	0	0	0

The expense recognized for benefits received during the financial year is shown in the following table:

EUR k	2021	2020
Expenses arising from equity-settled share-based payment transactions	3,654	1,597

The weighted average remaining contractual term for the stock options outstanding as at December 31, 2021 was 5.6 years (prior year: 6.5 years).

The weighted average fair value of the options granted in 2021 was EUR 6.57 (prior year: EUR 5.88).

The weighted average fair value of all options granted under the 2019 Stock Option Plan was EUR 8.76 (prior year: EUR 8.83).

The table below lists the inputs used to value the options granted under the 2019 Stock Option Plan in 2021 (2020):

	Options granted in 2021		Options granted in 2020	
	Board of Management members	Executives	Board of Management members	Executives
Dividend yield (%)	2.93	–	3.46	–
Expected volatility (%)	26.74	–	31.33	–
Risk-free interest rate (%)	–0.56	–	–0.72	–
Expected term of stock options (years)	5.6	–	5.5	–
Share price at grant date (EUR)	67.22	–	59.45	–
Model used	Black Scholes	–	Black Scholes	–

The expected volatility is based on an assessment of the historical volatility of the Company's share price, in particular in the period that corresponds to the expected term. The expected term of the stock options is based on estimates made by the Board of Management.

43 Governing bodies

Name	Membership of statutory supervisory boards	Membership of comparable oversight bodies
Board of Management		
Udo Müller (Co-CEO)		
Christian Schmalzl (Co-CEO)		Internet Billboard a.s., Ostrava (Czech Republic) Monogram Network Inc., Mission Viejo (USA)
Dr. Christian Baier (COO)		
Henning Gieseke (CFO) (since June 1, 2021)		
Supervisory Board		
Christoph Vilanek CEO freenet AG, Büdelsdorf (Chairman)	CECONOMY AG, Düsseldorf eXaring AG, Munich Ströer Management SE, Düsseldorf VNR Verlag für die Deutsche Wirtschaft AG, Bonn	Mairs Geographischer Verlag, Ostfildern
Dirk Ströer Managing Director of Ströer Außenwerbung GmbH & Co. KG, Cologne (Deputy Chairman until May 31, 2021)		
Ulrich Voigt Chief Executive Officer of Sparkasse KölnBonn (Deputy Chairman since July 15, 2021)	Ströer Management SE, Düsseldorf Landesbank Berlin Holding AG, Berlin Landesbank Berlin AG, Berlin Berlin Hyp AG, Berlin	Beethoven Jubiläums GmbH, Bonn
Dr. Karl-Georg Altenburg Executive Vice President & Vice Chairman of the Board of Directors of Plastic Energy Global S.L, Madrid, Spain	SPORTFIVE Global Holding GmbH, Hamburg Ströer Management SE, Düsseldorf	MedShr Ltd., London, UK
Angela Barzen Business coach and trainer for managers and companies		
Martin Diederichs Lawyer	Pison Montage AG, Dillingen Ströer Management SE, Düsseldorf	
Christian Sardiña Gellesch Head of Portfolio Management for the West region at Ströer Media Deutschland GmbH		
Andreas Huster Chairman of the works council of tricontes360 Gera GmbH, Gera	tricontes360 Verwaltung Hamburg GmbH, Hamburg	
Sabine Hüttinger Employee in the Public Affairs department at Ströer Deutsche Städte Medien GmbH, Cologne		
Barbara Liese-Bloch Managing Director of MONOFIL-TECHNIK Gesellschaft für Synthesemonofile mbH, Hennef		

Name	Membership of statutory supervisory boards	Membership of comparable oversight bodies
Petra Loubek Head of Regional Internal Services at Ströer Media Deutschland GmbH, Cologne		
Rachel Marquardt Head of Collective Bargaining Policy Industry, Publishing, Printing, and Paper (ver.di)	Bundesdruckerei Gruppe GmbH, Berlin Bundesdruckerei GmbH, Berlin	
Tobias Meuser Area Manager at Ströer Deutsche Städte Medien GmbH, Cologne		
Dr. Thomas Müller Head of Telecommunications/ Information Technology (ver.di)	Deutsche Telekom Services Europe SE, Bonn	
Nadine Reichel Commercial Manager for Accounting/ Financial Planning and Reporting at Infoscreen GmbH, Cologne		
Dr. Kai Saueremann Auditor/tax accountant, shareholder-managing director of SEJ GmbH-Steuerberatungsgesellschaft (since September 3, 2021)	Ströer Management SE, Düsseldorf	
Petra Sontheimer Management coach and organizational consultant at cidpartners GmbH, Bonn		

44 Subsequent events

No material events have occurred since the reporting date.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable financial reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position, and financial performance of the Group, and the group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected future development of the Group.

Cologne, March 11, 2022

Ströer SE & Co. KGaA represented by:

Ströer Management SE
(general partner)



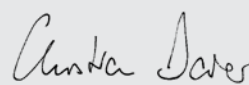
Udo Müller
Co-CEO



Christian Schmalzl
Co-CEO



Henning Gieseke
CFO



Dr. Christian Baier
COO

INDEPENDENT AUDITOR'S REPORT

To Ströer SE & Co. KGaA, Cologne

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Opinions

We have audited the consolidated financial statements of Ströer SE & Co. KGaA, Cologne, and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2021, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of the Company and the Group (hereinafter the "group management report") of Ströer SE & Co. KGaA for the financial year from January 1 to December 31, 2021.

In accordance with German legal requirements, we have not audited the content of those components of the group management report specified in the "Other Information" section of our auditor's report.

The group management report contains cross-references that are not required by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2021, and of its financial performance for the financial year from January 1 to December 31, 2021, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those components of the group management report specified in the "Other Information" section of the auditor's report. The group management report contains cross-references that are not required by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

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

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment testing of goodwill

Please refer to Notes 2 and 3 of the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions used. Disclosures on the amount of goodwill can be found under Note 19 and information on the economic development of the operating segments can be found in the "Financial performance of the segments" section of the group management report.

The financial statement risk

Goodwill amounted to EUR 915.3 million as of December 31, 2021, and, at 34% of total assets, accounts for a considerable share of the assets.

Goodwill is tested for impairment annually (without specific cause) at the level of cash-generating units. If impairment triggers arise during the financial year, an event-driven goodwill impairment test is also carried out during the year. Due to the re-segmentation at the beginning of financial year 2021, a partial reallocation of goodwill to the segments and a corresponding consideration as part of the impairment test were also necessary. For goodwill impairment testing, the carrying amount is compared with the recoverable amount of each cash-generating unit. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. For the purpose of performing an impairment test on goodwill, the fair value less costs to sell was identified as the recoverable amount of the cash generating unit. Goodwill was tested for impairment as of September 30, 2021.

Impairment testing of goodwill is complex and based on a range of assumptions that require judgment. These include the expected business and earnings performance of the cash-generating units for the next five years, the assumed long-term growth rates and the discount rate used. The COVID-19 pandemic, which has been spreading worldwide since January 2020, has significantly increased

the degree of estimation uncertainty compared to pre-pandemic years. In addition, the definition of the cash generating units to which goodwill is allocated is subject to judgment.

Based on the impairment tests conducted, the Company did not identify any need to recognize impairment losses.

There is the risk for the consolidated financial statements that an existing need to recognize impairment losses is not identified. There is also the risk that the related disclosures in the notes are not appropriate.

Our audit approach

With the involvement of our valuation experts, we assessed the appropriateness of the key assumptions and calculation methods of the Company, among other things. To this end, we discussed the expected development of business and earnings as well as the assumed long-term growth rates with those responsible for planning. We also reconciled this information with internally available forecasts, e.g. for tax purposes, as well as the budget prepared by management and approved by the Supervisory Board. With the involvement of our valuation specialists, we furthermore evaluated the consistency of assumptions with external market estimates.

With the involvement of our specialists, we evaluated management's assessment regarding the identification of the cash generating units, at which level goodwill is monitored by the Company. To this end, we analyzed and verified the internal reporting used for monitoring and managing the Group as to whether the identified cash generating units correspond with internal reporting. This also included the assessment of the goodwill reallocation resulting from the re-segmentation.

We also verified the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and analyzing deviations. We compared the assumptions and data underlying the discount rate, in particular the risk-free rate, the market risk premium and the beta coefficient, with our own assumptions and publicly available data. Furthermore, we evaluated the effects of the COVID-19 pandemic on the budgeting utilized.

To evaluate the methodically and mathematically correct implementation of the valuation method, we verified the measurement made by the Company using our own calculations and analyzed deviations. In order to take account

of the existing forecast uncertainty and the earlier deadline selected for impairment testing, we examined the effects of possible changes in the discount rate, earnings performance and the long-term growth rate on the recoverable amount by calculating alternative scenarios (sensitivity analysis) and comparing them with the values stated by the Company.

Finally, we assessed whether the disclosures in the notes on impairment of goodwill are appropriate.

Our observations

The calculation method used for impairment testing of goodwill is appropriate and in line with the accounting policies to be applied.

The Company's assumptions and data used for measurement are appropriate.

The related disclosures in the notes are appropriate.

Existence of revenue

Please refer to Notes 2 and 3 in the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions used. Disclosures on the amount of revenue can be found under Note 9 in the notes.

The financial statement risk

The Group's revenue amounted to EUR 1,627 million in financial year 2021. The Group mainly generates revenue through the marketing of out-of-home media (Out-of-Home Media), the marketing of online advertising spaces, the operation of websites and dialog marketing (Digital & Dialog Media) as well as through data as a service and e-commerce (DaaS & E-Commerce). At EUR 658 million and EUR 727 million, respectively, the Out-of-Home Media and the Digital & Dialog Media segments were the segments with the highest revenues in financial year 2021. Revenue increased during the reporting period as restrictions related to the COVID-19 pandemic were eased and the overall economic development recovered strongly.

Revenue is based on a large number of business transactions and is recognized in a large number of Group companies with different processes depending on the business model. Revenue is one of the Group's most important indicators of target achievement and additionally forms a significant basis for decisions for the users of financial statements.

There is the risk for the consolidated financial statements that revenue is recognized without actual services having been rendered.

Our audit approach

In order to examine the existence of revenue, we assessed the design and setup of internal controls relating to order acceptance, performance of service and invoicing.

We assessed the existence of the revenue by reconciling invoices with the corresponding payments received. To the extent necessary, and especially for revenue close to the reporting date, we additionally reconciled invoices with the corresponding orders and contracts and the external evidence of services performed. This was based on revenue recognized during the financial year and selected using a mathematical/statistical procedure. In determining the sample size, we considered the design and set up of internal controls. In addition, third-party confirmations were obtained for selected items for trade receivables not yet settled as of the reporting date. In cases where obtaining third-party confirmations remained unsuccessful, we conducted alternative audit procedures by reconciling revenue to the underlying orders, contracts, internal invoice releases, invoices, proof of delivery and acceptance protocols or time sheets as well as payments received.

Additionally, we examined the accounting journal with respect to manual revenue entries. For selected manual revenue entries, we obtained evidence regarding the existence of revenue in order to evaluate whether the revenue recognized was supported by actual performance of services.

We verified that past-due trade receivables, which represent a potential indicator of revenue recorded without the services actually having been rendered, existed only to a limited extent. We inspected credit notes and reverse entries recorded by Ströer after the reporting date on the basis of a deliberate sample. In addition, we verified the actual existence of revenue recognized for this sample in financial year 2021.

Our observations

The approach for recognizing revenue is appropriate.

Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the group management report, whose content was not audited:

- the separate group non-financial report referred to in the group management report, but which is not expected to be provided to us until after the date of this audit opinion,
- the combined corporate governance statement for the Company and the Group referred to in the group management report, and
- information extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report.

The other information does not include the consolidated financial statements, the group management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

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

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

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

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

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

- Perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file "529900MBF3N1ATE55378-2021-12-31-de.zip" [SHA256 hash value: b3024243cd98c9a1b60598fab9e372985c104cdd63a1da1538fe034b63e233c2] made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2021, contained in the "Report on the Audit of the Consolidated Financial Statements and the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (10.2021)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the Annual General Meeting on September 3, 2021. We were engaged by the Supervisory Board on December 15, 2021. We have been the group auditor of Ströer SE & Co. KGaA without interruption since financial year 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the examined ESEF documents. The consolidated financial statements and group management report converted to the XHTML format – including the versions to be published in the German Federal Gazette [Bundesanzeiger] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Carsten Nölgen.

Cologne, March 11, 2022

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by]

[signature] Nölgen
Wirtschaftsprüfer

[signature] Dr. Ohmen
Wirtschaftsprüfer

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Disclaimer

This annual report contains forward-looking statements that entail risks and uncertainties. The actual business performance and results of Ströer SE & Co. KGaA and of the Group may differ significantly from the assumptions made in this annual report. This annual report does not constitute an offer to sell or an invitation to submit an offer to purchase securities of Ströer SE & Co. KGaA. There is no obligation to update the statements made in this annual report.

FINANCIAL CALENDAR

May 18, 2022	Q1 2022 quarterly statement
Aug. 16, 2022	H1/Q2 2022 half-year financial report
Nov. 10, 2022	9M/Q3 2022 quarterly statement

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