BASTEI LÜBBE

ANNUAL REPORT 2024/25

AT A GLANCE

KEY FIGURES BASTEI LÜBBE GROUP

Financial indicators (IFRS) in EUR millions	2024/2025	2023/2024	Change
Revenues	114.0	110.3	3.3%
EBIT	17.1	14.0	22.4%
EBIT margin (%)	15.0%	12.7%	2.3 Pp
Net profit for the period	11.4	8.8	29.6%
Total assets as of 31 March	114.3	103.9	10.0%
Equity* as of 31 March	68.9	61.6	11.9%
Equity ratio* (%) as of 31 March	60.3%	59.2%	1,1 Pp
Net financial assets as of 31 March	8.5	16.5	-48.5%
Free cash flow	-1.8	4.2	-143.4%
Other indicators			
Earnings per share** (EUR)	0.86	0.66	29.9%
Share price at the end of the fiscal year (EUR)	11.10	6.45	72.1%
Employees as of 31 March	322.0	309.0	4.2%

*incl. equity attributable to non-controlling interests
**Calculation see notes to the consolidated financial statements, Note no. 15

HIGHLIGHTS OF OUR FINANCIAL YEAR 2024/2025

APRIL 2024

A new space for new voices: publishing brand pola launched by Bastei Lübbe

GGenuine. Unfiltered. And up real close: with pola, we are giving young women a stage of their own. April saw the launch of our new publishing brand pola. There is a clear goal behind this: to publish books that authentically depict the lives of young women.

John Sinclair now three-dimensional – classic audiobook in Dolby Atmos®

“Der Anfang” [“The Beginning”], the first John Sinclair first novel, is making a spectacular comeback as a 3D audiobook! Lübbe Audio is bringing real surround sound to listeners’ ears. To mark the launch, “Der Anfang” went on a 3D cinema tour in seven German cities, transforming cinemas into acoustic stages. In this way, the John Sinclair brand is continuing its success seamlessly. With over 250 million novels and 8 million audiobooks sold, it is one of the most successful German series brands ever. Sinclair is alive. And for sure.

MAY

From LYX to the world: Maxton Hall delights an audience of millions – and is entering its second season

What a start! In May, the adaptation of Mona Kasten's novel "Save Me" premiered on Prime Video under the title "Maxton Hall - The World Between Us", becoming an overnight global streaming phenomenon. The series topped the Prime charts in over 120 countries, became the most streamed non-American production in the week it was launched on Prime Video and garnered an outstanding audience rating of 95% on Rotten Tomatoes, a rating portal for films and series.

The hype is genuine: Rebecca F. Kuang conquers Germany

With "Yellowface" (her second novel published by Eichborn), Rebecca F. Kuang has written a razor-sharp literary thriller. It is a story of cultural appropriation, identity and the abysses of the literary business.

In May, she attended events in Stuttgart, Berlin, Munich, Cologne and Zurich to present the SPIEGEL bestseller in person. Tickets? They sold out immediately after the dates were announced! Everyone wanted to experience Rebecca live, "the literary star of America", as the German highbrow daily FAZ called her.

JULY

Audio initiative with quality: Bastei Lübbe takes over Hörcompany

A smart move with foresight: on 1 July, Bastei Lübbe acquired the audiobook specialist from the W1-Media Group in an asset deal. For more than two decades, the Hamburg-based publisher has been producing outstanding audiobooks for children and young people, including classics by Axel Scheffler and Julia Donaldson, the "Skulduggery Pleasant" series and award-winning productions such as "Sängerkrieg der Heidehasen".

HÖR
COM
PANY

AUGUST

New Adult at your fingertips: the first LYX Festival inspires readers and authors

From 2 to 4 August, Cologne's Gürzenich event centre became a hotspot for New Adult fans: at the first LYX Festival, over 4,000 visitors converged to meet their favourite authors, illustrators and audiobook speakers and to experience a weekend full of emotion, creativity and encounters.

The LYX Festival marked a milestone for the publisher, for the authors and, above all, for a readership that lives and loves New Adult.

SEPTEMBER

Broadly positioned, clearly aligned: Annual General Meeting confirms strategic course – dividend almost doubled

The Annual General Meeting on 11 September ended with a dividend increase to 30 cents per share and a clear commitment to the growth strategy. The community-driven business models, in particular, provided the underpinnings and ensured an upbeat outlook.

OCTOBER

Prestigious award: German Children's Book Prize for "Annis wilde Tierabenteuer" ["Anni's Adventures with Wild Animals"]

On 12 October, the Baumhaus book by author Annika Preil, known from the KiKA show "Anna & die wilden Tiere" ["Anna and the Wild Animals"], and illustrator Josephine Wolff were awarded the 2024 German Children's Book Prize, which comes with prize money of 50,000 euros, chosen by a jury of true experts, namely 32 children from all across Germany.

History is being continued: Ken Follett remaining loyal to Bastei Lübbe

Some partnerships are more than just contracts – they are stories in their own right. Ken Follett has published all his books with Bastei Lübbe since 1979. We signed the contract for his new novel in June 2024, and in October the global star announced what his new work is all about: in "Stonehenge", he turns his attention to one of the greatest mysteries in human history. The historical novel will be released worldwide on 23 September 2025. "I've always loved stories about ordinary people who achieve the seemingly impossible. Stonehenge is a perfect example of this," says Ken Follett.

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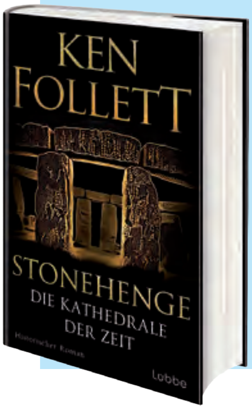


Trust and continuity: Soheil Dastyari to remain CEO of Bastei Lübbe AG until 2030

In October, the Supervisory Board renewed Soheil Dastyari's contract for a further five years ahead of schedule. Accordingly, the strategic course adopted under his leadership will continue with its clear focus on growth, community and digital innovations.

2024 Frankfurt Book Fair: encounters, books, enthusiasm

With around 230,000 visitors, an increase of 9 per cent over the previous year, the 2024 Frankfurt Book Fair set a new attendance record. For us, it was again one of the top highlights of the publishing year, with a large number of visitors and a great atmosphere. Our LYX stand became a hotspot for the community with signing sessions with authors, long queues, beaming faces and countless special encounters.

Lübbe was also very active away from the stand with programmes, panels, talks and many inspiring moments.

TikTok Book Awards: double win for LYX and "Save Me"

What a way to end the Frankfurt Book Fair! At the TikTok Book Awards 2024, presented at the fair, "Save Me" by Mona Kasten was named "BookTok Community Book of the Year", while LYX received the title "BookTok Publisher of the Year". Two awards that we are thrilled to have won, demonstrating once again the strength of the connection between the community, authors, and publishers.

Bestseller "Marianengraben" will be adapted to a film

After its success on the book market, Jasmin Schreiber's novel "Marianengraben", which was published by Eichborn in 2020, has been adapted into a film directed by Eileen Byrne. Starring Luna Wedler and Edgar Selge, the tragicomedy celebrated its world premiere at the Hamburg Film Festival in October 2024 and was released in cinemas on 7 November. The film was shot on location in South Tyrol and Luxembourg.

BAMBI for Maxton Hall: from LYX to the small screen – and now on the big stage

What an evening! On 14 November, the series adaptation of Mona Kasten's "Save Me" received the Audience Award for Best Series at the BAMBI Awards in Munich, which were broadcast live to millions of viewers. The award marked the pinnacle of an already sensational year for "Maxton Hall - The World Between Us". Following on from the streaming records on Prime Video and the worldwide hype surrounding Ruby Bell and James Beaufort, the Bambi award symbolises popularity, charisma and audience love.

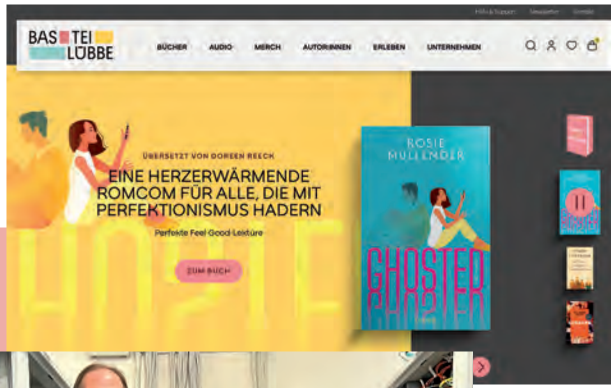
From the page to the stage: "Diaries of a Wimpy Kid" goes live with show, play and slapstick

The children's book series "Diaries of a Wimpy Kid" has been delighting millions of young readers for years, and now it's become interactive. In November, Baumhaus Verlag launched a new show format for Jeff Kinney's top-selling series. Developed in conjunction with the author, the show not only brought the new volume to the stage, but also brought Greg's world to life for his huge fan community.

Focus on investors

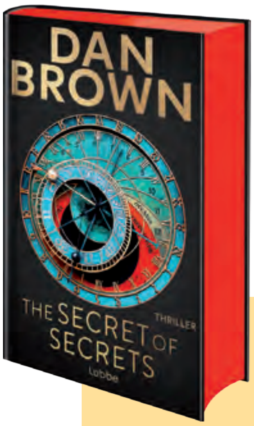
Our CFO Mathis Gerkensmeyer and Head of Accounting & Controlling Dominik Amshoff presented the Company at the German Equity Forum from 25 to 27 November 2024, seeking an active dialogue with investors. Mathis Gerkensmeyer also attended the Hamburg Investor Days (HIT) in February 2025 in a session that included a corporate presentation, in-depth discussions and an interview with Börsenradio (pictured right, presenter Andreas Groß).

DECEMBER



New design. New user experience. New shop: our website is now live!

What may sound simple was, in fact, a real powerhouse project: Bastei Lübbe's new website was completely overhauled visually, technically and conceptually, going online in December. The aim was to offer B2C and B2B users a centralised, intuitive platform. The result is a clearly structured, responsive website with efficient user navigation and a mobile-optimised UX. One real highlight is the new, fully integrated online shop developed by the Direct Commerce team. From browsing to ordering, the entire purchasing process is now as simple as possible, with just a few clicks required to go directly from the home page to order dispatch.



JANUARY 2025

The man, the mystery and a new puzzle: Dan Brown brings back Robert Langdon

On 29 January 2025, Dan Brown officially announced his literary comeback: Robert Langdon returns to the international thriller scene with "The Secret of Secrets". The novel will be released worldwide on 9 September 2025 – in German by Bastei Lübbe, like all his other works. The Harvard symbologist's sixth case takes him deep into the mythology of Prague as well as to London and New York – and into the centre of a game involving the true nature of human consciousness. The international bestselling author has sold over 250 million books in 56 languages. "The Secret of Secrets" will not only be a literary highlight but also a cultural event with a global impact. The countdown is on.

Cooperation between Thalia and ONE for new event format

ONE Verlag and Thalia invited the Young Adult community to Winter WONEderland, a new series of events: in seven cities, three authors entertained the guests, offering exclusive insights behind the scenes in exciting discussions. The talks were followed by signing sessions, DIY workshops and cocoa and biscuits. This made for a perfect magical journey into the world of books.

Award-winning voice: Julian Horeyseck wins 2025 German Audiobook Award

On 18 March, the 2025 German Audiobook Award was presented at the WDR broadcasting centre in Cologne, and Lübbe Audio had every reason to celebrate: Julian Horeyseck was named "Best Performer" for his outstanding performance as speaker in "Signal Fires". The jury was deeply impressed: "Horeyseck succeeds in vividly embodying every character in the novel with changing tones". Based on the novel by Dani Shapiro (Hanserblau), "Signal Fires" has thus become an acoustic masterpiece.

Tribute to show legend Hans Rosenthal at lit.COLOGNE

To mark the 100th birthday of cult presenter Hans Rosenthal, his autobiography "Zwei Leben in Deutschland" ["Two Lives in Germany"] was published in a newly designed edition by Quadriga, offering a moving contemporary document of an extraordinary life caught between persecution and the love of his audiences. The book was honoured in a special event at lit.COLOGNE 2025, attended by his children Gert Rosenthal and Birgit Hofmann as well as the speaker Florian Lukas and the actress Adriana Altaras, who wrote the foreword to the new edition. It was an event steeped in emotion, memories and respect..

Bastei Lübbe AG expands to Leipzig with the Siebter Himmel concept store

Following the tremendous success of the Siebter Himmel concept store in Cologne, Bastei Lübbe opened a second one in Leipzig. Since 24 March 2025, the new store at Nikolaistraße 33-37 has been inviting customers to browse and discover. With its curated range of fiction, non-fiction, culinary, travel, guidebooks, design, graphics and art, as well as a selection of stationery and home accessories, Siebter Himmel also offers an exclusive portfolio in Leipzig.

Publisher of hearts: successful presence at the Leipzig Book Fair

On the move from the very first moment: the 2025 Leipzig Book Fair kicked off with record-breaking crowds and a strong Lübbe presence right in the middle of it all. From the very first day, the stand was packed with visitors, our own Lübbe stage was full, the signing area in Hall 4 was constantly occupied and the events with our authors at "Leipzig liest" were once again a real success with the public, providing a platform for dialogue, encounters and enthusiasm.

One very special moment was when Minister of State for Culture Claudia Roth visited our stand, as she had done in the previous year, and was given a recommended book from the LYX catalogue – "Eleanor & Grey" by Brittainy C. Cherry. A beautiful and symbolic moment demonstrating the bridge between politics, literature and community.

Jeff Kinney celebrates major anniversary at the Children's Book Fair in Bologna

Directly after the Leipzig Book Fair, we attended the Bologna Children's Book Fair. This is an annual highlight for our children's book catalogue. The management and teams of our Baumhaus, ONE and Community Editions imprints held numerous inspiring discussions with creative talents, agencies and publishers.

One particular highlight was the exclusive Wimpy Kid Summit by our star author Jeff Kinney to mark an extraordinary achievement: worldwide sales of 300 million copies of his cult series "Diaries of a Wimpy Kid".

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FICTION AND NOVEL BOOKLET
TO THE SHAREHOLDERS

LETTER FROM THE EXECUTIVE BOARD

DEAR SHAREHOLDERS, LADIES AND GENTLEMEN,

I confess, I have been a die-hard fan of the German football club FC St. Pauli since my school days. In fact, there were years when I held a season ticket, even when they were relegated to the third division. These days, I only make it to a home game every now and then, but our bond has only grown stronger over the years. You may be wondering why I am sharing this minor detail from my private life with you. The reason is that there are several parallels between my being a fan, FC St. Pauli and our Company Bastei Lübbe AG.

The most obvious one is the enthusiasm that the club as well as our Company and our imprints generate. This is not a question of size, prestige or even power. Rather, what really matters is behaviour, attitude, a shared perspective and also a comparable starting position.

This ability to generate enthusiasm is also the driving force behind our Bastei Lübbe AG. It is clearly demonstrated by the countless great works that our talented authors, together with our editors, translators and the entire team, have repeatedly crafted and published under our now more than 14 imprints over more than 70 years. Numerous top rankings on the fiction, non-fiction and children's book bestseller lists testify to this.

The recipe for success has always been the willingness of our Company and our employees to go with new ideas. We embrace innovations that we believe are logical, sensible and sustainable. The best example of this is our successful communities. Bastei Lübbe AG was the first media company in Germany to believe that our readers and listeners can be more than just the buyers of our products. We turned the community concept into a central component of our corporate strategy very early on, specifically reaching out to our audience, seeking strategic feedback on our plans and involving our readers in the entire development process.

SOHEIL DASTYARI, CEO

Today, we can see how valuable this approach has been: our imprints, particularly LYX and ONE, attract a large following on social media channels. At the book fairs in Frankfurt and Leipzig, we experience an emotional and rousing atmosphere at our stands, just like at pop concerts or other events, where communities feel understood and safe. This successful interplay of closeness, authenticity and involvement is also attracting growing attention outside our Company.

Strong and profitable growth

But, dear shareholders, this ability to spark enthusiasm not only applies to readers and listeners but also pays off for you as shareholders. Today, we are reporting on a very successful financial year 2024/2025.

We raised our forecast for revenues and, above all, EBIT twice during the reporting period, thanks in particular to the community-driven business models. At the end of the financial year, we were able to report impressive financials, with revenues increasing by three per cent over the same period of the previous year to EUR 114.0 million. Group EBIT also rose significantly by 22 percent to EUR 17.1 million. Our Company earned a net profit of EUR 11.4 million last financial year. We are pleased to be able to share this success with you again by offering an attractive dividend.

Many steps in the right direction

These impressive figures reflect a year that saw many highlights and in which we made significant progress in many areas. I would like to mention just a few of the highlights here:

- In July 2024, we acquired Hörcompany from the W1-Media Group by way of an asset deal. Established in 2000, this audiobook publisher stands for high-quality audiobooks for children and young people, making it a perfect fit for our portfolio.

- LYX celebrated a premiere in August. Over three days, our new adult imprint held its first LYX Festival at Cologne's renowned Gürzenich event centre, drawing an incredible turnout: more than 4,000 fans flocked to meet their favourite authors, illustrators and audiobook narrators and to celebrate the world of new adult literature together.

- Bastei Lübbe AG launched another community-driven imprint in autumn 2024. Called Pola, it specialises in books that explore the realities of young women's lives – realistically, honestly and unfiltered. The second programme has now been released.

- Following the great success of the Siebter Himmel concept store in Cologne, we opened a second location in Leipzig in March 2025. Here, too, the focus is on creating a unique shopping experience in the concept stores at selected locations, each meticulously designed with an eye for detail.

These are just some of the outstanding developments in what was an exceptionally successful year for us. Yet, I am convinced that this only marks an intermediate step on the successful trajectory that we have adopted.

Looking ahead

And this brings us to the second parallel between football and publishing. "After the match is before the match", as the saying goes. In other words, we should not rest on our laurels but prepare for the challenges that lie ahead.

And this is exactly what we are doing in planning the upcoming highlights. In addition to many other fantastic new books, our roster includes great new releases this autumn from our international bestsellers Ken Follett, Dan Brown and Rebecca Gablé, who have been loyal to us for decades.

At the same time, we are also continuing to develop our community models. With our LYX label, we have something in store this financial year that only very few German publishers have managed to do so far: namely, entering the market in the United States. We see great potential there. Starting in the autumn, we want to market our label, which is essentially aimed at young adults, both in-store and online. Obviously, the US market is very complex and very large. Yet, we are convinced that our experience in Germany has given us a good feel for how to meet the reading habits of the US target group just as effectively.

Overall, we anticipate strong revenue growth in the new financial year, but do not expect profitability to match the unusually high figure achieved in the past financial year. Nevertheless, we will continue to operate at a high level and maintain an EBIT margin well above 10 percent.

The team is the star

Dear shareholders, none of our plans and strategies would be even half as successful were they not implemented by a great team. At Bastei Lübbe AG, as well, the team is the star: the employees who forge our success day after day with their ideas and hard work are the decisive factor. On behalf of my fellow members of the Executive Board, I would therefore like to express my sincere gratitude to all of our Company's employees for a very successful and good financial year in 2024/2025.

My thanks also go to you, our esteemed shareholders, for the trust that you placed in us last financial year. We are pleased that we have been able to repay you with our extremely positive share performance and an attractive dividend yield. As we move forward, we hope that we can count on your continued support and that you will remain Bastei Lübbe AG fans!

Not least of all, I would also like to thank all our business partners and the Supervisory Board for their good and trusting cooperation.

Cordially, yours

Soheil Dastyari

THE EXECUTIVE BOARD OF BASTEI LÜBBE AG

SANDRA DITTERT
Chief Marketing and Sales Officer

SIMON DECOT
Chief Programme Officer

MATHIS GERKENSMEYER
Chief Financial Officer

SOHEIL DASTYARI
Chief Executive Officer

BASTEI LÜBBE ON THE CAPITAL MARKET

SITUATION ON THE CAPITAL MARKET

Although the general environment for the stock market of relevance for Bastei Lübbe AG was slightly positive overall in the 2024/2025 financial year, it was still characterized by numerous sources of uncertainty. In addition to the interplay of expectations regarding inflation, interest rates and the macroeconomic outlook that had already emerged in the previous year, as well as the still unresolved geopolitical conflicts – especially in Ukraine and the Middle East – political developments increasingly came to the fore. These included, for example, the presidential elections in the United States or, from a domestic point of view, the German federal elections after the demise of the “traffic light” coalition, on which, among other things, hopes of an economic recovery and significant economic growth in Germany were pinned. Whereas inflation increasingly subsided over the course of the year, allowing both the European Central Bank and the US Federal Reserve (Fed) to lower their interest rates, equity markets came under growing pressure from the erratic policies of the new US administration under President Trump in the first three months of 2025. Tariffs played a key role in this regard, triggering great uncertainty among investors, and are expected to weigh heavily on world trade in 2025, once again stoking fears of a recession, especially in the United States. This eroded the gains that the main national and international indices had recorded in the 2024/2025 financial year. The US benchmark index Dow Jones gained 5.5%, the technology-heavy Nasdaq Composite 5.6% and the European benchmark index Euro Stoxx 50 3.2% between 1 April 2024 and 31 March 2025. Standing apart from the others, the German bellwether DAX index advanced by 19.9%, setting a whole series of new records.

This strong performance was achieved despite the persistently weak German economy, which experienced a second consecutive year of recession in 2024. It benefited, on the one hand, from the strong international orientation of the constituent companies and the favourable business performance of some heavyweights such as SAP, Deutsche Telekom and Siemens and, on the other, from the change of government in Germany and the decision to establish special funds for defence and infrastructure of EUR 500 billion each. These could boost the growth of the German economy over the next few years – an expectation which also spurred midcaps. Despite their often more nationally oriented business models and the consistently muted state of the German economy, these stocks were also able to close the financial year higher. Consequently, the MDAX advanced by 1.3% and the SDAX by as much as 6.6%.

THE BASTEI LÜBBE SHARE ON THE CAPITAL MARKET

The Bastei Lübbe share significantly outperformed the market as a whole, having already shrugged off the general market trend at the end of May and continuing to build on this outperformance until the end of the financial year. It entered the 2024/2025 financial year at EUR 6.60 on 2 April 2024, closing it at EUR 11.10 on 31 March 2025, thus gaining 72% over the financial year as a whole. It hit a low for the year of EUR 6.35 on 2 April 2024 and a high for the year of EUR 11.20 on 19 March 2025.

Share performance 2024/2025

Share information

Total number of shares	13,300,000 no-par value shares
Share capital	EUR 13,300,000.00
ISIN	DE000A1X3YY0
WKN	A1X 3YY
Ticker	BST
Market segment	Regulated market (Prime Standard)
Designated sponsor	Oddo Seydler Bank AG
Closing price on 31 March 2025	EUR 11.10
12-month high (closing price) on 19 March 2024	EUR 11.20
12-month low (closing price) on 2 April 2024	EUR 6.35

FAVOURABLE ANALYST RATINGS

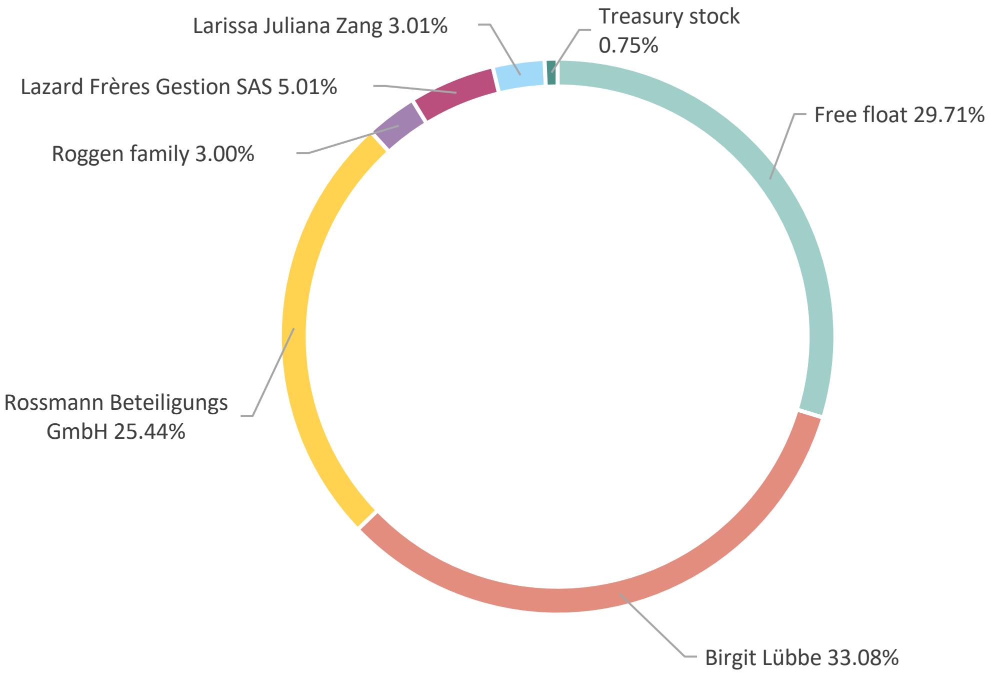
The Bastei Lübbe AG share is currently being covered by DZ Bank as well as Warburg Research and Solventis. In their studies published in response to the publication of the interim report, all analysts gave the share a buy rating. The consensus target price stands at between EUR 12.00 and 13.00.

The full studies are available on the Bastei Lübbe AG website at

bastei-luebbe.de/de/unternehmen/investor-relations/aktie/download.

STABLE SHAREHOLDER STRUCTURE (AS OF 30 JUNE 2025)

Based on the most recently available voting rights notifications, the shareholder structure is as shown in the chart. It has changed in that the share held by Rossmann Beteiligungs GmbH has increased from 20.31% to 25.44% since the last annual report, while the shares held by Diana Schier and Eva Meinecke (previously attributable to the Roggen family) have decreased to 2.98% and 2.99% respectively. Overall, the free float decreased from 31.00% to 29.71%. There are no other changes in the shares held.



ACTIVE INVESTOR RELATIONS

Bastei Lübbe AG attaches key importance to regular and close communications with institutional investors, analysts, private investors and the editorial teams of financial and business media, providing them with updates on the Company's business performance and outlook. In the 2024/2025 financial year, the Company once again attended Deutsches Eigenkapitalforum in Frankfurt am Main and the Hamburg Investor Days.

The Bastei Lübbe share is listed in the strictly regulated Prime Standard of the Frankfurt Stock Exchange. Accordingly, Bastei Lübbe AG complies with all important disclosure and transparency standards and provides detailed and timely information on important events, which are published in the form of ad hoc announcements or press releases. Bastei Lübbe AG is continuing its targeted communications strategy and open dialogue with capital market participants in the current financial year.

Further information is available to investors in the Investor Relations section of the website at

bastei-luebbe.de/de/unternehmen/investor-relations.

ANNUAL GENERAL MEETING FOR THE 2023/2024

The Supervisory Board and the Executive Board attach key importance to direct contact with the shareholders. Bastei Lübbe AG's annual general meeting was held on 11 September 2024 in Cologne. The members of the Executive Board outlined the Company's performance in the past financial year, touching on its strategic direction and, in particular, the successful performance of its community and digital business as well as various programme measures for sustainable growth.

Among other things, the shareholders passed resolutions approving the distribution of a dividend of EUR 0.30 per share, almost twice as much as in the previous year and equivalent to a distribution ratio of 45% of the distributable profit.

Almost 81.7% of Bastei Lübbe AG's statutory share capital was represented at the annual general meeting. The actions of the members of the Executive Board and the Supervisory Board were ratified for the previous financial year by a large majority and all items on the agenda approved. Details of the items of the agenda as well as the voting results can be found in the Investor Relations section of the Company's website.

DIVIDEND POLICY

Bastei Lübbe AG continues to pursue a policy of dividend continuity with a distribution rate of 40-50% of distributable profits in order to allow shareholders to participate appropriately in the Company's success. In this context, long-term and sustainable business performance is seen as a prerequisite for the distribution of dividends. This safeguards the strategy as a value-oriented company, ensuring that shareholders can participate appropriately and continuously in its success. A dividend of EUR 0.30 per share was distributed in the previous year.

At the annual general meeting, the Executive Board and the Supervisory Board will be asking the shareholders to approve the distribution of a dividend of EUR 0.36 per share for the 2024/2025 financial year. Allowing for treasury stock, on which no dividend is payable, this is equivalent to a total payout of 42% of the distributable profit.

Bastei Lübbe AG's annual financial statements for the 2024/2025 financial year, which are prepared in accordance with the German Commercial Code and form the basis for the resolution approving the dividend to be distributed, carry an unappropriated surplus of EUR 11.4 million for the year. The remaining amount after payment of the dividend is to be carried forward.

E-BOOK AND AUDIOBOOK

CORPORATE GOVERNANCE

REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

In many respects, the 2024/2025 financial year marked a further chapter in the successful developments of the previous years. The foundations for this performance had been laid in earlier years with entrepreneurial foresight and a feel for readers' interests and needs. However, this was not without listening very carefully to the communities and close companions of the authors and their topics and accepting their valuable feedback within the scope of the imprint's specific philosophy.

This was the basis on which the LYX imprint and its outstanding authors enjoyed such success again. Time and again, they succeed in transforming titles and content created for their readers and the relevant retail partners into extraordinary moments and events together with the unique community that accompanies them.

Given these favourable conditions, it remains all the more incumbent on the Executive Board and all employees to ensure that Bastei Lübbe maintains its clear focus on efficiency and on constantly improving its range of products and services for readers and retail partners. For this reason, a particularly strong focus was placed last year on tapping new reader potential, including through the establishment of new imprints and the targeted expansion of activities beyond German-speaking countries. All of these initiatives jointly broaden the foundations on which the Company operates as a full-service publisher.

As a full-service publisher, Bastei Lübbe also sees itself as having a fundamental responsibility to align its range with the needs and interests of as broad a readership as possible. Despite its clear thematic focus, it is heavily committed to expanding the range of topics and target groups already addressed. In the past financial year, this translated at the operational level into the establishment of two new imprints, pola and Grau.

The extent to which appropriately represented communities are also interested in interacting with their authentic authors beyond reading was also demonstrated by the great moments that repeatedly arose at the events and readings organised by LYX. This is where the interests of all stakeholders come together in a unique way.

Another sign of the cross-media appeal of the content and worlds created by our authors was evident in the successful exploitation of film rights in the New Adult sector for the first time last financial year: Mona Kasten's titles were licensed as a basis for the "Maxton Hall" series. Set in an English boarding school, it was produced by a German production team in Germany and achieved international success, reaching number one in the streaming charts in almost every country and, thus, providing impressive proof of the global relevance and adaptability of our material.

And last but not least, the great interest in the opening of another "Siebter Himmel" concept store in Leipzig confirms that good ideas that enrich Bastei Lübbe's external image can also be transplanted to other locations.

All in all, the Company, its employees, customers, readers and shareholders can therefore look back with great satisfaction on a fulfilling financial year in 2024/2025 and face the future with great motivation.

The same applies to the future potential that our Company has for further development: Let us remain curious, identify innovative trends early on, implement the necessary measures with great motivation and thus actively shape the future together.

Things are set to remain exciting whatever happens!

ACTIVITIES OF THE SUPERVISORY BOARD

In the 2024/2025 financial year, the Supervisory Board monitored the activities of the Executive Board closely, advising it closely and regularly on the management of the company. It regularly exchanged views with the Executive Board on the ongoing development of the company's business, its thoughts on corporate strategy and the implementation of key measures and projects. Deviations from the plans were brought to the Supervisory Board's attention in good time and explained in detail. The risk situation and risk management were subject to careful consideration at all times.

The Supervisory Board also monitored management closely on the basis of written and oral reports submitted by the Executive Board, in monthly updates and at joint meetings. Thanks to the monthly reports, regular meetings and consultations with the Executive Board, the Supervisory Board was able to form a detailed opinion of the Company's business situation at all times. The Chairman of the Supervisory Board maintained constant contact with the Executive Board outside the regular meetings, discussing important events and upcoming decisions with it.

CHANGES IN THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

The appointment of Mr Soheil Dastyari as a member of the Executive Board and Chief Executive Officer of Bastei Lübbe AG, which was due to expire on 28 February 2025, was renewed until 31 March 2025 in a resolution passed by the Supervisory Board on 10 September 2024. His service contract was also extended for the same period.

There were no changes to the Supervisory Board in the 2024/2025 financial year.

SUPERVISORY BOARD MEETINGS AND MAIN CONTENT OF THE SUPERVISORY BOARD'S DELIBERATIONS

In the 2024/2025 financial year, the Supervisory Body held a total of four ordinary physical meetings in accordance with Section 110 (3) Sentence 1 of the German Stock Corporation Act. In addition, telephone conferences were held among the members of the Supervisory Board, usually with the participation of the Executive Board. To the extent required by law, the articles of association or the rules of procedure, the Supervisory Board passed resolutions on key operational, organisational and structural issues.

The main subjects of the deliberations held in the financial year under review included:

- ongoing business performance in the 2024/2025 financial year,
- the future development and strategy of the company and its divisions,
- the analysis of the company and its investments as well as the definition and implementation of strategic measures,
- participation in and communication at industry fairs and in the capital market.

In the 2024/2025 financial year, the Supervisory Board discussed the following topics in particular at its meetings:

ORDINARY MEETING OF 7 MAY 2024

The Executive Board and the Supervisory Board discussed the underlying strategic parameters that had already been presented during the budgeting process and which formed the basis for multi-year budgeting. The Executive Board detailed the uncertainties surrounding the publication date of a work by a major international author and the potential implications for revenues and earnings. The planned OKR management and control system was outlined by the Executive Board. The procedure with regard to an opportunity for an acquisition presented to the Company was discussed. The Supervisory Board was also informed of the planned programme and marketing plans.

The Executive Board presented proposals for the fulfilment of the relevant individual target agreements, discussing these in detail with the Supervisory Board. The future legal relationship with Räder GmbH was also discussed. The Executive Board reported on the current status of the legal disputes with former members of the Company's corporate governance bodies and third parties.

ORDINARY MEETING OF 10 JULY 2024

The Executive Board reported on the 2023/2024 financial year in retrospect, elaborating on market conditions and other significant market events affecting the Company. Revenues and EBIT in the individual Group companies and segments were presented and assessed. The relevant items of the statement of financial position were discussed, including the valuation of inventories and investments.

Bastei Lübbe's risk report was presented to the Supervisory Board, while the main features of the risk management system as well as the Company's risk situation based on the risk inventory as of 31 January 2024 were discussed again. The Supervisory Board duly took note of the current status. Further continuous improvements to internal auditing and compliance management – including the use of external service providers – were adopted in agreement with the Executive Board.

In addition, the Executive Board presented Bastei Lübbe AG's single-entity and consolidated financial statements. The Supervisory Board discussed significant aspects of these financial statements with the responsible representatives of the external auditor RSM EbnerStolz & GmbH Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne, who were also present at the meeting, as well as with the Executive Board. On the basis of its own review and after detailed consultations with the external auditor, the financial statements were duly approved. The annual financial statements of Bastei Lübbe AG were thus adopted in accordance with Section 172 of the German Stock Corporation Act. Furthermore, the proposal for the distribution of a dividend to be approved at the annual general meeting on 11 September 2024 was discussed in detail and subsequently adopted. The invitation to the annual general meeting and the items of the agenda were finalised.

The target achievement defined for the Executive Board as a whole and the individual, non-financial targets of the individual Executive Board members were discussed. The former was adopted, while the latter was finalised in individual discussions. Agreement on the target agreements for the 2024/2025 financial year was reached between the Supervisory Board and the Executive Board.

The amendment to Article 7 of the Company's Articles of Association (Authorised Capital) was discussed and a corresponding resolution passed by the Supervisory Board.

ORDINARY MEETING OF 5 NOVEMBER 2024

The draft of a new schedule of meetings and the financial calendar was presented and agreed between the Executive Board and the Supervisory Board. The Executive Board submitted a report to the Supervisory Board on the risk situation as of 30 September 2024.

Although there had been no change in the aggregated view since the previous risk report, the Executive Board and the Supervisory Board agreed that this area should continue to receive high priority. The Executive Board reported on the support and advice given to the Company since 1 October 2024 by a new external compliance officer and the announced selection of Internal Audit service providers.

The Executive Board provided the Supervisory Board with a report on the half-year figures and the latest forecast for all dependent companies. As business performance had generally exceeded expectations, the full-year forecast was revised upwards.

The additions requested to the 2024/2025 quality targets were submitted and duly noted by the Supervisory Board.

The Executive Board reported to the Supervisory Board on key developments with regard to the planned repositioning of the Lübbe fiction division and the extensive website relaunch, including full shop integration in the future. The scope for future internationalisation was discussed, and it was agreed that a further investigation of the resulting potential should be performed.

The Executive Board presented and explained to the Supervisory Board the presentation of the New Adult segment announced at the Frankfurt Book Fair in the context of the development of this key segment.

The status of the legal disputes with former members of the corporate governance bodies was reported and the ensuing steps discussed.

ORDINARY MEETING OF 6 MARCH 2025

The Executive Board presented to the Supervisory Board the current status of the Bastei Lübbe Group's budget for the upcoming 2025/2026 financial year, based on the course of the financial year to date and taking into account the agreed underlying parameters, with an analysis of the portfolio by division. The outlook for the following 2026/2027 financial year was also discussed. Questions and suggestions from the Supervisory Board were answered or taken up by the Executive Board during an extensive discussion. The Executive Board and the Supervisory Board agreed to revise the budget to take greater account of the expected opportunities and risks. The revised budget was subsequently approved by the Supervisory Board.

The Executive Board reported to the Supervisory Board on the planned, systematic and structured process to be adopted to facilitate the operationalisation of the future corporate strategy based on the OKR method that had been previously rolled out. The planned addition of growth areas, enhancements to the Company's productivity and inherent value as well as the resulting strategy for organic and non-organic growth were outlined. The Supervisory Board approved this approach.

The Executive Board reported on the current status of considerations regarding internationalisation. Current trends in the influencer sector, which is addressed by Community Edition, were explained to the Supervisory Board. The expansion of this core business, including the establishment of a further imprint, was announced.

The Supervisory Board was informed of the meeting held with the auditor following the preliminary audit and of the very satisfactory result of this audit.

GERMAN CORPORATE GOVERNANCE CODE

As recommended in the German Corporate Governance Code, the Supervisory Board reviews the efficiency of its own activities on a regular basis, however at least once a year.

Once again, the Supervisory Board reviewed the recommendations of the German Corporate Governance Code in the 2024/2025 financial year. Save for a few exceptions, Bastei Lübbe AG complies with these recommendations and suggestions. The Executive Board and the Supervisory Board adopted the joint declaration of conformity in accordance with Section 161 of the German Stock Corporation Act on 6 March 2025, disclosing and explaining any decisions not to follow the recommendations of the German Corporate Governance Code. The current declaration of conformity as well as all the previous ones have been made permanently available to shareholders on the Company's website. Further information on corporate governance can be found in the corporate governance declaration, which the Supervisory Board believes to be complete and accurate.

COMPLIANCE

The Supervisory Board is particularly committed to ensuring that the conduct of the employees of the Bastei Lübbe Group is consistent with the law and the established compliance guidelines at all times. It believes that the compliance system that has been established by the Executive Board is suitable for achieving this goal. Should the Supervisory Board nevertheless become aware of any violations of laws, official orders or ethical guidelines for business conduct, it will make sure that such violations are strictly punished.

RISK EARLY WARNING SYSTEM

The Group has a risk early warning system, which is updated regularly, with the Supervisory Board kept informed of its current status. The Supervisory Board is satisfied that the risk management system alerts the Executive Board in good time to any significant risks that pose a threat to the company or the Group, ensuring that it can respond effectively.

AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2024/2025

RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne, audited the annual financial statements prepared by the Executive Board in accordance with the provisions of the German Commercial Code and the consolidated financial statements prepared in accordance with IFRS, together with the combined Group management report and the management report of the Company for the 2024/2025 financial year, issuing an unqualified audit opinion. The aforementioned documents and the audit report prepared by RSM Ebner Stolz GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne, were submitted to the members of the Supervisory Board within the requisite period. They were dealt with in detail at the balance sheet meeting of the Supervisory Board on 8 July 2025, at which the Executive Board explained the annual financial statements, the consolidated financial statements and the combined Group management report and management report of the Company; the auditor RSM Ebner Stolz GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne, reported on the results of the audit in detail. In particular, the Supervisory Board raised and discussed questions regarding the measurement of the author advances, the investment in Räder GmbH and the Group's cash flow statement. During the meeting, all questions were answered exhaustively by the Executive Board and the auditor. After its own examination, the Supervisory Board had no reason to raise any objections to the annual financial statements, the management report, the consolidated financial statements or the Group management report. The Supervisory Board satisfied itself in a detailed examination that the mandatory disclosures made by the Executive Board in the combined management report and the Group management report were free of any errors or omissions. It concurred with the Executive Board in its assessment of the company's situation and approved the annual financial statements, which were thus duly adopted, and the consolidated financial statements for the 2024/2025 financial year. The Supervisory Board endorsed the Executive Board's proposal for the distribution of a dividend.

EXPRESSION OF THANKS FROM THE SUPERVISORY BOARD

The 2024/2025 financial year saw a business performance that surpassed original expectations thanks to the combined effect of the very good developments in core business and a number of special effects. Especially in times of heavy economic, political and social volatility, this merits the special appreciation of all those who have actively contributed to it.

On the strength of the further improvement in earnings in the 2024/2025 financial year, management wishes to propose again this year that the shareholders approve the distribution of an appropriate dividend in excess of the previous year. The Supervisory Board would therefore like to expressly thank the Executive Board, the employees and all employee representatives of the Bastei Lübbe Group for their consistently loyal and highly committed work, even in a difficult market environment. We're excited to continue our journey together, aiming for and achieving our ambitious goals, together with our market partners and, especially, our readers.

I would like to take this opportunity to personally thank my colleagues on the Supervisory Board, the members of the Executive Board, all employees and our authors and market partners for their continued outstanding contributions in the past financial year. If it were not for this intense, creative and invariably constructive cooperation, the new things created, the goals realised and successes achieved last financial year would not have been possible. Thank you all for your commitment and the trust you have placed in us!

Cologne, July 2025

For the Supervisory Board

Carsten Dentler

Chairman of the Supervisory Board

CORPORATE GOVERNANCE STATEMENT

UNDERLYING PRINCIPLES OF CORPORATE ACTIVITY

Good corporate governance is the guarantee of responsible management of the Company. It encompasses the entire corporate management and supervision system. This includes the Company's organisation, its values, business principles and policies, as well as internal and external control and monitoring mechanisms. The goal of good and transparent corporate governance is to ensure responsible management and control of the Company geared towards value creation. This goal is embedded in the underlying conditions set by the German Corporate Governance Code among other things.

Transparent corporate governance promotes trust in Bastei Lübbe AG on the part of national and international investors, the financial markets, customers and other business partners, employees and the general public. We provide information on our corporate governance practices at bastei-luebbe.de/en/company/corporate-governance.

CORPORATE GOVERNANCE STATEMENT PURSUANT TO SECTIONS 289f AND 315d OF THE GERMAN COMMERCIAL CODE

The principles of responsible and good corporate governance determine the actions of Bastei Lübbe AG's Executive Board and Supervisory Board. The Executive Board and the Supervisory Board seek to align the management and supervision of the Company with national and international standards. Efficient cooperation between the Executive Board and the Supervisory Board within the framework of open and transparent corporate communication is indispensable for this.

In addition to the declaration of conformity with the recommendations of the German Corporate Governance Code, the corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB) contains further information on corporate governance, particularly corporate governance practices, and a description of the working methods of the Executive Board and the Supervisory Board.

DECLARATION OF CONFORMITY

The Executive Board and the Supervisory Board of Bastei Lübbe AG declare pursuant to Section 161 of the German Stock Corporation Act that, save for the following exceptions, the recommendations of the German Corporate Governance Code in the version dated 28 April 2022 (published in the official section of the Bundesanzeiger on 27 June 2022) ("2022 Code") have been complied with and will continue to be complied with in the future:

COMPOSITION OF THE SUPERVISORY BOARD (SECTION C.2)

Contrary to the recommendation in section C.2, no age limit is set for members of the Supervisory Board. According to the case law of the European Court of Justice, there are legal objections to the admissibility of such an age limit from the point of view of age discrimination. In addition, setting an age limit is an exclusion criterion for potentially suitable candidates that is not in the interests of the Company. Qualification as a Supervisory Board member depends on their experience, knowledge and skills. A decision must be made on a case-by-case basis, which should not be restricted by a rigid age limit.

SUPERVISORY BOARD COMMITTEES (D.2 TO D.4)

The German Corporate Governance Code recommends that the Supervisory Board should form professionally qualified committees. As the Supervisory Board has only three members, it has not formed any committees at present as there would be no difference in the identity of their members. The members of the Supervisory Board thus hold joint responsibility for making decisions on all matters. If the Supervisory Board is enlarged in the future, a decision will be made on the formation of committees.

PUBLICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT REPORT (F.2)

Contrary to the recommendation in F.2, the consolidated financial statements and the management report for the 2024/2025 financial year will not be made publicly available within 90 days, but within 120 days of the end of the financial year due to the processes related to the audit of the annual financial statements.

VARIABLE REMUNERATION OF EXECUTIVE BOARD MEMBERS (G.10 SENTENCE 2)

The German Corporate Governance Code recommends that long-term variable remuneration components granted should be accessible to Executive Board members only after a period of four years. In view of the Company's business strategy and the business cycle, a period of three years until the accessibility of the long-term variable remuneration components is considered appropriate.

RELEVANT DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES

Compliance with legal requirements, internal guidelines and ethical principles underpins all of the Bastei Lübbe Group's business activities. The Executive Board has implemented a compliance management system in accordance with IDW PS 980 and ISO 37301 ("CMS") to manage, control and monitor risks. The main elements of the CMS are set out in the Compliance Policy that has been adopted by the Supervisory Board and the Executive Board. The purpose of the CMS is to ensure appropriate and effective compliance by addressing any misconduct at an early stage and taking suitable measures to prevent it from occurring in the first place.

Bastei Lübbe AG has engaged an external compliance officer who holds operational responsibility for the CMS. He advises the Executive Board and all managers and employees of Bastei Lübbe AG on compliance issues.

The Compliance Officer coordinates compliance-related tasks in consultation with the Executive Board. He works towards the further development of the CMS, particularly in the following areas:

- Encouragement of a compliance culture
- Definition of compliance targets
- Establishment and expansion of the compliance organisation
- Identification and analysis of compliance risks
- Implementation of the compliance programme
- Development of compliance communications and compliance training
- Procedures for monitoring and improving compliance

To this end, the Compliance Officer organises and manages the regular compliance risk analysis and assessment and prepares a systematic annual compliance report.

The Compliance Officer also coordinates the whistleblower system. This particularly entails receiving and processing information, coordinating measures and investigations and recommending to the Executive Board the involvement of authorities, as well as filing criminal charges or a criminal complaint and, if necessary, other legal measures.

The Compliance Officer submitted his report to the Executive Board at the end of the 2024/2025 financial year. This report provides an overview of the compliance measures taken in the 2024/2025 financial year and the current status of the CMS. No relevant compliance risks or incidents were identified in the year under review.

In accordance with the statutory requirements, the Executive Board has installed appropriate and effective risk management and internal control systems. Every year, the annual report provides information on how these systems are structured and what significant risks and opportunities have been identified.

WORKING METHODS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

As a German public limited company, Bastei Lübbe AG is subject to German stock corporation law and therefore has a dual management and supervisory structure consisting of an Executive Board and a Supervisory Board. The tasks, powers and responsibilities of these two bodies are clearly defined by law and segregated in personnel terms.

For Bastei Lübbe AG, the fundamental principle of responsible corporate governance is to ensure efficient cooperation between the Executive Board and the Supervisory Board through a responsible and transparent corporate management and supervisory structure. Thus, a large number of issues were discussed in detail between the Supervisory Board and the Executive Board in the 2024/2025 financial year. The Supervisory Board monitored the actions of the Executive Board carefully and regularly and supported its activities continuously in an advisory capacity.

The Supervisory Board was always involved in all major decisions in a timely and appropriate manner. The Executive Board informed the Supervisory Board regularly, promptly and comprehensively in written or oral form about the course of business, the earnings and financial situation, the employment situation and personnel policy, short-, medium- and long-term corporate and financial planning and the strategic further development of the Company and its subsidiaries and associates. Deviations from the plans were explained in detail to the Supervisory Board. The risk situation and risk management were subject to careful consideration at all times.

The Chairman of the Supervisory Board also maintained contact with the Executive Board outside of the meetings, which took place at regular intervals, and discussed the essential processes and upcoming decisions with it.

ALLOCATION OF RESPONSIBILITIES AND WORKING METHODS OF THE EXECUTIVE BOARD

Bastei Lübbe AG’s Executive Board manages the Company with the aim of creating sustainable value under its own responsibility and in the Company’s interests, i.e. primarily taking into account the interests of the shareholders, its employees and other stakeholders. In doing so, it is not bound by the instructions of any third parties and acts in accordance with the law, the articles of association and the rules of procedure issued by the Supervisory Board as well as the resolutions passed at the annual general meeting. When filling management positions within the Company, the Executive Board also pays attention to diversity and strives in particular for the appropriate inclusion of women. An enterprise-wide, formalised diversity strategy has not yet been implemented. The Executive Board and the Supervisory Board are of the opinion that diversity can be promoted and established even in the absence of a formalised diversity strategy.

Notwithstanding the principle of shared responsibility, under which all members of the Executive Board are jointly responsible for the management of the Company’s business, each member of the Executive Board manages the department assigned to him/her on his/her own responsibility and is solely authorised to do so. In doing so, each member may submit to the full Executive Board any matters requiring a resolution. As a rule, Bastei Lübbe AG’s Executive Board meets on a fortnightly basis at a minimum.

However, issues that are assigned to the full Executive Board by law, the articles association or the rules of procedure of the Executive Board are dealt with and decided on jointly by all members. In particular, the members of the Executive Board make all fundamental decisions on business policy and strategy in close consultation with the Supervisory Board. To this end, the Executive Board informs the Supervisory Board of all issues and key topics relevant to the Company as a whole. The Executive Board's disclosure and reporting duties are defined in detail by the Supervisory Board in the Executive Board's rules of procedure.

The Executive Board currently consists of Soheil Dastyari (Chief Executive Officer, responsible for corporate development and strategy, business development, direct commerce, human resources, corporate communications, subsidiaries), Mathis Gerkensmeyer (responsible for finance and accounting, controlling, financing, production, legal & contract management, compliance, internal audit, risk management, IT, central services), Sandra Dittert (responsible for distribution, marketing, product PR, metadata, novels) and Simon Decot (responsible for program strategy, imprints, licenses). The areas of investor relations and M&A are the responsibility of the entire Executive Board and receive particular attention from the Chief Financial Officer and the Chairman of the Executive Board. All members of the Executive Board have been appointed for a term of three or five years.

Together with the Executive Board, the Supervisory Board ensures long-term succession planning. As part of the process for long-term succession planning, the Supervisory Board ensures that the knowledge, skills and experience of the members of the Executive Board are varied and balanced in the best interests of the Company, also taking diversity considerations into account. One basis for long-term succession planning is provided by discussions between the Supervisory Board and the members of the Executive Board, through which the Supervisory Board also obtains an idea of the requirements for potential new candidates for Executive Board positions. Vacant positions on the Executive Board are filled on this basis, taking into account a candidate profile prepared by the Supervisory Board in each case.

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The Supervisory Board has set an age limit for members of the Executive Board. The office of member of the Executive Board may only be held by persons who have not yet reached the age of 68 years. The Supervisory Board must take this into account when appointing members of the Executive Board and when entering into the corresponding service contract.

REMUNERATION OF THE MEMBERS OF THE EXECUTIVE BOARD

The current remuneration system for the members of the Executive Board is in line with the German Corporate Governance Code save for the exception to recommendation G.10 Sentence 2 of the Code as explained in the declaration of conformity. The remuneration system was submitted to and approved by the shareholders at the annual general meeting held on 11 September 2024. The resolution and the system for the remuneration of the members of the Executive Board as well as the remuneration report and the auditor's report are publicly available at https://unternehmen.bastei-luebbe.de/en/company/investor-relations/general-meeting.

WORKING METHODS OF THE SUPERVISORY BOARD

The task of the Supervisory Board is to advise and supervise the Executive Board in the management of the Company. The rules of procedure for the Executive Board contain a catalogue of measures that require the approval of the Supervisory Board. This applies in particular to decisions that are of fundamental importance for the Company. Furthermore, certain transactions of the Company with related parties require the consent of the Supervisory Board in accordance with Section 111b of the German Stock Corporation Act. The Company's articles of association and the rules of procedure of the Supervisory Board contain comprehensive guidelines for the work of the Supervisory Board. The rules of procedure of the Supervisory Board can be found at bastei-luebbe.de/en/company/corporate-governance.

The Supervisory Board of Bastei Lübbe AG consists of three members elected by the shareholders. When candidates are proposed for election to the Supervisory Board, particular attention is paid to the knowledge, skills and professional experience required to perform the task in question. In this way, the Supervisory Board members provide the most effective supervision and support possible for the Executive Board in matters of strategic orientation.

The Supervisory Board consists of Carsten Dentler (Chairman of the Supervisory Board, Managing Director of Palladio Infrastruktur GmbH, Member of the Supervisory Board of König & Bauer AG, Scope Management SE and Scope SE & Co. KGaA), member of the Supervisory Board since 14 September 2022, Dr. Ralph Drouven (Deputy Chairman of the Supervisory Board, Partner at Drouven Dietlein Rechtsanwälte Partnerschaft mbB), member of the Supervisory Board since 13 September 2023, and Dr. Melanie Bockemühl (member of the Supervisory Board, Managing Partner of River22 Invest GmbH, Managing Director of kolula solutions UG, Independent Member of Group Governing Board of Forvis Mazars Group), member of the Supervisory Board since 13 September 2023. In accordance with Section 107 (4) Sentence 2 of the German Stock Corporation Act, the three members of the Supervisory Board also serve on the Audit Committee. Mr Carsten Dentler holds a degree in business administration and, due to his many years of professional experience at an auditing company, at various national and international banks and as managing shareholder of Palladio Infrastruktur GmbH, holds special knowledge and experience in accounting and auditing, including sustainability reporting and auditing. He is a member of the supervisory boards of several listed and private companies. Accordingly, Mr Carsten Dentler simultaneously holds the function of financial expert within the meaning of Section 100 (5) of the German Stock Corporation Act. Due to her activities as managing director, shareholder and consultant, Dr. Melanie Bockemühl also meets the requirements of Section 100 (5) as a member with expertise in the field of accounting. Both actively contribute their expertise to the Supervisory Board.

The Chairman coordinates the Supervisory Board's work, chairs its meetings and is responsible for its concerns and external representation. He maintains constant and regular contact with the Executive Board, in particular with the Chief Executive Officer, and discusses with him, both during and outside meetings, the main processes and upcoming decisions concerning the Company, particularly strategy and business performance as well as the risk situation, risk management and compliance. None of the members of the Supervisory Board are formerly members of the Executive Board.

The Supervisory Board discussed and reviewed the efficiency of its activities at a meeting on 11 June 2025, among other things with regard to effective control and advice to the Executive Board of Bastei Lübbe AG. The Supervisory Board is of the opinion that Bastei Lübbe AG has sufficient organisational structures and systems to enable the Supervisory Board to fulfil its legal and statutory duties appropriately. The rules of procedure for the Supervisory Board and the defined procedures, the determination of transactions requiring approval as well as the timely and sufficient submission of information to the members of the Supervisory Board are decisive factors in ensuring that it can fulfil its supervisory duties in the required manner. On the basis of their qualifications and professional experience, the members of the Supervisory Board possess the knowledge required to fulfil their duties efficiently.

The Supervisory Board has adopted the following competence profile for the entire Board:

The Supervisory Board should be composed in such a way that its members jointly possess the necessary expertise, skills and professional experience to properly perform their duties. In particular, the Supervisory Board considers the following areas of competence and knowledge to be essential for the performance of its duties within the Company (competence profile): national and international business experience, management experience, understanding of the Company's business in its main areas of activity, digitalisation, finance, accounting, auditing, controlling/risk management, human resources, governance/compliance and corporate sustainability. The members of the Supervisory Board in their entirety must be familiar with the sector in which the Company operates as a result of their own experience in the media industry. At least one member of the Supervisory Board must have expertise in accounting and at least one other member of the Supervisory Board must have expertise in auditing (financial experts within the meaning of Section 100 (5) of the German Stock Corporation Act).

The Supervisory Board has specified the following objectives for its composition:

- The Supervisory Board as a whole should have the knowledge, skills and professional experience required to perform its duties properly. With regard to its composition, the Supervisory Board strives to ensure that the aforementioned competence profile is fulfilled for the entire Board and that the areas of competence mentioned in it are duly covered.
- In addition, the Supervisory Board should have what it considers to be an appropriate number of independent members. For this purpose, more than half of the shareholder representatives should be independent of the Company and the Executive Board. If the Company has a majority shareholder, at least one shareholder representative should be independent of such majority shareholder.
- The Supervisory Board also takes account of diversity in its election proposals by encouraging a plurality of opinions and experience on the part of the candidates, for example with regard to age, gender, educational or professional background as well as international profile.
- At least one woman should be represented on the Supervisory Board.
- At least one member of the Supervisory Board should have international business experience or another international connection.
- Conflicts of interest on the part of members of the Supervisory Board impede independent advice to and supervision of the Executive Board. The Supervisory Board determines its response to potential or actual conflicts of interest in each individual case within the framework of the law and in the light of the German Corporate Governance Code. Conflicts of interest should be avoided in the composition of the Supervisory Board.

The Supervisory Board believes that its current composition meets the aforementioned objectives and fulfils the competence profile. The members of the Supervisory Board as a whole possess the knowledge, skills and experience required to properly perform their duties. The Supervisory Board includes what it considers to be an appropriate number of independent members. The Supervisory Board believes that all its members are independent within the meaning of the German Corporate Governance Code. The following qualification matrix individually sets out the current version of the competence profile for each member of the Supervisory Board:

	Carsten Dentler	Dr. Ralph Drouven	Dr. Melanie Bockemühl
Date of birth	12 September 1964	2 May 1958	15 October 1971
Gender	Male	Male	Female
Nationality	German	German	German
Independence[1]	✓	✓	✓
No overboarding[1]	✓	✓	✓
National and international business experience	✓	✓	✓
Management experience	✓	✓	✓
Understanding of the business in relation to the main areas of activity of the company	✓	✓	✓
Digitalisation	–	✓	✓
Finance	✓	✓	✓
Accounting[2]	✓	✓	✓
Auditing[2]	✓	–	–
Risk management, compliance and law	✓	✓	✓
Controlling	✓	✓	✓
Human resources	✓	✓	✓
Governance/compliance	✓	✓	✓
Corporate sustainability	✓	✓	✓

✓ Criterion fulfilled. The criteria for professional suitability are based on an annual self-assessment by the Supervisory Board. A tick signifies the presence of at least "good knowledge" and thus the ability to understand the relevant facts and make informed decisions on the basis of existing qualifications and the regular training measures taken by all members of the Supervisory Board.

1 As defined in the Code

2 As defined in Section 100 (5) of the German Stock Corporation Act and recommendation D.3 of the Code

Proposals of the Supervisory Board to the shareholders take into account the aforementioned objectives and aim to ensure compliance with the competence profile for the entire Supervisory Board. The Supervisory Board's decision on the election proposal to the shareholders is always guided by the Company's best interests in the light all the circumstances of the individual case.

The Supervisory Board also considers the effectiveness of the audit of the financial statements and prepares the proposed resolution for submission to the annual general meeting concerning the election of the independent auditor. It discusses the auditing activities together with the independent auditor and assesses their quality in this connection.

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

The motion for a resolution on the remuneration of the Supervisory Board members submitted to the shareholders at the annual general meeting on 15 September 2021 and the remuneration report and the auditor's report are publicly available at bastei-luebbe.de/en/company/investor-relations/general-meeting.

DETERMINATION OF TARGETS AND DEADLINES UNDER SECTION 76 (4) AND SECTION 111 (5) OF THE GERMAN STOCK CORPORATION ACT AND CURRENT STATUS OF IMPLEMENTATION

On 16 June 2023, the Supervisory Board resolved to set targets of one woman on the Supervisory Board and 25% on the Executive Board with an implementation deadline of 15 June 2028 in each case. As a woman has been a member of the Supervisory Board since 13 September 2023 and a woman has been a member of the Executive Board since 1 August 2020, these targets have been met.

On 2 September 2020, the Executive Board decided to set a target gender representation ratio of 50% for the two management levels below the Executive Board. As of the reporting date, the proportion of women in the top two management levels stood at 58%. Accordingly, the target figure has been achieved.

AVOIDANCE OF CONFLICTS OF INTEREST

In the financial year under review, the members of the Executive Board and the Supervisory Board of Bastei Lübbe AG did not have any conflicts of interest subject to immediate compulsory disclosure to the Supervisory Board. No member of the Executive Board was a member of any other supervisory board required to be established by law or of a comparable domestic or foreign supervisory body.

TRANSPARENCY

It is Bastei Lübbe AG's goal to ensure the greatest possible transparency and to provide all stakeholders with the same information at the same time. All stakeholders can obtain information on current developments at the Company via the Internet. The Company's ad hoc announcements are published in the "Investor Relations" section of the Bastei Lübbe AG website. Press releases and other corporate news are also made available there and our shareholders are kept informed of important dates by means of a financial calendar.

Information on the corporate governance practices is available at bastei-luebbe.de/en/company/corporate-governance. In particular, the corporate governance declarations pursuant to Sections 289f and 315d of the German Commercial Code (HGB), the declarations of compliance with the German Corporate Governance Code and the Articles of Association are also available there.

SECURITIES TRANSACTIONS SUBJECT TO COMPULSORY DISCLOSURE

Under Article 19 of the EU Market Abuse Regulation, persons performing management duties, particularly the members of the Executive Board and Supervisory Board, as well as persons closely related to them, must report any trading transactions involving shares in the Company and related financial instruments. These are also published on the website at bastei-luebbe.de/en/news. No such transactions were reported to the Company during the reporting period.

REPORTING AND AUDIT OF THE FINANCIAL STATEMENTS

The consolidated financial statements and interim reports of Bastei Lübbe AG are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The annual financial statements of Bastei Lübbe AG are prepared in accordance with the provisions of the German Commercial Code (HGB). RSM Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne, was elected as auditor for the 2024/2025 financial year at the annual general meeting held on 11 September 2024. RSM Ebner & Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft ensures through internal rotation procedures that the audit activities are carried out with the necessary distance from the Company and, in particular, that the responsible auditors terminate their involvement in the audit of the Company's financial statements no later than five years after their initial appointment. Before being proposed for election at the annual general meeting, the auditor declared to the Supervisory Board that there were no circumstances with respect to the relationship between him and the Company liable to cast any doubts on his independence. Under the terms of his engagement, it was agreed that he would inform the Chairman of the Supervisory Board without delay of all findings and occurrences of significance for his duties that came to his attention during the performance of the audit. It was also agreed that the auditor would inform the Chairman of the Supervisory Board without delay and make a note in the audit report if, during the performance of the audit, he ascertained any facts indicating any misstatements in the declaration on the German Corporate Governance Code issued by the Executive Board and the Supervisory Board.

Cologne, 27 June 2025

For the Supervisory Board

- Chairman of the Supervisory Board -

Carsten Dentler

For the Executive Board

- Chief Executive Officer -

Soheil Dastyari

COMBINED MANAGEMENT REPORT

NEW ADULT AND
YOUNG ADULT

COMPANY PROFILE

BUSINESS MODEL AND STRATEGIC ORIENTATION

Bastei Lübbe AG is a German general-interest publisher based in Cologne and the parent company of the Bastei Lübbe Group. The Group specialises in publishing books, audio books and e-books for different, complementary target groups. The Group's business activities also include inlicensing. Its 17 imprints and labels operate successfully in the market, offering fiction and popular science content that entertains, inspires and educates and is systematically aligned to meeting the needs of its readers. In the children's and young people's book segment, successful titles such as "Diaries of a Wimpy Child" are published under the Baumhaus and ONE imprints. A leader in the new adult sector, the LYX label is characterised by strong community loyalty and high visibility, resulting in continuous revenue growth. In fiction, Lübbe publishes top-selling authors such as Ken Follett and Dan Brown, while Eichborn offers upmarket literary entertainment. Autumn 2024 saw the launch of another community-driven imprint called pola, which publishes books targeted at young women. Quadriga enhances the non-fiction sector with socially relevant voices, while influencer book business enjoys success with the Community Editions and humble but bold imprints, with the Grau label to be launched in autumn 2025. Lübbe Audio, LYX.audio and Hörcompany are experiencing growing success in the audiobook segment, while the beTHRILLED and beHEARTBEAT digital imprints are additionally expanding the ebook market with their focus on serial content. We are active in the Czech book market via the Moba imprint.

The Group's business model entails the development of content in conjunction with the authors, inlicensing, content editing, the operation of standard physical and digital playback channels as well as customer- and reader-centric marketing. The Group's sell-side markets are mainly located in German-speaking countries. In the production of physical products, Bastei Lübbe works with various printing companies in Germany and the rest of the EU. The main input factors for the implementation of the business model are the Group's employees, exploitation rights and the raw materials required for the printed products.

Bastei Lübbe divides its business activities into the "Book" and "Novel Booklets" segments. The "Book" segment includes all of Bastei Lübbe AG's printed, audio and e-book products, which are primarily distributed under the Lübbe, Quadriga, Eichborn, Baumhaus, ONE, LYX, LYX.audio, pola, beHEARTBEAT, beTHRILLED and Lübbe Audio imprints. In addition, the Czech associate Moravská Bastei MOBA s.r.o. (hereinafter referred to as "Moba") and the investment in CE Community Editions GmbH ("Community Editions"), which mainly publishes books by successful influencers, form part of the "Book" segment. In the "Novel Booklets" segment featuring the "Bastei" brand, classics such as "Der Bergdoktor", "Jerry Cotton", "Geisterjäger John Sinclair" and westerns by cult author G. F. Unger continue to achieve annual print runs in the millions. The Company's success in the "Novel Booklets" segment has continued unabated since 1953.

Our strategic alignment and short- and medium-term goals can be summarised as follows:

- In marketing and catalogue work, we are seeking a close connection to our readers through digital communities and activities aimed at addressing specific target groups. This direct exchange allows us to translate the wishes and lifestyles of our readers into content that inspires them, thus binding them to us in the long term. In the 2024/2025 financial year, we began consolidating our B2C and B2B products on a central, mobile-optimized platform to strengthen the bond with our readers and to leverage synergy potential via efficient cross-selling.
- Backed by a broad and diverse retail partner network and our own sales channels, we reach our target groups in both stationary retail and online channels.
- We see popularity as a success factor and strive to continuously expand the product range. In addition to new book products, we also concentrate on additional book-related ranges to create a holistic experience and to strengthen customer loyalty in the long term.
- Together with our authors, we create content that is a perfect fit for our target groups. In addition, we maintain and develop a close network in the inlicensing market.
- We utilise opportunities for digitalisation by expanding digital media products, adding further distribution channels and harnessing opportunities for interaction with readers as well as by implementing digital processes.
- Well-trained, committed and motivated employees form the basis of our success. Gaining, developing and retaining our employees is a central lever of sustainable, especially organic growth.
- We are continuously developing our corporate structure in order to expand skills, strengthen structural efficiency and secure profitability.
- We are seeking both organic and inorganic growth and, to this end, are focusing on our key performance indicators, namely revenues and EBIT.

EMPLOYEES AND CORPORATE CULTURE

Our employees provide the basis for the Group's success. At the end of the year under review, the Bastei Lübbe Group had 322 employees, compared with 309 as of 31 March 2024.

Special attention is paid to nurturing and developing employees both professionally and personally. This also includes sharing information. In addition to the Bastei Lübbe intranet and other digital communication channels, we offer various formats for exchanging data, such as the monthly "stand-up" or the breakfast for employees with the Executive Board. Generally speaking, we want to support our employees in performing their current and future tasks as effectively as possible.

We coordinate training and further education with them and offer internal and external courses in a wide range of areas aligned to the needs of individual target groups.

We have developed our managers and our leadership culture through intensive sharing and optimised the collaborative approach in our matrix organisation.

With the help of various training methods, we are able to attract book- and digital-savvy talent to our Company. Through our apprenticeships, traineeships and student internships, we offer a wide range of opportunities for career beginners interested in entering the publishing industry. In this way, we are able to train qualified junior staff internally.

Over the past few years, our trainees and our Company as an employer offering apprenticeships have regularly received awards from the Chamber of Industry and Commerce in recognition of our training courses and results. In addition, we support part-time study programmes – both financially and by offering special leave.

The reconciliation of personal and job requirements plays a key role in our personnel development activities. As a family-friendly employer, we support our employees by offering in conjunction with a partner free counselling and childcare and childminding facilities as well as the care of relatives in need. In the area of childcare, we also offer company-sponsored placements and help our employees find nursery school places. In combination with different part-time working models, this allows parents to return to work on an earlier and plannable basis.

We also offer our employees various other benefits, such as a company pension scheme, capital-accumulation benefits, meal and travel allowances, free and discounted book orders, selected workout and sports activities, massages, weekly fruit baskets and complimentary coffee, for example.

SOCIAL RESPONSIBILITY

As a general-interest publisher, we are aware of our high responsibility towards society. With our novel booklets, printed books, e-books and audio books, we reach many millions of readers each year. We are extremely pleased that our stories and narratives resonate with a broad audience across society and thus make an important contribution to the promotion of education and reading.

The content we distribute has an impact on the way readers form their opinions. We always seek to do justice to this responsibility with the selection of each individual title in our programme. The Group also regularly supports corresponding organisations with appropriate donations and projects on appropriate occasions.

RESEARCH AND DEVELOPMENT

Bastei Lübbe does not conduct any research and development in the strict sense. Nevertheless, we develop content by identifying and incorporating the needs of our potential readers and make it available on all playout channels. We apply the mechanisms of the modern, digital world as a company and leverage them, for example, to create communities for our imprints through end-customer communication. These communities connect users who feel an affinity with a label, find and exchange ideas on social media, attend events, share our enthusiasm, provide input, buy our products and recommend them to others. This permits effective and efficient brand communications. We thus complement the successful “push business” of a publishing company with “pull-oriented” content.

For example, we factor in the lifestyles and interests of our more than 180,000 LYX followers on Instagram in our programme planning. In addition, we offer digital-only content in innovative structures via our beHEARTBEAT, beTHRILLED and LYX labels. With these measures, our publishing company has also been able to achieve an above-average share of digital business in its revenues compared to other publishers. In addition, the Group tracks the latest technological trends on an ongoing basis. In particular, the use of artificial intelligence (AI) can generate added value in various areas, for example in print run planning or audio pre- and post-production. The Bastei Lübbe Group is working with renowned technology partners and service provider institutions in these areas.

CORPORATE GOVERNANCE

EXECUTIVE BOARD AND SUPERVISORY BOARD

As a stock corporation under German law, Bastei Lübbe AG has a dual management and supervisory structure consisting of an Executive Board and a Supervisory Board. The Executive Board consists of four members Soheil Dastyari (Chief Executive Officer), Simon Decot (Chief Programme Officer), Sandra Dittert (Chief Marketing and Sales Officer) and Mathis Gerkensmeyer (Chief Financial Officer). The Executive Board reports regularly to the Supervisory Board. These reports mainly cover business policy and strategies as well as current business activities. The Supervisory Board is informed of all events liable to have a significant influence on the Bastei Lübbe Group's future.

The Supervisory Board appoints the members of the Executive Board and supervises and advises them in the management of the companies. The three members of the Supervisory Board represent the shareholders. The shareholder representatives are elected at the annual general meeting. The Supervisory Board has consisted of the three members Carsten Dentler (Chairman of the Supervisory Board), Dr Ralph Drouven (Deputy Chairman of the Supervisory Board) and Dr Melanie Bockemühl since the annual general meeting held on 13 September 2023.

INTERNAL CORPORATE CONTROL SYSTEM

Bastei Lübbe's overarching goal is to consistently increase its enterprise value. We do this by focusing on business areas that offer attractive opportunities for expansion and for improving or stabilising profitability.

The Executive Board and the Supervisory Board use various measures to manage the Company. The basis of strategic corporate planning is formed by an annually updated three-year plan with profit and loss calculations as well as investment and liquidity planning.

For the financial year following the planning process, a bottom-up revenue budget in volume and value terms is prepared and adopted in addition to the definition of a top-down target. The Company is controlled on the basis of its business objectives by means of a daily revenues analysis as well as a monthly P&L target deviation analysis and the forecast scenarios derived from it in relation to total revenues, segment revenues and earnings.

At Bastei Lübbe, the following financial performance indicators are of primary importance for corporate management (comprising a comparison of actual, target (budgeted) and the previous year's performance in each case):

- Revenues and EBIT (operating earnings plus the share of profit of associates) at the Group level
- Revenues and EBIT of the segments/divisions

A consistent presentation of the Company's profitability is pursued to further EBIT-based corporate management.

Extraordinary effects are taken into account on an individual basis and reconciled with the consolidated income statement in which EBIT is not presented. This ensures future comparability in line with the requirements of IFRS 18, which was adopted in April 2024.

ECONOMIC REPORT

MACROECONOMIC ENVIRONMENT

According to the International Monetary Fund (IMF), the global economy expanded by 3.3% in 2024, while global inflation reached 5.7%.[1] Despite the negative shocks of recent years, the global economy remained stable but showed little momentum. Production-intensive economies in particular continued to face difficult conditions, while more service-oriented countries performed more favourably. This dichotomy is also reflected in the Eurozone economy. Overall, however, growth in this region improved to 0.9%.[2] At 2.6%[3], the annual average inflation rate in the EU remained above the European Central Bank's target but was significantly lower than in the previous year. With its high proportion of industrial and export business, the German economy experienced a recession for the second consecutive year in 2024. According to calculations by the German Federal Statistical Office (Destatis), price-adjusted gross domestic product (GDP) contracted by another 0.2% over the previous year.[4] With respect to raw materials, the situation in the paper sector remained relatively stable, with producer prices barely changing in the course of the 2024/2025 financial year but generally displaying a slight upward trend.[5] On the demand side, consumer spending remained subdued in 2024. Wage increases and declining inflation fed through to only a limited extent. This is also evident in consumer confidence, which, although slightly improved, remained distinctly in negative territory.[6] All in all, consumer spending thus rose only marginally by 0.3% in price-adjusted terms.[7] The situation in the Eurozone as a whole was materially better, with per capita consumption increasing significantly in the course of the year.[8] In the first quarter of 2025, the German economy recorded growth of 0.4%, underpinned by higher consumer and capital spending.[9]

Quarter-on-quarter GDP growth (%)	Q2 2024	Q3 2024	Q4 2024	Q1 2025
European Union	0.3	0.4	0.4	0.3
Germany	-0.3	0.1	-0.2	0.4
Austria	-0.4	-0.2	-0.4	0.2
Luxembourg	0.7	-0.9	1.4	-
Switzerland	0.5	0.4	0.2	-
Czech Republic	0.2	0.6	0.7	0.8

Source: Eurostat (adjusted for seasonal and calendar effects), as of 28 May 2025[10]

[1] https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025
[2] https://ec.europa.eu/eurostat/databrowser/view/tec00115/default/table?lang=en&category=t_na10.t_nama10.t_nama_10_ma
[3] https://www.destatis.de/Europa/DE/Thema/Wirtschaft-Finanzen/Inflation.html
[4] https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/02/PD25_069_811.html
[5] Statistisches Bundesamt, Erzeugerpreisindex gewerblicher Produkte: Deutschland, Monate, Güterverzeichnis (GP2019 2-6-Steller Hierarchie)
[6] https://www.nim.org/fileadmin/PUBLIC/3_1_Konsumklima/2025/2025_3/2025_03_PM_NIM_GfK_Konsumklima_powered_by_NIM_dt_fin.pdf
[7] https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/01/PD25_019_811.html
[8] https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-28042025-ap#estat-inpage-nav-heading-4
[9] https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/05/PD25_182_811.html
[10] https://ec.europa.eu/eurostat/databrowser/view/teina011/default/table?lang=en&category=na10.namq_10.namq_10_ma

The Bastei Lübbe Group generated the vast majority of its revenues in Germany. The remaining portion of its revenues mainly arose in Austria, Switzerland, Luxembourg and the Czech Republic. The Group's publishing products compete with numerous other consumer goods and are therefore also dependent on consumer confidence. Consequently, macroeconomic developments that impact consumer confidence and demand for the Group's products have a bearing on its business performance.

In the year under review, Bastei Lübbe generally continued to operate in a volatile and challenging overall economic environment, which left noticeable traces on the consumption patterns of the Group companies' potential customers.

SECTOR ENVIRONMENT

The challenging economic situation in Germany continued to leave traces on the book market in 2024. Together with persistent cost pressure and mounting bureaucracy, uncertainty and general purchasing restraint on the part of consumers posed a problem for the industry. According to industry association Börsenverein des Deutschen Buchhandels (German Publishers & Booksellers Association), revenues in the main distribution channels (book retailing, e-commerce including Amazon, railway station book stores, department stores, consumer electrics stores and chemists) rose slightly by 0.8% year on year, with higher prices (up 2.6%) offsetting a further decline in volume sales (1.7%).[11] In the previous year, revenues had risen by 2.9%.[12] This time, a different picture emerged in the first quarter of 2025, reflecting the late Easter holiday (April 2025 vs. March 2024). Despite further price increases, a significant decline in volume sales caused revenues to drop by 5.0%.[13] Accordingly, Bastei Lübbe AG's 2024/2025 financial year was unusual in that it did not include Easter at all. Book retailers performed slightly better than the distribution channels as a whole, closing 2024 with a 0.9% increase in revenues over 2023. Worthy of particular mention are fiction (up 4.1%), books for children and young people (up 0.5%) and non-fiction (up 7.7%), which were the only product groups to post an increase in revenues over the year as a whole.

The first two product groups also benefited from the success of the popular Young and New Adult genres, while the memoirs of former German Chancellor Angela Merkel boosted the non-fiction product group. Revenues in all other relevant product groups, such as guides and travel books, were down again in 2024.[14]

The e-book market expanded slightly in 2024, generating higher volume sales and revenues. With total sales of 41.7 million copies (2023: 41.0 million), 1.6% more than in the previous year, revenues were 2.2% higher than in 2023. The share of e-books in the total general-interest market remained stable at 6.1%. Although the number of buyers was down slightly, it still came to around 3.0 million (2023: 3.0 million), with the share of the total population shrinking slightly from 4.6% to 4.5%. On the other hand, purchasing intensity (average number of units purchased) increased by a significant 4.4%, while the average spend per capita expenditure climbed by 5.0%. Thus, an average of 14 copies (2023: 13.5) were purchased for a total of 88.58 euros (2023: 84.37 euros). At 89.7%, e-book revenues were very largely accounted for by fiction again in 2024.[15][16]

Audio content such as audio books, audio plays and podcasts is steadily gaining in popularity. According to the Audible Compass 2024, 46% (2023: 46%) of Germans aged 18 to 65 consume audio content regularly, i.e. at least once a month, up from only 15% in 2016. 69% (2023: 68%) of the persons surveyed consume audio content at home, but also away from home (46%, 2023: 49%).[17] Reflecting the significant shift in the market towards online formats

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[11] https://www.boersenverein.de/presse/pressemitteilungen/detailseite/buchmarkt-2024-stabile-geschaefte-in-wirtschaftlich-schwierigen-zeiten/
[12] https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14[uid]=2460&tx_boev_pi14[backend_layout]=pagets__newsletter
[13] https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14[uid]=2788&tx_boev_pi14[backend_layout]=pagets__newsletter
[14] https://www.boersenverein.de/presse/pressemitteilungen/detailseite/buchmarkt-2024-stabile-geschaefte-in-wirtschaftlich-schwierigen-zeiten/
[15] https://www.boersenverein.de/presse/pressemitteilungen/detailseite/e-book-markt-2024-mit-leichten-zuwaechsen/
[16]https://www.boersenverein.de/tx_file_download?tx_theme_pi1%5BfileUid%5D=27705&tx_theme_pi1%5BpageUid%5D=126&tx_theme_pi1%5Breferer%5D=https%3A%2F%2Fwww.boersenverein.de%2Fmarkt-daten%2Fmarktforschung%2Fe-books%2F&cHash=02dc8bb4da5a12e0720f9bb03fcf02bf
[17] https://www.audible.de/blog/audible-kompass-2024

(streaming and downloads), physical audio books hardly play any role in book retailing. In the first nine months of Bastei Lübbe AG's 2024/2025 financial year, revenues declined at a double-digit rate of up to 31% (down 21.5% cumulatively).[18] Industry association Börsenverein des Deutschen Buchhandels (German Publishers and Booksellers Association) stopped recording data for this product group in 2025.

German press wholesalers closed 2024 with a decline of 2.6% in revenues from press products, including novel booklets. All in all, press wholesale revenues fell from EUR 1.52 billion to EUR 1.48 billion in 2024. Revenues from the core press range contracted by 4.0%. At the same time, total unit sales of newspapers, magazines and press-related non-press products declined by 7.1% to 832 million copies. Press wholesale business continued to consolidate, with the number of press retail outlets supplied shrinking from 81,763 in the previous year to 77,590.[19]

GROUP BUSINESS AND FINANCIAL PERFORMANCE

RESULTS OF OPERATIONS

Bastei Lübbe generated Group revenues of EUR 114.0 million in the 2024/2025 financial year, up from EUR 110.3 million in the previous year. The growth in unit sales was offset by an increase in returns. The EUR 3.7 million (3.3%) increase in revenues was primarily driven by higher revenues in the "Book" segment (EUR 4.1 million or 3.9% compared to the previous year), with the new adult imprint LYX again expanding at a slightly quicker rate of 14% over the previous year. Revenues in the audio segment, which increased by 17% over the previous year in the digital sector, and license revenues, which were 21% up on the very strong previous year, were also very pleasing again. This was mainly due to the success of the Amazon Prime series "Maxton Hall".

The increase in inventories of finished goods and work in progress amounted to EUR 2.8 million in the 2024/2025 financial year, compared with EUR 1.0 million in the previous year.

Other operating income came to EUR 0.7 million, down from EUR 2.1 million in the previous year. In the year under review, this item mainly included remeasurement gains of EUR 0.4 million (previous year: EUR 1.4 million) on author advances.

The cost of materials amounted to EUR 55.5 million in the year under review, corresponding to a decline of EUR 0.4 million over the previous year (EUR 55.9 million). This difference is mainly attributable to the increase in digital revenues, which have a lower cost-of-materials ratio, and the significantly lower amortisation of author royalties recognised as assets. In the previous year, this expense had been particularly characterised by an above-average cost-of-materials ratio for top authors. Accordingly, the cost-of-materials ratio was down on the previous year.

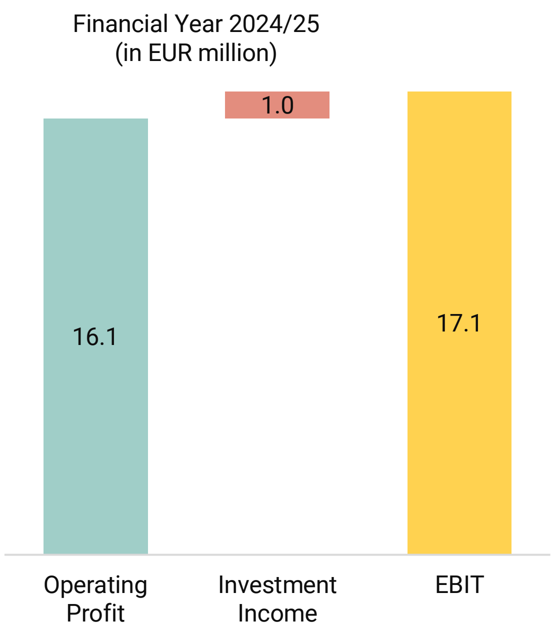
[18] https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14[uid]=2753&tx_boev_pi14[backend_layout]=pagets__newsletter
[19] https://www.pressegrosso.de/fileadmin/user_upload/Presse-Grosso_in_Zahlen_2024.pdf

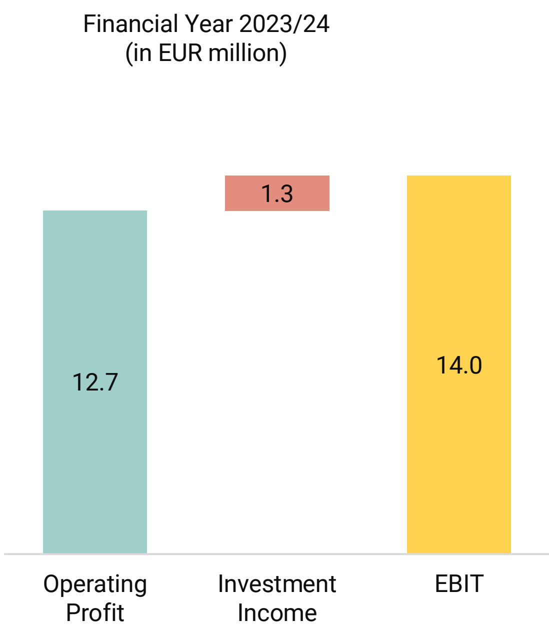
Personnel expenses climbed from EUR 21.5 million to EUR 22.6 million. In the year under review, the number of employees rose over the previous year. Despite the increase during the year, average remuneration per employee remained very largely constant. This is primarily due to individual adjustments to existing employment contracts as well as new hires in line with market conditions. There was no general salary adjustment in the year under review. A general 2% salary increase had previously been agreed for the new financial year as of 1 April 2025.

Other operating expenses rose slightly in the year under review by EUR 1.1 million from EUR 19.7 million to EUR 20.8 million, chiefly as a result of higher IT expenses as well as advertising and marketing expenses.

Amortisation and depreciation fell from EUR 3.6 million in the previous year to EUR 2.5 million in the year under review. This includes depreciation and impairments of EUR 1.4 million in connection with right-of-use assets under leases (previous year: EUR 1.3 million). The reduction is mainly due to the absence of the impairments of EUR 1.0 million that had been recognised on the assets attributable to smarticular.

The EBIT explained below is made up of the operating profit presented in the consolidated income statement plus the share of profit of associates. The share of profit of associates consists of dividends distributed by Räder GmbH and by wholesale press distribution companies and amounted to EUR 1.0 million (previous year: EUR 1.3 million). EBIT rose to EUR 17.1 million in the 2024//2025 financial year, up from EUR 14.0 million in the previous year. In the previous year, it had also included exceptional effects of EUR -1.1 million from impairments recognised on the assets of smarticular and the sale of this business in addition to a dividend distribution of EUR 1.2 million from Räder. Taking into account the developments outlined above, the EBIT margin widened to 15.0% (previous year: 12.7%).

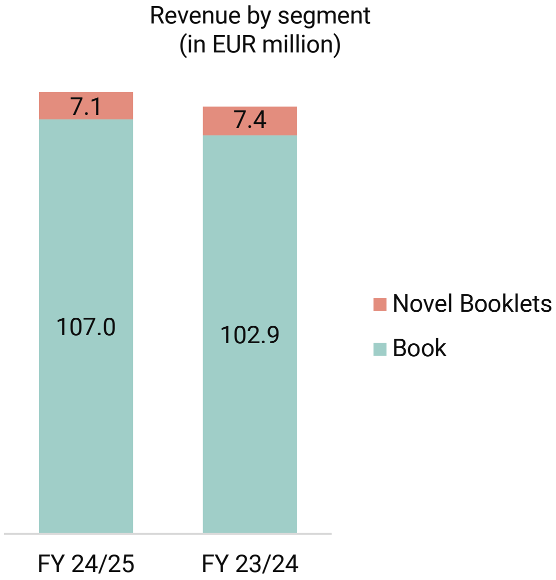


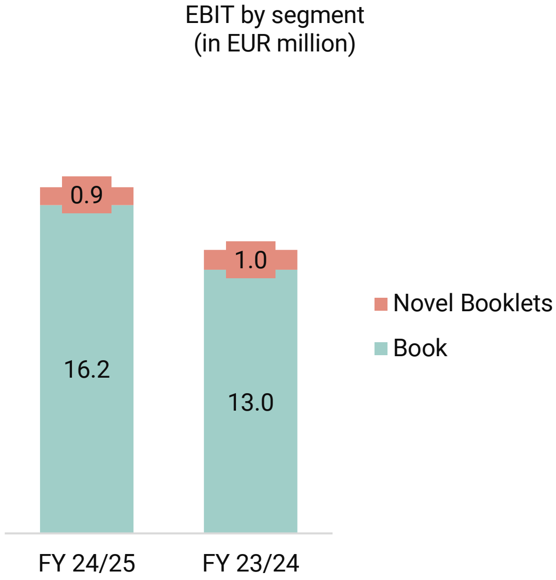


Income from other investments fell slightly by EUR 0.1 million over the previous year. Financing expenses decreased by EUR 0.1 million, mainly as a result of lower interest expenses. Group earnings before taxes reached EUR 16.5 million in the year under review (previous year: EUR 13.3 million). After income taxes of EUR 5.1 million (previous year: EUR 4.5 million), consolidated net profit for the period reached EUR 11.4 million (previous year: EUR 8.8 million). Of this, EUR 11.3 million (previous year: EUR 8.7 million) is attributable to the equity holders of Bastei Lübbe AG.

This translates into earnings per share of EUR 0.86, up from EUR 0.66 in the previous year.

BUSINESS PERFORMANCE BY SEGMENT





Revenues in the “Book” segment climbed from EUR 102.9 million to EUR 107.0 million, thus coming within the original forecast range of EUR 104 million to 107 million. This performance was particularly spurred by the success of the community-driven new adult imprint LYX, whose revenues rose by 14%. In audio business, total revenues expanded again significantly by 11.0% despite the sustained decline in business in audiobook CDs (down EUR 0.3 million on the previous year). This increase reflects the extraordinarily successful marketing of downloaded and streaming content. Revenues in the children’s and young people’s book sector increased significantly by 10.0%, not least thanks to the community-driven label ONE. The digital catalogue recorded a slight 1.5% increase in revenues over the previous year. With revenues up 11%, the Community Editions imprint also contributed to this favourable performance. Unfortunately, non-fiction and Eichborn revenues fell short of the previous year.

EBIT in the “Book” segment came to EUR 16.2 million, compared with EUR 13.0 million in the previous year. The original EBIT forecast of EUR 12.5 million to EUR 13.5 million for the “Book” segment was exceeded mainly because revenue performance was better than expected and the gross profit margin widened thanks to changes in the product mix. In addition, high inventory accumulation and the dividend distributions by Räder GmbH and the press wholesale distribution companies had a positive effect.

Revenues in the “Novel Booklets” segment came to EUR 7.1 million, compared with EUR 7.4 million in the previous year, thus coming within the forecast range of EUR 6.5 million to 7.5 million. Despite the continued decline in the number of sales outlets, which led to lower physical revenues, revenues generated in the webshop and with digital products rose slightly. At EUR 0.9 million, segment EBIT was slightly down on the previous year (EUR 1.0 million), thus remaining generally stable. The EBIT forecast of EUR 0.5 million was thus significantly exceeded thanks to the substantially improved gross margin, which particularly benefited from the lower cost of goods.

FINANCIAL POSITION

PRINCIPLES AND OBJECTIVES OF FINANCIAL AND CAPITAL MANAGEMENT

OBJECTIVES

The Bastei Lübbe Group's financing strategy serves the following purposes:

- To maintain business operations in the long term
- To secure liquidity and financial flexibility
- To avert financial risks

Bastei Lübbe generally strives for an equity ratio of greater than 40% and a ratio of net financial liabilities (liabilities to banks less cash and cash equivalents) to adjusted Group EBITDA (= gearing) of 2.5 or less.

The following key performance indicators are of particular importance for financial and capital management:

- Group equity ratio
- Ratio of net financial liabilities to adjusted Group EBITDA[20]

At 60.3%, the equity ratio exceeded this target substantially as of 31 March 2025. The ratio of net financial liabilities to adjusted Group EBITDA stood at 0 as of the reporting date. Accordingly, instead of net financial liabilities, the Group has net financial assets of EUR 8.5 million.

The net financial assets are calculated as follows:

EUR million	**2024/2025**	**2023/2024**
Cash and cash equivalents	9.3	18.4
Liabilities to banks	0.8	1.9
Net financial assets	**8.5**	**16.5**

The covenants provided for in the syndicated loan agreement are tied to gearing (adjusted financial liabilities divided by adjusted EBITDA) as shown in the consolidated financial statements.

FUNDING MIX

To ensure financial flexibility, Bastei Lübbe relies on a balanced mix of equity and external finance. External finance is made up of the following components as of the reporting date:

- Working capital facility
- Acquisition loan

The previous factoring operations were discontinued in the year under review.

The following criteria are applied in selecting financing instruments:

- Terms
- Flexible drawdowns
- Covenants
- Maturity profiles

[20]Adj. EBITDA is operating earnings before interest, taxes, depreciation and amortization

DIVIDEND POLICY

The Executive Board confirms the goal communicated in earlier periods of pursuing a dividend policy aligned to continuity with a dividend ratio of 40 - 50% of the Group's distributable profit as long as this is warranted by the Group's funding and earnings situation and its long-term sustainable business performance.

At the annual general meeting, the Executive Board and the Supervisory Board will be asking the shareholders to approve the distribution of a dividend of 36 euro-cents per share, equivalent to 42% of the distributable profit.

CAPITAL STRUCTURE

As of 31 March 2025, the Group's liquidity reserves are composed of cash and cash equivalents of EUR 9.3 million (previous year: EUR 18.4 million). Credit facilities of a total of EUR 10.0 million are available under the existing loan agreements. These facilities had not been drawn upon as of the reporting date. Liabilities to banks in the form of an acquisition loan arranged in January 2021 are valued at EUR 0.8 million (previous year: EUR 1.9 million). The loan will be repaid in full in the 2025/2026 financial year.

The Bastei Lübbe Group had current and non-current financial liabilities of EUR 9.5 million on 31 March 2025 (previous year: EUR 11.2 million). Of these, an amount of EUR 5.2 million is due for settlement in the next twelve months as of 31 March 2025 (previous year: EUR 5.2 million). The current and non-current financial liabilities as of 31 March 2025 include lease liabilities of EUR 5.6 million (previous year: EUR 6.4 million).

As of 31 March 2025, net financial assets were valued at EUR 8.5 million (previous year: EUR 16.5 million). This decline was mainly due to the reduction in cash and cash equivalents after the discontinuation of the factoring operations in December 2024 as well as investments in property, plant and equipment and intangible assets and author advances in the interests of the continued implementation of the growth strategy.

LIQUIDITY ANALYSIS AND CAPITAL SPENDING

To provide a better overview of the changes in cash flow, the main cash flows in the 2024/2025 financial year are summarized below:

EUR million	**2024/2025**	**2023/2024**
Cash flow from operating activities	-0.6	2.7
Cash flow from investing activities	-1.2	1.6
Cash flow from financing activities	-7.3	-5.3
Change in cash and cash equivalents	**-9.1**	**-1.1**

Cash flow from operating activities contracted from EUR 2.7 million in the previous year to EUR -0.6 million in the year under review. This is primarily attributable to high author advances in tandem with the substantially higher consolidated net profit for the year and an exceptional effect arising from the discontinuation of factoring operations with an associated increase in trade receivables as well as higher inventories.

The cash flow of EUR -1.2 million from investing activities in the year under review (previous year: EUR 1.6 million) was mainly attributable to investments in intangible assets and property, plant and equipment totalling EUR 2.5 million (previous year: EUR 1.0 million). As in the previous year, this item primarily comprised investments in software and in operating and business equipment. The opposite effect arose from the dividend of EUR 1.0 million received from Räder GmbH.

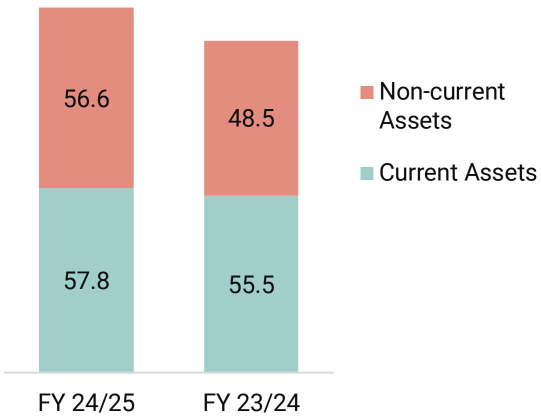
Cash flow from financing activities shows a total outflow of EUR -7.3 million in the year under review (previous year: EUR -5.3 million). In the year under review, a dividend of EUR 4.0 million (previous year: EUR 2.1 million) was distributed to the shareholders of Bastei Lübbe AG. In addition, loan liabilities of EUR 1.1 million were settled. Payments made to settle lease liabilities stood at EUR 1.3 million (previous year: EUR 1.2 million).

At EUR -1.8 million, free cash flow (cash flow from operating activities plus cash flow from investing activities) fell far short of the previous year (EUR 4.2 million) and was thus substantially down on the forecast of EUR 2 to EUR 4 million. This difference is mainly due to higher investments and author advances, which will ensure the continued implementation of the growth strategy and form an essential basis for projected revenue growth in the 2025/2026 financial year.

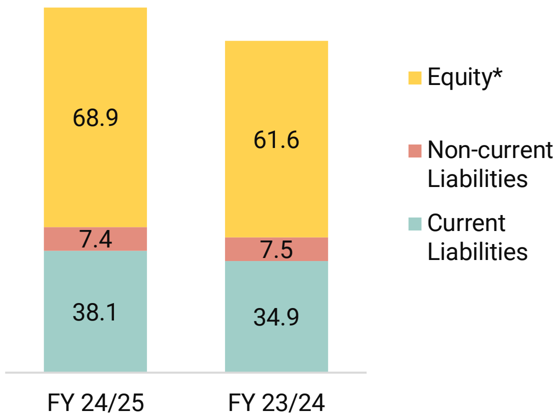
NET ASSETS

Non-current assets widened to EUR 56.6 million, up from EUR 48.5 million as of 31 March 2024, primarily as a result of the high advances paid to top-selling authors. Author advances rose from EUR 19.6 million to EUR 27.2 million.

Balance Sheet: Assets
(in EUR million)



Balance Sheet: Equity and Liabilities
(in EUR million)



The investment in Räder GmbH, which is measured at fair value, was unchanged at EUR 15.1 million (previous year: EUR 15.1 million).

Current assets climbed by EUR 2.3 million from EUR 55.5 million to EUR 57.8 million as of 31 March 2025. This primarily reflects the increase in trade receivables from EUR 19.3 million to EUR 27.1 million as of 31 March 2025 as a result of the higher revenues in the year under review as well as the discontinuation of factoring operations. Cash and cash equivalents shrank from EUR 18.4 million to EUR 9.3 million. Moreover, inventories rose from EUR 14.0 million to EUR 16.8 million as of 31 March 2025. This accumulation of inventories particularly results from catalogue-related pre-production activities as well as from strategic measures to ensure sufficient delivery capabilities for expected focus and top titles. Moreover, the increase was influenced by price-related effects and greater returns.

* including non-controlling interests.

The proportion of equity attributable to the equity holders of the Parent Company stands at EUR 68.7 million (previous year: EUR 61.3 million). The change in equity reflects the positive earnings situation as well as the dividend of EUR 4.0 million distributed to the shareholders of Bastei Lübbe AG in September 2024.

Non-current liabilities were valued at EUR 7.4 million as of the reporting date, compared with EUR 7.5 million as of 31 March 2024. This decline is primarily due to the settlement of liabilities of EUR 1.1 million to banks in the year under review as well as the settlement of lease liabilities. An opposing effect arose from the non-current part of a liability towards an author.

Current liabilities were valued at EUR 38.1 million as of 31 March 2025, up from EUR 34.9 million as of 31 March 2024. This primarily reflected higher income tax liabilities due to the increase in net profit for the year from EUR 0.6 million to EUR 2.2 million. At the same time, trade payables climbed by EUR 1.3 million, mainly as a result of increased liabilities to authors.

GENERAL STATEMENT ON BUSINESS PERFORMANCE AND ECONOMIC SITUATION

After its already favourable performance in earlier years, Bastei Lübbe was able to increase its revenues again in the 2024/2025 financial year to EUR 114.0 million (previous year: EUR 110.3 million). This is a remarkable improvement given that the difficult economic situation in Germany in the 2024 calendar year also left traces on the book market, which expanded only slightly by 0.8% (previous year: +2.9%). This exceeded both the revenue forecast issued at the beginning of the financial year (EUR 111 to 115 million) and the first upward adjustment of this forecast (to EUR 113 to 117 million).

However, in line with a significant decline in the book market in Germany in the months from January to March 2025 (down 5.0%), the second revised revenue forecast of EUR 116 to 119 million was not achieved in view of the revenues recorded by Bastei Lübbe in that period. This was in contrast to EBIT, which was even more favourable in the year in review and, at EUR 17.1 million, matched the most recently revised full-year forecast (EUR 17 to 18 million). This marks a significant increase over the previous year (EUR 14.0 million) as well as the original (EUR 13 to 14 million) and the first adjusted full-year (EUR 15 to 16 million) forecast.

In addition to continued cost discipline, the main reason for this performance was the above-average profitability in the growth areas of the year under review as well as a further dividend distribution on the investment held in Räder. As expected, net financial assets declined as of 31 March 2025, as the use of factoring as a financial instrument was discontinued as planned. The decline to EUR 8.5 million (from EUR 16.5 million in the previous year) was greater than expected at the beginning of the year under review, as investments and author advances were specifically made in the interests of the further implementation of the growth strategy.

Bastei Lübbe can look back on an extremely successful financial year in 2024/2025. In particular, it benefited from strong growth in the “Book” segment, which was largely driven by the continued success of the community model underlying the LYX labels and the emerging young adult label ONE. The “Novel Booklets” segment also remained stable. Overall, Bastei Lübbe proved its resilience in the face the challenges posed by the market environment thanks to its systematic positioning and high-growth content business, once again demonstrating its inherent growth potential.

MATERIAL EVENTS OCCURRING AFTER THE REPORTING DATE

See Note 47 to the consolidated financial statements for the corresponding details.

OUTLOOK

MACROECONOMIC ENVIRONMENT

The general economic outlook for the 2025 calendar year is materially characterised by the heavy uncertainty resulting from the escalating trade conflicts caused by the import tariffs imposed by the new US administration under President Trump. In its April 2025 World Economic Outlook, the International Monetary Fund (IMF) therefore expects the global economy and world trade to deteriorate significantly, with the United States and China particularly hit by setbacks. Among other things, the IMF sees the risk of rekindled inflation, especially in the advanced economies, possible currency turbulence, debt crises and financial instability, as well as social unrest. Against this backdrop, the IMF has made significant cuts to its January outlook in its new reference forecast. It now expects global economic growth to slow to 2.8% in the current year (2024: 3.4%). In the advanced economies, growth should reach 1.4% in 2025 compared to 1.8% in 2024.[21]

A comparable situation applies to Germany. In its spring forecast, the German government scaled back its growth forecast for 2025 to 0.0%, after its annual economic report of January 2025 had projected growth of 0.3%. The background to this is the negative impact of the protectionist US trade policies on the open German economy. At the same time, the German government forecasts a decline in inflation to 2.0% for 2025.[22] In its March 2025 forecast for the Eurozone, the European Central Bank projects GDP growth of 0.9% in 2025, with inflation falling slightly to 2.3%.[23] However, ECB President Christine Lagarde expects the escalation of global trade conflicts to exert an additional drag on the economy. The trade conflicts are currently not having any direct impact on Bastei Lübbe AG and its group companies. However, it could be indirectly affected by possible negative effects on consumer spending. These forecasts are subject to great uncertainties, and actual developments may deviate considerably due to the risk factors already mentioned.

[21] https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025
[22] https://www.bundesregierung.de/breg-de/aktuelles/fruehjahrsprojektion-2341926
[23] https://www.ecb.europa.eu/press/projections/html/ecb.projections202503_ecbstaff~106050a4fa.de.html

INDUSTRY ENVIRONMENT IN THE BASTEI LÜBBE BUSINESS SEGMENTS

Despite a strong start to the year in January, revenues in the German book market generally contracted in the first three months of 2025, reflecting the late Easter holiday (April in 2025 vs. March in 2024) in particular. According to Media Control, the industry closed the first quarter of the 2025 calendar year with a 5.0% year-on-year decline in revenues in the main distribution channels.[24]

The experts at PricewaterhouseCoopers (PwC) project an average annual decline of 1.0% in revenues for books, e-books and audiobooks between now and 2028. Total revenues in the German Book market are expected to reach EUR 7.4 billion in 2028. According to PwC, the strong preference for digital media formats will continue. Consequently, it projects an average annual growth rate of 3.0% for digital books and revenues of EUR 563.1 million by 2028.[25]

In this subdued market environment, the Executive Board believes that general market conditions are less decisive for Bastei-Lübbe's business success than the quality and appeal of its catalogue.

Moreover, as Bastei Lübbe addresses a wide variety of media channels, the Group can also benefit from positive developments in individual market segments.

GENERAL STATEMENT ON THE GROUP'S EXPECTED PERFORMANCE

The Executive Board is convinced that the book as part of our cultural heritage, supplemented by the attractive e-book and audio play-out channels, will continue to enable promising and highly profitable business models to be established and offer diverse opportunities for growth. We will be stabilising, expanding and enhancing modern variants of community-driven models and, above all, addressing the needs and wishes of readers seeking exciting and emotional entertainment and additional book-related products through digital channels in particular.

Accordingly, the Executive Board expects continued growth in revenues. The extraordinary success of the LYX and ONE imprints is a testament to the overarching opportunities and potential of the community-driven models. We are also leveraging the wishes and interests of our Baumhaus and Eichborn readers in close consultation with our authors to create a successful and reader-centric programme structure. The Lübbe impint is currently being strategically realigned. Following last year's launch of another community-driven imprint called pola, we will be strengthening our literary entertainment activities with a new label known as Pfaueninsel from spring 2026. We expect the profitability of the Community Editions and Moba labels to continue growing. In the "Novel Booklets" segment, the Executive Board projects lower earnings compared to the year under review due to the challenges facing press distribution.

Profitability should remain strong despite changes in margins compared to the year under review arising from a different product mix. This applies in particular to the cost of materials regardless of the ongoing appropriate cost discipline throughout the Group. The Group's financial strength is also expected to be very satisfactory in the 2025/2026 financial year, providing the necessary scope for investments, including the plans for inorganic growth that are still being pursued.

In the 2025/2026 financial year, the catalogue will feature a number of new publications by major international top-selling authors. After an eight-year hiatus, a new Dan Brown thriller featuring symbolist Robert Langdon will finally be released under the title "The Secret of Secrets". Production of a film adaptation of the book for Netflix is already underway. Ken Follett will be unveiling a new historical novel about the mystery surrounding Stonehenge. In "Rabenthron", Rebecca Gablé, one of the most successful German authors of historical novels, also will also be taking her readers back in time to war-torn eleventh-century England. Holly Jackson has become an internationally acclaimed top-selling author with her young adult thrillers,

[24] https://www.boersenverein.de/tx_boev_newsletter_view?tx_boev_pi14[uid]=2788&tx_boev_pi14[backend_layout]=pagets__newsletter
[25] PWC, German Entertainment & Media Outlook 2024-2028

especially “A Good Girl’s Guide To Murder”, which has attracted great attention on TikTok and, more recently, thanks to the BBC film adaptation, which was shown in Germany on ZDF. Lübbe is now releasing her first thriller for adults: “Not Quite Dead Yet”. Lübbe is also looking forward to the release of the major US bestseller “Wedding People” by Alison Espach. This book won the prestigious “Good Read Choice Award” in the United States, reaching number 2 position on the New York Times bestseller list. At Eichborn, we are awaiting the new novel by an author whose previous book ranked number 1 on the New York Times bestseller list and who has won several literary awards and is considered to be one of the most important young voices worldwide: Rebecca Kuang, who has written a new literary fantasy novel entitled “Katabasis”. At LYX, bestselling author Mona Kasten is continuing her successful “Scarlet Luck” series with the addition of “Gentle Heart”. The second season of the film adaptation of her “Maxton Hall” series has been announced for release on Amazon Prime at the end of 2025. The first season was the most successful non-American Amazon Prime series ever, generating enormous interest in the book on which it was based. Our other successful German LYX authors are also launching new series: Lena Kiefer is entering the world of British royalty with “Royal Heist”, while Laura Kneidl is taking her readers to a luxury hotel in London known as the “The Darlington”. In addition, we are expecting new titles from international TikTok phenomena Ana Huang, Hannah Grace and Brittainy Cherry at LYX. Our influencer label Community Editions is publishing new books by stars such as ViktoriaSarina, Paluten, Arazhul, Stefano Zarrella and Carmushka. The latter will also be offering new calendars and stationery products under our humble but bold D2C imprint. Community Editions is launching our new Gray imprint in autumn 2025. It will be publishing non-fiction by influencers addressing social and personal issues. We also anticipate further revenue growth at Lübbe Audio, which will benefit from the audiobook exploitation of numerous major bestsellers.

Business is exposed to risks arising from the challenging macroeconomic environment and the consumer restraint that this is likely to prompt. These have been factored into the forecast based on information available at the time the report was finalised. Any additional uncertainties beyond the Company’s control may cause actual developments to deviate either negatively or positively from the forecasts contained in this outlook. As usual, the Executive Board will review and, if necessary, revise the forecasts for the 2025/2026 financial year in future quarterly statements and the half-year report on the basis of the earnings figures reported.

EXPECTED EARNINGS AND FINANCIAL POSITION OF THE GROUP

As the Executive Board expects the growth strategy to remain successful, exceptionally strong revenue growth of up to 10% to EUR 120 to 125 million (year under review: EUR 114.0 million) is projected for the 2025/2026 financial year.

The sustained growth trajectory of recent years is once again reflected in the EBIT forecast, which remains at a high EUR 14 to 16 million (year under review: EUR 17.1 million). The expected EBIT margin of around 12% remains significantly above the permanent target of 10%.

This performance will be underpinned by the “Book” segment, with projected revenues of EUR 113 to 118 million (year under review: EUR 107.0 million) and EBIT of EUR 13.5 to 15.5 million (year under review: EUR 16.2 million). Given the challenging environment faced by the “Novel Booklets” segment, revenues of around EUR 7.0 million (year under review: EUR 7.1 million) and EBIT of some EUR 0.5 million (year under review: EUR 0.9 million) are expected.

Financial planning for the 2025/2026 financial year assumes a free cash flow of EUR 7 million to EUR 9 million (year under review: EUR -1.8 million). The balance sheet ratios – equity ratio and gearing – will remain at an appropriate level.

RISK REPORT

GENERAL INFORMATION

One of the key tasks of the Executive Board is to secure the Company’s long-term success on a permanent basis. The performance of its business exposes the Bastei Lübbe Group to the fundamental and individual risks that inevitably accompany corporate activity.

The Executive Board addresses this risk situation with a risk management system.

RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM

The purpose of the risk management system (RMS) is to identify significant risks for the Group so that appropriate countermeasures can be taken and control mechanisms implemented. The principles of risk management are governed by binding guidelines. Manageable, appropriate and controllable risks are deliberately accepted provided that they lead to the generation of appropriate returns. Where possible and if sensible, risks are covered by insurance. For all other risks, suitable countermeasures are determined and adherence monitored at regular intervals. The countermeasures and the risk situation are revised and updated as required, at least every six months.

The RMS covers all fully consolidated subsidiaries. Risks are classified in accordance with uniform predefined categories and documented in a risk inventory. Subsequently, the risks are assessed on the basis of their probability and the potential loss they may cause.

The Bastei Lübbe Group's RMS classifies risks as follows:

- Operational risks
- Financial risiks
- Strategic risiks
- Personnel risiks
- Regulatory/legal risks

The Bastei Lübbe Group's risk management system is managed by a unit reporting to the Chief Financial Office (risk manager) under the overall organisational responsibility of the Executive Board. The risk manager is responsible for coordinating and monitoring the risk management system across the Company. One of its central tasks is to regularly ask risk owners to carry out risk inventories and to systematically record, analyse and process the reported risks – for example for the preparation of the risk report or for informing the Executive Board. The managers below the Executive Board level are viewed as risk owners. In their areas or companies, they are responsible for identifying, evaluating, managing and monitoring the main risks and the precautions taken to mitigate risk. They are supported in this by Controlling. In addition, the risk owners are responsible for reporting risks to the risk manager. Risks with a gross potential loss of less than EUR 250 thousand are not included in Group-wide risk management. Risk identification is an ongoing process for determining and assessing potential risks. Irrespective of this, the risk assessments are regularly updated on a semi-annual basis or as required. If any risks with a material impact on the Group's business performance or reputation occur, the Executive Board is informed immediately.

The risk report is prepared by the risk manager on the basis of the risks reported by the risk owners and discussed with the Executive Board. The Executive Board informs the Supervisory Board regularly about risk management. It reviews the adequacy and effectiveness of the risk management system and makes any necessary adjustments. An early risk detection system integrated within the risk management system assists in determining the fundamental suitability of the risk management system for detecting any developments liable to affect the Company's going-concern status.

Despite this institutionalised structure for the detection and mitigation of material risks, the risk management system cannot provide complete certainty regarding the achievement of the associated goals.

The internal control system (ICS) is used to monitor business processes, ensure the reliability of operational information, protect assets and secure compliance with applicable rules and regulations. The structure of the ICS takes into account the nature and extent of the Group's business and its risk profile. It monitors compliance with the target processes (including through automatic IT process controls), the "dual-control principle", documentation and segregation of duties. The ICS currently focuses on data protection, compliance management and accounting-related ICS (see below for details).[26]

ACCOUNTING-RELATED RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The accounting-related RMS forms an integral part of the enterprise-wide RMS and is used to identify, analyse and assess risks liable to impair the proper preparation of financial reporting. It thus provides the strategic framework for the early detection of potential undesirable developments.

Targeted risk mitigation measures are planned and defined on the basis of this risk assessment.

[26] This section contains information that is outside the scope of the management report and is therefore excluded from the auditor's review of the content of the combined management report.

These measures are implemented within the accounting-related ICS. The ICS includes specific organisational rules, control mechanisms and process standards to ensure that the risks identified in the RMS are addressed through effective controls. Its purpose is to make sure that the consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union. The additional provisions of German corporate law in accordance with Section 315e (1) of the German Commercial Code are also observed. The single-entity annual financial statements of Bastei Lübbe AG are prepared in accordance with the German Commercial Code (HGB). The measures for limiting these risks include the recruitment and ongoing training of employees holding in-depth specialist knowledge, the use of suitable IT tools and the support of external consultants and service providers. Among other things, we have access to an external system consultant who is very familiar with the applications used and the underlying processes. In addition, we are supported by a specialist IFRS consultant, who advises us on technical matters and reviews our results for possible errors or irregularities.

The Supervisory Board monitors the effectiveness of the ICS and the RMS in accordance with Section 107 (3) Sentence 2 in conjunction with Section 107 (4) Sentence 1 of the German Stock Corporation Act. However, the scope and structure are determined at the discretion and responsibility of the Executive Board in accordance with Section 91 (3) of the German Stock Corporation Act. The Executive Board holds this responsibility and delegates operational implementation to the risk manager, the other risk owners as well as the process and control owners for the ICS.

Responsibility for preparing the financial statements is assigned to the CFO for organisational purposes and specifically to the accounting and controlling functions. Accordingly, this function has the authority to issue guidelines for the application of the relevant accounting rules as well as for the content and timing of the steps in the preparation of the financial statements.

The Chief Financial Officer as well as the accounting and controlling department at Bastei Lübbe AG, which is under his purview, oversee the processes for the preparation of the consolidated financial statements and the management report. Statutory requirements, accounting standards and other standards are regularly analysed to determine whether and to what extent they are relevant and have an impact on the Group's ICS and accounting practices.

Material information and facts relevant for Group accounting are discussed with the relevant departments before being used for accounting purposes and are subject to a critical assessment by the accounting department to ensure that they comply with the applicable accounting regulations.

Relevant requirements are documented and communicated internally and, together with the Group-wide financial statement schedule, form the basis for the preparation of the financial statements.

In addition, supplementary procedural instructions such as standardised reporting formats, IT systems and IT-based reporting and consolidation processes ensure uniform and proper group accounting.

Where necessary, the Bastei Lübbe Group obtains external specialist support in the preparation of its consolidated financial statements. For example, Bastei Lübbe AG engages external appraisers to measure the personnel provisions and the fair value of its investments in associates, to perform impairment testing or in connection with purchase price allocation.

By harmonising the operational accounting processes at Bastei Lübbe AG and its group companies, the processes will become more efficient, additionally enhancing their quality and, thus, the reliability of the internal control system. The ICS secures internal process quality as well as the interfaces to the Group companies by means of appropriate controls. The Accounting and Controlling department handles the support and monitoring functions.

The accounting-related ICS includes internal controls defined in the light of risk aspects, which are both preventive and detective in nature, such as:

- Functional separation (e.g. approval of payment batches, annual financial statements postings)
- Four-eyes principle (including master data entry / invoice verification)
- IT-supported and manual reconciliation
- IT controls such as access controls for IT systems
- Documentation

Bastei Lübbe AG and the Group companies are responsible for ensuring compliance with the Group-wide requirements and procedures. The Group companies see to the proper and timely execution of their accounting-related processes and systems.

With the exception of Business Hub Berlin UG and Moravská Bastei MOBA s.r.o., accounting activities for the companies included in the consolidated financial statements are integrated in the Group's SAP environment. They are largely performed in accordance with uniform accounting plans, account assignment specifications and processes. In this connection, the above-mentioned separation of functions and the four-eyes principle are implemented appropriately by means of preventive and downstream controls.

Access to the accounting systems and processes is protected by an authorisation system that is tailored to the respective job profiles of the users. Employees involved in the accounting process receive regular training.

To prepare the consolidated financial statements, the single-entity financial statements and supplementary information are entered in the LucaNet consolidation accounting software system. If the single-entity financial statements do not comply with the IFRS accounting guidance, corresponding adjustment entries ("HB-II entries") are made. All consolidation processes and the transfer of the local single-entity financial statements to the IFRS accounting standard are implemented and documented centrally.

After the financial statements have been prepared, the annual and consolidated financial statements together with the combined management report are submitted to the Supervisory Board, which reviews the financial statements after discussion with the independent auditor and on the basis of the independent auditor's opinion. The Supervisory Board assumes a consultative role in the further development and implementation of the accounting-relevant internal control and risk management system.

If necessary, the ICS incorporates new technological developments and changed working methods in plans for the further development of operational processes. If any shortfalls are identified in the controls, they are examined to determine any potential impact on the consolidated financial statements and the combined management report and the necessary improvements implemented. Thus, potential for improvement has recently been identified in the ICS processes and process reviews. In cases of particular relevance, information about the facts identified, the planned measures and the status of their implementation is submitted to the Executive Board and, if necessary, to the Supervisory Board of Bastei Lübbe AG.

GENERAL ASSESSMENT OF THE ICS AND RMS[27]

As of the date on which this report was prepared, the Executive Board is not aware of any circumstances liable to impair the appropriateness and effectiveness of these systems.

[27] This section contains information that is outside the scope of the management report and is therefore excluded from the auditor's review of the content of the combined management report.

MATERIAL RISKS

In addition to the general business risks, the Group is exposed to the risks outlined below as of 31 March 2025. During an observation period of two years they are classified into categories A, B and C in descending order according to the expected potential loss, as shown in the chart below. The potential loss stated is derived from a net analysis of the impact on EBIT and liquidity. The net view describes the risks in the light of the existing countermeasures and controls that have a risk-mitigating effect.

Potential loss (in EUR million)	(5) Very low (0 to 10)	(4) Low (11 to 25)	(3) Medium (26 to 50)	(2) High (51 to 75)	(1) Very high (76 to 100)
(1) Very high (> 5)	B	A	A	A	A
(2) High (> 2.5 to ≤ 5)	B	B	A	A	A
(3) Medium (> 1 to ≤ 2.5)	B	B	B	A	A
(4) Low (> 0.5 to ≤ 1)	C	C	B	B	A
(5) Very low (> 0.25 to ≤ 0.5)	C	C	C	C	B

Probability of occurrence (%)

All category A and B risks of the Bastei Lübbe Group are described below. Category C risks are not listed individually because their impact is not material.

RISKS RESULTING FROM EXCESSIVE ADVANCES

There is a risk that not enough titles, especially top titles, will be purchased in the "Book" segment for a given financial year to generate the necessary revenues and profits for that year. As a general rule, Bastei Lübbe plans its content with a lead time of 12 to 24 months. Contracts with international bestselling authors are signed with a longer lead time. In some segments, such as non-fiction and LYX, the lead time may be shorter. For the "Book" segment, programme targets have been set, arranged by size cluster and genre. The degree to which the targets have been met is updated regularly and analysed. This report serves as a basis for acquiring new titles, making it possible to determine whether the defined revenue targets can be achieved. As a result of the existing lead times, it may be possible to bring forward existing titles or acquire additional ones in order to generate revenues.

There is also a risk that an author may fail to meet the contractual deadlines for the submission of the manuscript and that the manuscript is received only subject to a delay or not at all. Although in such cases a request can be made for the return of any advances already made, the failure to publish top titles, in particular, could lead to EBIT falling below the forecast figure. Material revenue shortfalls may cause EBIT to drop below the forecast figure given the existing overheads structure of Bastei Lübbe AG and thus the Group.

The resultant risk is classified as a category A risk with a medium probability of occurrence and high potential loss (previous year category B risk, now more critical assessment of the probability due to the dynamic development of the market and competition).

EDITORIAL AND MARKETING-RELATED CATALOGUE RISKS

There is a risk that not enough titles, especially top titles, will be purchased in the "Book" segment for a given financial year to generate the necessary revenues and profits for that year. As a general rule, Bastei Lübbe plans its content with a lead time of 12 to 24 months. Contracts with international bestselling authors are signed with a longer lead time. For the "Book" segment, programme targets have been set, arranged by size cluster and genre. The degree to which the targets have been met is updated regularly and analysed. This report serves as a basis for acquiring new titles, making it possible to determine whether the defined revenue targets can be achieved. As a result of the existing lead times, it may be possible to bring forward existing titles or acquire additional ones in order to generate revenues.

In addition, there is a risk of an imbalanced dependence on a small number of established top authors, especially if individual titles or catalogue segments are overly successful in economic terms. To miti[illegible] Compliance risks [illegible]w authors are being developed and promoted in a targeted manner in order to broaden the catalogue and reduce dependency. At the same time, great emphasis is placed on maintaining trusting and stable relations with existing authors in the interests of ongoing cooperation.

There is also a risk that an author may fail to meet the contractually defined deadlines for the submission of the manuscript and that the manuscript is received only subject to a delay or not at all. Although advances already made can be recovered in such cases, the failure to publish top titles, in particular, could lead to financial loss. Material revenue shortfalls may affect the ability to achieve the forecast in view of the existing overheads structure at Bastei Lübbe AG and thus the Group.

The risk is classified as a category B risk with a medium probability of occurrence and medium potential loss (previous year: category A risk, estimate of potential loss now downgraded based on current revenue and catalogue planning).

RISK OF ASSOCIATES NOT PERFORMING AS PLANNED

Bastei Lübbe's economic success is also dependent on the future results of its associates. Associates harbour the risk of the expected results not being achieved, which may lead to an impairment of goodwill and other assets.

Bastei Lübbe manages associates on an earnings-oriented basis. Monthly business performance evaluations are submitted by the associates. They are regularly compared with the planned figures and analysed, as well as being discussed with the management of the associates.

In this way, Bastei Lübbe AG is kept informed at an early stage about the business performance and results of its associates and has the opportunity to establish appropriate countermeasures in the event of any undesirable developments.

In the 2024/25 financial year, the fully consolidated associate Community Editions and the 20% interest in Räder GmbH, which is measured at fair value through other comprehensive income, must be taken into account. With a carrying amount of EUR 15.1 million, Räder GmbH has a significant influence on the Group's equity ratio. Negative business performance and, resulting from this, a reduction in fair value would cause a corresponding decline in other comprehensive income within equity.

The resultant risk is classified as a category B risk with a low probability of occurrence and high potential loss.

COMPLIANCE RISKS

Bastei Lübbe attaches great importance to responsible corporate governance that complies with all applicable rules and regulations. It aims to ensure compliance with all legal, regulatory and ethical requirements at all corporate levels.

Relevant compliance risks arise in particular in classic area such as the prevention of fraud and embezzlement, the avoidance of conflicts of interest and compliance with antitrust regulations. Anti-corruption efforts and compliance with data protection requirements are also among the key requirements that the Company addresses by adopting appropriate organisational measures.

In order to monitor and ensure compliance with these requirements, the Company has appointed external compliance and data protection officers who regularly advise and support the Executive Board and the departments. With respect to data protection, an internal committee has also been set up to continuously consider the latest developments in jurisprudence and legislation as well as internal Company processes and experience in the handling of personal data. This exchange contributes significantly to the risk-oriented further development of data protection efforts.

To avert potential compliance risks, Bastei Lübbe maintains a structured compliance management system that includes enterprise-wide codes of conduct and regular training as well as an established whistleblowing system and risk-oriented control mechanisms.

Overall, compliance risks are classified as a category B risk with a low probability of occurrence and medium potential loss.

BAD DEBTS

There is a risk that customers or licensing partners will fail to honour their payment obligations either in part of in full. This is the case, for example, if a trading partner defaults as a result of insolvency. This can affect revenues in both physical and digital business. To mitigate this risk, a large part of the physical receivables is covered by credit insurance up to a contractually agreed limit. Receivables in the digital sector (particularly audio downloads and e-books) are generally not covered by such insurance. However, these customers are considered to be unlikely to default due to their creditworthiness. In addition, relevant customers are continuously checked for creditworthiness so that potential risks can be identified at an early stage.

The resultant risk is classified as a category B risk with a very low probability of occurrence and medium potential loss.

IT RISKS

The threat to IT systems from external attacks poses a permanent and significant risk. In addition to disruptions to the work processes, the unlawful appropriation of protected works (manuscripts, etc.) as well as the encryption of data may result in economic damage. Disruptions to operational procedures due to the failure of key IT systems constitute a permanent risk for the Group. Bastei Lübbe has its own IT department, which ensures a rapid response in the event of any malfunction, close coordination with the operating departments and high protection requirements for mission-critical systems. Data backup operations have for the most part been outsourced, meaning that the Company is able to remain operational for at least a certain period of time even in the absence of internal IT structures. Employees undergo regular training to prevent malware from penetrating the internal systems. In addition, new cyber security insurance was taken out in the year under review.

This risk is classified as a category B risk with a very low probability of occurrence and high potential loss.

MANUFACTURING RISKS

Production can be particularly impacted by external developments in the buy-side paper market. One key challenge is the volatility of paper prices. Market intervention by paper manufacturers – such as plant closures or the reallocation of production lines – may lead to shortages, rising costs and reduced availability at short notice. In addition, the introduction of the European EUDR regulation has imposed an additional administrative burden along the entire supply chain, which may also cause prices to rise.

To mitigate risk, regular forecasts are sent to central suppliers, and prices are monitored closely. Other measures such as price reporting at printing companies, reviews of the supplier structure and the use of flexible paper classes are implemented. The requirements of the EUDR are addressed via existing internal systems in order to avoid the use of external service providers and the additional costs that this would involve.

This risk is classified as a B risk with a medium probability of occurrence and low potential loss (previous year: C risk with a low probability of occurrence).

The following potential risks which are not quantified in the risk management system (RMS) in any greater detail are also under constant observation:

FINANCIAL RISKS

The Bastei Lübbe Group is exposed to financial risks such as the market-price, credit and liquidity risks inherent in its business activities. Credit risk is addressed through the above-mentioned measures (trade credit insurance). To avoid liquidity risks, a regular cash forecast is drawn up as part of the planning process and on an ongoing basis in connection with the daily sales reports. There is only limited scope for controlling the market price risk arising from the measurement of the material investment in Räder GmbH as Bastei Lübbe does not exert any material influence on this company. Changes in the fair value of this investment that are within a range considered possible by the Company have a direct influence solely on net assets and only indirectly on the results of operations and the financial situation, via the cash inflow from investment income or from the possible sale of shares in the associate.

Essentially, the companies of the Bastei Lübbe Group operate in the euro currency area, so their dependence on exchange rates outside the euro currency area is limited. Furthermore, there is a risk that loan agreements may be terminated if the agreed covenants are breached, in addition to the risk from interest rate adjustment due to changes in the Group's gearing.

Liquidity risks result from the Bastei Lübbe Group's potential inability to meet existing or future payment obligations due to the insufficient availability of cash.

As a publishing company, the Bastei Lübbe Group must prefinance most of its business. Authors usually receive their advances by the publication date of the book. Booksellers and platforms have long payment terms. The same principle applies to the secondary markets. To address the financing risk, Bastei Lübbe has access to working capital lines at well-known banks.

The Executive Board considers the risk of loan agreements being terminated as a consequence of a future covenant breach to be low as the Group has sufficient additional financing under the agreed covenants and the Executive Board considers the core business to be stable and robust.

As part of its liquidity management, the Bastei Lübbe Group makes efforts to ensure that it has sufficient funds available for its ongoing business operations and for investments. Credit risks are mitigated by taking out credit insurance as well as through creditworthiness assessments and credit management systems.

MACROECONOMIC DISLOCATIONS

The Executive Board continues to view the ongoing war in Europe and the interest rate and inflation trends with concern. The assumptions and forecasts with regard to the Group's future performance factor in the current uncertainties caused by the war and the current inflationary trends in the existing interest rate environment. As the Executive Board does not think it likely that the war will spread to other countries in Europe or that inflation will continue rising substantially in the German-speaking region, these scenarios are not included in the forecasts.

OVERALL ASSESSMENT OF THE BASTEI LÜBBE GROUP'S RISK SITUATION

As things stand at present, it can be assumed on the basis of information currently known that there are no risks liable to jeopardise the Company's going-concern status and that no such risks are discernible in the future.

An assessment of the current situation has shown that the risks can be largely tolerated or kept under control.

OPPORTUNITIES

The Executive Board of Bastei Lübbe AG employs strategic planning in particular as a basis for identifying opportunities and potential that ensure the Company's long-term success and further growth. Together with the management staff responsible for strategic planning, it additionally assesses existing and emerging options in the light of the constantly changing interests of our readers and the likewise changing practices of our competitors. This is complemented by analyses and measures relating to corporate development.

Potential and opportunities are particularly seen in the following areas:

- Strategic opportunities, such as market opportunities, changes in competition, developments with customers and suppliers
- Operational opportunities
- Financial opportunities
- Personnel opportunities

The opportunities that the Executive Board currently considers to be the most relevant are described below.

STRATEGIC OPPORTUNITIES

Media entertainment has been gaining in importance for decades, with consumers spending more time and money on it. Within the various types of entertainment, the book as a source of entertainment and as part of our cultural heritage including its digital playback channels is a reliable and future-proof constant. Bastei Lübbe is planning to penetrate the dynamic areas of the market through high-level digitisation, progressive target group orientation and a community-oriented acquisition strategy. The growing digital audio market offers opportunities thanks to increasing demand for audio productions and serialised content, which Bastei Lübbe intends to leverage by means of dedicated teams, resources and strategies. This will be aided by the many years of experience that it has gained as one of the particularly established operators in this market segment. In addition, new audiobook models are providing streaming providers with improved marketing and sales opportunities.

Moreover, adaptations of our content in the form of series and feature films constitute a significant strategic opportunity. Over the past few years, it has become evident that audio-visual adaptations of books not only open up access to new target groups but can also significantly boost sales of the printed and digital titles on which they are based. At the same time, the books underlying the adaptations gain visibility in the general public, something that is reflected in greater media presence, social media activity and attention in book retailing. As well as this, audiovisual adaptations open up attractive international licensing opportunities. Spurred by the worldwide availability of streaming platforms, licensing requests from abroad are increasing, and this is boosting the international reach of our content significantly, generating new sales potential.

Further opportunities will arise from business expansion, which Bastei Lübbe is examining carefully. An example of this would be moving into areas related to the business model of a book publisher Opportunities may also arise by entering foreign markets, for example by exploiting our content and rights in other international markets.

The aforementioned growth opportunities alongside other ones can be addressed organically using existing structures or non-organically through the acquisition of other companies.

The aforementioned growth opportunities alongside other ones can be addressed organically using existing structures or non-organically through the acquisition of other companies. Bastei Lübbe's current financial situation permits such options to be taken into consideration.

OPPORTUNITIES THROUGH FURTHER EXPANSION OF THE DIGITAL DIALOGUE WITH READERS

Traditional publishing business currently offers only limited opportunities for direct contact with end customers. Bastei Lübbe is therefore using digital touchpoints with readers as an additional important building block to gain an even better understanding of their needs. These findings and the direct dialogue with the community are important factors in content and program development. In addition to the indispensable contact with our retail partners we therefore see attractive opportunities in the establishment of target group communities, primarily on the relevant social media channels. Our LYX, ONE, pola and Community Editions imprints in particular are already pursuing this course.

Finally, the dynamics of reviews and recommendations can create opportunities, allowing individual book titles and authors to achieve unexpectedly strong success.

This focus on community-driven business models is also unleashing new revenue opportunities, for example in e-commerce. It is already evident that selected communities are displaying a high degree of affinity to related complementary products through the associated imprints. This has been successfully tested with preliminary product lines, with the technical and organisational basis now being created for making even more effective use of such opportunities.

OTHER OPPORTUNITIES

Furthermore, Bastei Lübbe sees further promising opportunities in the publishing industry for safeguarding its earnings potential, for example, through the acquisition of promising titles on attractive terms by using the information and experience it has gathered on the needs of its readers. As well as this, scope for permanent process optimisation is systematically sought and identified in order to improve business results while ensuring that expenses remain the same or are lower (operational opportunities).

Bastei Lübbe also sees opportunities in expanding its employer branding efforts to attract qualified management employees possessing digital skills. In addition, opportunities are particularly seen in the provision of continuing education for highly qualified employees. Thus, training activities are being scaled up, with the content and findings permanently anchored within the Company in order to continue developing (leadership) skills in a contemporary and self-confident manner (personnel opportunities).

Finally, the newly developed artificial intelligence tools and the possibilities they offer provide further opportunities for enhancing efficiency and performance. Appropriate tools and programmes that are already being utilised in a publishing context will be tested in various areas to determine their suitability for use and marketability in the future. The aim is to be a progressive pioneer in the book-publishing industry in this regard as well and to objectively explore, adopt and leverage the possibilities of using artificial intelligence as a company at an early stage. Supplementary disclosures on Bastei Lübbe AG (in accordance with the German Commercial Code).

SUPPLEMENTARY DISCLOSURES ON BASTEI LÜBBE AG (IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE)

BUSINESS PERFORMANCE AND RESULTS OF OPERATIONS OF BASTEI LÜBBE AG

As the parent company of the Bastei Lübbe Group and, simultaneously, a significant Group company, Bastei Lübbe AG is dependent on the performance of the "Book" and "Novel booklets" segments, on the one hand, and on the performance of its associates, on the other hand, with respect to the course of its own business and expected development including significant opportunities and risks. The above explanations are therefore significantly influenced by Bastei Lübbe AG.

INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL 2024 UNTIL 31 MARCH 2025 IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE

EUR k	**2024/2025**	**2023/2024**
Revenues	**104,009**	**100,110**
Changes in inventories of finished goods and work in progress	2,530	1,419
Other operating income	678	2,059
Cost of materials	-48,593	-49,362
Personnel expenses	-20,250	-19,054
Depreciation and amortisation	-991	-963
Other operating expenses	-23,151	-21,645
Share of profit of associates	1,572	1,736
Income from profit transfer agreements	1,124	953
Depreciation of financial assets and securities held as current assets	-407	-1,815
Other interest and similar income	197	252
Interest and similar expenses	-521	-668
Income taxes	-4,876	-4,154
Refunded other taxes	48	–
Net profit for the period	**11,369**	**8,868**
Profit carried forward	17,564	12,656

Compared to the previous year's figure of EUR 100.1 million, Bastei Lübbe AG's revenues rose by EUR 3.9 million to EUR 104.0 million. This was mainly due to the extraordinary successes of the LYX imprint. Revenues were thus in excess of the forecast range of EUR 98.0 to 102.0 million. This performance was primarily underpinned by the higher revenues posted by LYX (up 14.0% on the previous year) and Lübbe Audio (up 11.0% on the previous year).

At EUR 96.9 million, revenues in the "Book" segment were also up on the previous year (EUR 92.7 million), exceeding the forecast of EUR 91 to 95 million. Revenues in the "Novel Booklets" segment amounted to EUR 7.1 million (previous year: EUR 7.4 million), meaning that the forecast of EUR 7.0 million was likewise exceeded in this segment. The business performance of the "Book" and "Novel Booklets" segments is described in the segment report (Note 35 to the consolidated financial statements).

The main components of other operating income are income from remeasurement gains on author advances (EUR 0.4 million) and income from non-cash benefits (EUR 0.1 million).

The cost of materials fell short of the previous year in the period under review. The main reason for this was the increase in revenues from digital business with a lower cost-of-materials ratio and the significantly reduced depreciation of author royalties recognised as assets. In the previous year, this expense had particularly been characterised by an above-average cost-of-materials ratio for top authors.

Personnel expenses climbed from EUR 19.1 million to EUR 20.3 million. In the year under review, the number of employees rose over the previous year. Despite the increase during the year, average remuneration per employee remained very largely constant. This is primarily due to individual adjustments to existing employment contracts as well as new hires in line with market conditions. There was no general salary adjustment in the year under review. A general 2% salary increase had previously been agreed for the new financial year as of 1 April 2025.

Other operating expenses increased over the previous year chiefly as a result of higher IT expenses as well as advertising and marketing expenses.

The share of profit of associates of EUR 1.6 million (previous year: EUR 1.7 million) is composed of dividends received from Räder GmbH (EUR 1.0 million) and Moba (EUR 0.5 million). In the previous year, this item had mainly comprised dividends from Räder (EUR 1.2 million) and Moba (EUR 0.5 million). In the year under review, income of EUR 1.1 million was received under the profit and loss transfer agreement with the fully consolidated subsidiary CE Community Editions GmbH, which had a positive effect on the Company's results of operations.

The depreciation of financial assets and securities held as current assets included an impairment of the investment in Business Hub Berlin UG equalling EUR 0.4 million in the year under review (previous year: EUR 1.8 million). In previous years, the fair value of the investment in Business Hub Berlin UG had been impaired by a total of EUR 4.8 million.

Bastei Lübbe AG had an average of 275 employees in the 2024/2025 financial year (previous year: 259).

The EBIT forecast of a total of EUR 11.0 to 12.0 million issued in the last combined management report was significantly exceeded, with reported EBIT[28] coming to EUR 16.9 million (previous year: EUR 15.3 million). This was materially due to the performance of the two segments, both of which exceeded expectations: the EBIT budgeted for the "Book" segment had been EUR 10.5 to 11.5 million. In actual fact, however, the segment recorded a figure of EUR 16.0 million (previous year: EUR 14.3 million). With EBIT coming to EUR 0.9 million (previous year: EUR 1.0 million), compared to a forecast figure of EUR 0.5 million, the "Novel Booklets" segment also exceeded expectations substantially. This was primarily due to revenue growth and a wider gross profit margin as a result of changes in the product mix. In the year under review, exceptional effects resulted from a further dividend of EUR 1.0 million distributed by Räder GmbH. Net profit for the year came to EUR 11.4 million, up from EUR 8.9 million in the previous year.

[28] EBIT is defined as net profit for the year excluding other taxes, income taxes, interest and similar expenses, other interest and similar income, depreciation of financial assets and securities held as current assets.

BASTEI LÜBBE AG'S FINANCIAL POSITION

As of 31 March 2025, Bastei Lübbe AG's liquidity reserves were composed of cash and cash equivalents of EUR 5.6 million (previous year: EUR 15.1 million). This decline primarily reflects the discontinuation of factoring operations. Credit facilities of a total of EUR 10.0 million (previous year: EUR 10.0 million) are also available but had not been drawn on as of the reporting date. Bastei Lübbe AG had liabilities to banks of EUR 0.8 million on 31 March 2025 (previous year: EUR 1.9 million).

BASTEI LÜBBE AG'S NET ASSETS

ASSETS (EUR k)	31 March 2025	31 March 2024
Fixed assets		
Intangible assets	1,931	1,463
Property, plant and equipment	1,352	430
Financial assets	7,303	8,493
	10,585	**10,386**
Author advances	**26,326**	**18,613**
Current assets		
Inventories	15,098	12,544
Receivables and other assets	27,864	17,652
Cash at banks	5,566	15,149
	48,528	**45,345**
Prepaid expenses	1,240	1,004
Total assets	**86,681**	**75,348**

Compared with 31 March 2024, total assets rose by EUR 11.3 million to EUR 86.7 million (previous year: EUR 75.3 million). This increase is mainly due higher author advances of EUR 7.7 million as well as trade receivables of EUR 8.8 million following the discontinuation of factoring operations together with higher inventories of EUR 2.6 million.

Author advances climbed from EUR 18.6 million to EUR 26.3 million, reflecting efforts to safeguard the Company's future growth strategy.

Current assets climbed from EUR 45.3 million to EUR 48.5 million. As a result of the favourable business performance and the discontinuation of factoring operations, trade receivables rose from EUR 15.6 million to EUR 24.4 million, while at the same time bank balances contracted from EUR 15.1 million to EUR 5.6 million. Inventories increased from EUR 12.5 million in the previous year to EUR 15.1 million, mainly due to accumulation of inventories ahead of the upcoming catalogue, price-related effects and higher returns.

EQUITY AND LIABILITIES (EUR k)	31 March 2025	31 March 2024
Equity		
Issued capital	13,200	13,200
Share premium	8,900	8,900
Retained earnings	100	100
Unappropriated surplus	28,933	21,524
	51,133	**43,724**
Provisions	**15,320**	**12,528**
Liabilities		
Liabilities to banks	750	1,875
Prepayments received	13	93
Trade payables	17,869	15,599
Other liabilities	1,474	1,387
	20,107	**18,954**
Deferred income	**120**	**142**
Total equity and liabilities	**86,681**	**75,348**

At EUR 51.1 million, equity was substantially up on the previous year's figure of EUR 43.7 million, mainly due to business growth and the net profit for the year of EUR 11.4 million (previous year: EUR 8.9 million). A dividend of EUR 4.0 million was distributed from equity in September 2024.

Provisions are valued at EUR 15.3 million, compared with EUR 12.5 million as of 31 March 2024. They include amounts of EUR 5.5 million (previous year: EUR 5.2 million) set aside for returns as well as provisions for outstanding invoices, bonuses and taxes. The tax provisions include taxes of EUR 2,087k that have not yet been assessed (previous year EUR 534k).

Liabilities climbed from EUR 19.0 million to EUR 20.1 million, primarily as a result of higher royalty liabilities. In the year under review, loan liabilities of EUR 1.1 million were settled.

BASTEI LÜBBE AG'S RISK SITUATION

The risk situation is essentially the same as that of the Bastei Lübbe Group and is presented in the risk report.

FORECAST FOR BASTEI LÜBBE AG

Revenues of EUR 106 to 110 million are projected for the 2025/2026 financial year (year under review: EUR 104.0 million). Of this, the "Book" segment should contribute EUR 99.0 to 103.0 million (year under review: EUR 97.0 million) and the "Novel Booklets" segment roughly EUR 7.0 million (year under review: EUR 7.1 million).

All in all, Bastei Lübbe AG forecasts earnings before interest and taxes (EBIT) of EUR 14.0 to 15.0 million (year under review: EUR 16.9 million). Of this, the "Book" segment is expected to generate EBIT of EUR 13 to 14 million (year under review: EUR 16.0 million) and the "Novel Booklets" segment EBIT of around EUR 0.5 million (year under review: EUR 0.9 million).

MATERIAL EVENTS OCCURRING AFTER THE REPORTING DATE

The corresponding information can be found in the notes to Bastei Lübbe AG's annual financial statements.

DISCLOSURES IN ACCORDANCE WITH SECTIONS 289a AND 315a OF THE GERMAN COMMERCIAL CODE

COMPOSITION OF SUBSCRIBED CAPITAL

The share capital amounts to EUR 13,300,000 and is divided into a total of 13,300,000 no-par value shares each with a notional share in the share capital of EUR 1.00. Under Article 23 (1) of Bastei Lübbe AG's articles of association, each share grants one vote. As in the previous year, treasury stock on the reporting date comprised 99,900 shares (see Note 14 of the Consolidated Financial Statements).

APPOINTMENT AND DISMISSAL OF THE MEMBERS OF THE EXECUTIVE BOARD

The Supervisory Board determines the number of members of the Executive Board, their appointment and dismissal as well as the conclusion, amendment and termination of service contracts with them. The Supervisory Board may appoint one member of the Executive Board as Chairman or Speaker of the Executive Board and another member of the Executive Board as Deputy Chairman or Deputy Speaker of the Executive Board. Furthermore, it may grant individual representation rights to one or all members of the Executive Board. The Supervisory Board may authorise one or all members of the Executive Board to enter into self-contracting transactions as representatives of a third party (exemption from the restriction provided for in Section 181 Alternative 2 of the German Civil Code).

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The shareholders are responsible for amending the articles of association (Section 179 (1) Sentence 1 of the German Stock Corporation Act). Under Article 9 of Bastei Lübbe AG's articles of association, the Supervisory Board may pass resolutions to make amendments to the articles of association that only affect the wording.

EQUITY INVESTMENTS OF MORE THAN 10%

Ms. Birgit Lübbe, Cologne, holds a stake of around 33%. Rossmann Beteiligungs GmbH, Burgwedel, holds around 25% in the Company's share capital. According to the notifications of significant voting rights received pursuant to Sections 33 and 34 of the German Securities Trading Act (WpHG) and directors' dealings pursuant to Article 19 of the Market Abuse Regulation, no other shareholders held more than 10% of the voting rights as of the reporting date.

MATERIAL AGREEMENTS SUBJECT TO A CHANGE-OF-CONTROL PROVISION

Bastei Lübbe AG has entered into the following material agreements that contain provisions for the event of a change of control, such as may occur as a result of a takeover bid, among other things:

- Customary change-of-control clauses are included in all major financing and distribution agreements.

SPECIAL RIGHTS AND CONTROL OF VOTING RIGHTS

The Executive Board is not aware of any restrictions affecting voting rights or the transfer of shares, including those that may result from agreements between shareholders. Furthermore, the shares do not grant any special rights conferring powers of control.

CORPORATE GOVERNANCE

The Company again considered the recommendations set out in the German Corporate Governance Code (the Code) in the 2024/2025 financial year. On 27 June 2025, the Executive Board and the Supervisory Board issued a declaration of conformity under Section 161 of the German Stock Corporation Act. Bastei Lübbe complies with the recommendations and suggestions of the Code with the exceptions described in the declaration of conformity. The current declaration of conformity as well as all previous ones have been made permanently available to shareholders on the Company's website (see bastei-luebbe.de/en/company/corporate-governance).

Further disclosures on corporate governance can be found in the separate section of the annual report entitled "Corporate governance statement".

The combined corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code is publicly available in the annual report and on the Company's website at bastei-luebbe.de/en/company/corporate-governance.

Cologne, 7 July 2025
Bastei Lübbe AG

Soheil Dastyari Chief Executive Officer	Mathis Gerkensmeyer Chief Financial Officer	Sandra Dittert Chief Marketing and Sales Officer	Simon Decot Chief Programme Officer

CONSOLIDATED FINANCIAL STATEMENTS

NONFICTION AND ADVICE LITERATURE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2025

EUR k	Note	31 March 2025	31 March 2024
Non-current assets			
Intangible assets	5.	6,827	6,448
Author advances	6.	27,218	19,569
Property, plant and equipment (including right-of-use assets)	7.	6,587	6,414
Financial assets	8.	15,268	15,293
Deferred tax assets	9.	657	757
		56,558	**48,480**
Current assets			
Inventories	10.	16,770	13,990
Trade receivables	11.	27,148	19,310
Financial assets	8.	342	146
Income tax refund claims	9.	439	309
Other receivables and assets	12.	3,826	3,318
Cash and cash equivalents	13.	9,254	18,387
		57,778	**55,461**
Total assets		**114,336**	**103,941**
Equity			
Equity attributable to the Parent Company's equity holders			
Subscribed capital	14.	13,200	13,200
Share premium	14.	9,045	9,045
Unappropriated surplus/accumulated deficit	14.	31,301	23,927
Other comprehensive income	14.	15,130	15,169
		68,676	**61,340**
Shares held by non-controlling shareholders	14.	229	226
Total equity		**68,905**	**61,567**
Non-current liabilities			
Provisions	16.	1,068	487
Deferred tax liabilities	9.	301	331
Financial liabilities	17.	4,321	6,058
Trade payables	18.	1,675	592
		7,365	**7,467**
Current liabilities			
Financial liabilities[1)]	17.	5,163	5,179
Trade payables	18.	21,100	19,805
Income tax liabilities	9.	2,218	613
Provisions	16.	8,075	7,598
Other liabilities[2)]	19.	1,510	1,712
		38,066	**34,907**
Total liabilities		**45,431**	**42,375**
Total equity and liabilities		**114,336**	**103,941**

1) Previous year adjusted, see Note 17

2) Previous year adjusted, see Note 19

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL 2024 UNTIL 31 MARCH 2025

EUR k	Note	2024/2025	2023/2024
Revenues	20.	114,010	110,330
Changes in inventories of finished goods and work in progress	21.	2,784	1,034
Other operating income	22.	696	2,056
Cost of materials	23.	-55,519	-55,910
Personnel expenses	24./25.	-22,649	-21,491
Other operating expenses	26.	-20,753	-19,693
Amortisation and depreciation	27.	-2,468	-3,598
Operating profit		**16,101**	**12,728**
Share of profit of associates	28.	1,016	1,252
Income from other investments	29.	222	276
Profit before financing and income taxes		**17,338**	**14,256**
Financing expense	30.	-847	-984
Profit before income taxes		**16,491**	**13,272**
Income taxes	31.	-5,089	-4,474
Consolidated net profit for the period		**11,402**	**8,797**
Of which attributable to:			
Equity holders of Bastei Lübbe AG		11,335	8,724
Shares held by non-controlling shareholders	32.	68	72
Earnings per share in euros (basic = diluted) (based on the net profit for the period attributable to the equity holders of Bastei Lübbe AG)	15.	0.86	0.66

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 APRIL 2024 UNTIL 31 MARCH 2025

EUR k	**2024/2025**	**2023/2024**
Consolidated net profit for the period	**11,402**	**8,797**
Amounts that can be recycled to profit and loss in the future	**-41**	**-56**
Foreign currency translation differences	-41	-56
Other comprehensive income	**-41**	**-56**
Consolidated comprehensive income	**11,362**	**8,741**
Of which attributable to:		
Equity holders of Bastei Lübbe AG	**11,295**	**8,674**
Shares held by non-controlling shareholders	**66**	**67**

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 APRIL 2024 UNTIL 31 MARCH 2025

EUR k		**2024/2025**	**2023/2024**
Net profit for the period		11,402	8,797
+/-	Depreciation and amortisation/remeasurement gains of intangible assets and property, plant and equipment	2,468	3,598
+/-	Impairment/remeasurement gains of financial assets	25	–
+/-	Depreciation/remeasurement gains of author royalties	11,539	14,663
+/-	Other non-cash expenses/income	-48	–
+/-	Increase/decrease in provisions	1,058	852
-/+	Profit/loss from the disposal of intangible assets and property, plant and equipment	-12	110
-	Author advances	-19,189	-11,401
-/+	Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	-11,349	-5,045
+/-	Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	2,279	-1,024
+/-	Interest expenses/income	625	708
+/-	Income tax expenses/income	5,089	4,474
+/-	Tax payments made	-3,495	-11,823
-	Other investment income	-1,041	-1,252
Cash flow from operating activities		**-648**	**2,658**
+	Payments received from the disposal of intangible assets	–	668
-	Payments made for purchases of intangible assets	-1,106	-641
+	Payments received from the disposal of property, plant and equipment	82	4
-	Payments made for purchases of property, plant and equipment	-1,420	-391
+	Payments received from the repayment of loans granted	–	45
+	Loans to other associates	1,041	1,252
+	Interest received	222	252
+	Change in working capital due to asset deal	–	364
Cash flow from investing activities		**-1,181**	**1,554**
-	Payments to the shareholders of the Parent Company (dividends)	-3,960	-2,112
-	Payments made to non-controlling interests (dividends)	-64	-55
-	Payments made for the discharge of loans	-1,125	-875
-	Payments made for lease liabilities	-1,288	-1,242
-	Interest paid	-847	-984
Cash flow from financing activities		**-7,283**	**-5,269**
	Changes to cash and cash equivalents recognised in the cash flow statement	-9,113	-1,058
	Exchange-rate and valuation-related changes to cash and cash equivalents	-21	-37
+	Cash and cash equivalents at the beginning of the period	18,387	19,482
=	**Cash and cash equivalents at the end of the period**	**9,254**	**18,387**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 APRIL 2024 UNTIL 31 MARCH 2025

	Parent Company						Non-controlling interests	Group equity
				Cumulative other comprehensive income				
EUR k	**Subscribed capital**	**Share premium**	**Unappropriated surplus**	**Reserve from investments in equity instruments**	**Foreign currency translation reserve**	**Equity**	**Equity**	**Equity**
Amount on 1 April 2023	13,200	9,045	17,314	15,104	114	54,778	215	54,993
Dividend distributions to shareholders	–	–	-2,112	–	–	-2,112	-55	-2,167
Net profit for the period	–	–	8,724	–	–	8,724	72	8,797
Other comprehensive income	–	–	–	–	-50	-50	-6	-56
Comprehensive income	**–**	**–**	**8,724**	**–**	**-50**	**8,674**	**67**	**8,741**
Amount on 31 March 2024	**13,200**	**9,045**	**23,927**	**15,104**	**64**	**61,340**	**226**	**61,567**
Amount on 1 April 2024	13,200	9,045	23,927	15,104	64	61,340	226	61,567
Dividend distributions to shareholders	–	–	-3,960	–	–	-3,960	-64	-4,024
Net profit for the period	–	–	11,335	–	–	11,335	68	11,402
Other comprehensive income	–	–	–	–	-39	-39	-1	-41
Comprehensive income	**–**	**–**	**11,335**	**–**	**-39**	**11,295**	**66**	**11,362**
Amount on 31 March 2025	**13,200**	**9,045**	**31,301**	**15,104**	**25**	**68,676**	**229**	**68,905**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CHILDREN

CONTENTS CONSOLIDATED NOTES

GENERAL DISCLOSURES

1. INFORMATION ABOUT THE GROUP

Bastei Lübbe AG (hereinafter also the "Parent Company") has its registered office at Schanzenstraße 6 - 20, 51063 Cologne (HRB 79249), Germany.

Bastei Lübbe AG is a media company operating as a general-interest publisher. In the performance of its business activities, Bastei Lübbe AG publishes books, audio books, e-books and other digital products featuring fiction and popular science content as well as periodicals in the form of novels.

As a listed public limited company, Bastei Lübbe AG is required under Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 concerning the application of international accounting standards to prepare consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union (EU). The Company's shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange (WKN: A1X3YY, ISIN: DE000A1X3YY0).

The reporting currency is the euro; unless otherwise stated, all amounts are stated in thousands of euros (EUR k). Totals and percentages were calculated on the basis of non-rounded euro amounts and may differ from a calculation based on the reported thousand euro amounts.

The consolidated financial statements for the financial year from 1 April 2024 until 31 March 2025 were prepared by the Executive Board on 7 July 2025 and approved for publication and submitted to the Supervisory Board for approval on 8 July 2025.

Reference should be made to Note 47 with regard to events occurring between the reporting date and 7 July 2025 that could be material for an assessment of the Group's net assets, financial position and results of operations as well as its cash flows.

2. BASIS OF PREPARATION

A) UNDERLYING ACCOUNTING RULES

The consolidated financial statements as of 31 March 2025 have been prepared in accordance with the accounting rules in force on the reporting date in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union (EU) and the interpretations of the IFRS Interpretations Committee (IFRS IC) and the Standing Interpretations Committee (SIC) of the International Accounting Standards Board (IASB), London. In addition, the German statutory provisions applicable pursuant to Section 315e (1) of the German Commercial Code (HGB) are observed.

B) MEASUREMENT OF ASSETS AND LIABILITIES

The consolidated financial statements are prepared on the basis of the historical cost principle, with the exception of the shares held in Räder GmbH and the provisions for share-based remuneration, which are measured at their fair value in accordance with IFRS 13 and IFRS 2.

C) CURRENCY TRANSLATION

The consolidated financial statements of the economically independent foreign Group companies are translated into the Group currency in accordance with the functional currency method. For the purposes of translating these financial statements, all assets and liabilities are converted at the closing rate, while income and expense items are converted at the average rate for the reporting period. Equity components of subsidiaries are translated at the corresponding historical exchange rate prevailing on the date on which they were incorporated. The differences arising from currency translation are recognised as a currency translation adjustment item within other comprehensive income or non-controlling interests.

Transactions in foreign currencies are translated at the applicable daily exchange rate. Monetary items are translated at the mean spot exchange rate on the reporting date. The foreign exchange gains and losses resulting from such currency translation are recognised in profit and loss.

D) USE OF ASSUMPTIONS AND ESTIMATES AS WELL AS DISCRETIONARY DECISIONS

The preparation of the consolidated financial statements requires assumptions and estimates that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the reporting date and the reported amounts of revenues and expenses. Material assumptions and estimates subject to uncertainty concern

- discounted future cash flows in connection with impairment tests for author advances and goodwill,
- the determination of amortisation processes for author advances,
- the expected return rates for sold goods for the determination of corresponding provisions,
- the depreciation of inventories due to limited marketability to calculate net realisable amounts,
- the fair value of the investment in Räder GmbH,
- the measurement of the provisions for share-based cash-settled remuneration and
- projected impairments of trade receivables.

Reference should be made to the corresponding notes for further disclosures that were determined on the basis of estimates.

Significant discretionary decisions particularly relate to the amortisation method for author advances, the methods for identifying impairments of inventories and the measurement of lease liabilities in connection with the exercise of termination and extension options. In addition, the assessment of Bastei Lübbe AG's inability to exercise material influence on its associate Räder GmbH entails a significant discretionary decision. The management of Bastei Lübbe does not exercise any significant influence on Räder GmbH despite the fact that the Parent Company holds 20% of the shares in this company. This view is based on the status that Bastei Lübbe has under company law as a minority shareholder, preventing it from being involved in any of the associate's financial and business policy decisions.

3. SIGNIFICANT ACCOUNTING POLICIES

For the sake of clarity, individual items are combined in the statement of comprehensive income and in the statement of financial position and disaggregated in the notes. Assets and liabilities that are realised or settled within one year are classified as current, while all others are classified as non-current.

E) NEW ACCOUNTING GUIDANCE APPLIED FOR THE FIRST TIME IN THE YEAR UNDER REVIEW

None of the amendments to the standards, clarifications and interpretations whose application has been mandatory since 1 April 2024 had any material impact on the presentation of the net assets, financial position and results of operations.

F) NEW ACCOUNTING GUIDANCE NOT YET APPLIED IN THE YEAR UNDER REVIEW

In the year under review, the Bastei Lübbe Group did not make use of the option to early adopt new standards and interpretations. It plans to apply the standards and interpretations from the date on which they become mandatory. The application of new standards and interpretations is not expected to have any material effect on the Group's net assets, financial position and results of operations.

G) CONSOLIDATION PRINCIPLES AND REPORTING DATE

Fully consolidated companies are generally accounted for using the purchase method at the time control is established (acquisition date). The assets and liabilities of the consolidated companies are measured at fair value.

Non-controlling interests are reported separately within equity. In the case of business combinations, hidden reserves and charges attributable to non-controlling interests are also disclosed and shown within equity under "Non-controlling interests".

Intragroup revenues, expenses and income as well as receivables and liabilities are offset against each other and eliminated.

For the purposes of consolidation accounting, the income tax effects are taken into account and any deferred taxes recognised.

One fully consolidated Group company and one Group company that is not consolidated for reasons of materiality have a financial year that matches calendar year and thus differs from the Group's financial year. The annual financial statements of the fully consolidated company Moravská Bastei MOBA s.r.o. , which are prepared for the calendar year, are included in the consolidated financial statements. Material transactions between the reporting date of the Group company and the reporting date of the consolidated financial statements are duly taken into account where applicable. There were no corresponding adjustments in the year under review. No interim financial statements are prepared for the company as its inclusion has no material impact on the Group's net assets, financial position and results of operations despite its different financial year. For one thing, it makes only a small contribution to the Group's revenues and earnings for the period. For another, its revenues and earnings have been stable over the last few years.

H) INTANGIBLE ASSETS

Intangible assets (with the exception of author advances) are measured at historical cost less straight-line amortisation distributed over their respective useful lives where they are considered to have finite useful lives. Systematic amortisation is based on the following useful lives and rates:

	Useful life Years	Amortisation rate %
Other intangible assets		
Software	3-7	14.29-33.33
Publishing and title rights	8-15	6.67-12.5

Impairment tests are carried out at least annually on goodwill and intangible assets whose useful life cannot be determined; intangible assets subject to systematic amortisation are tested for impairment whenever there is any evidence to this effect. Impairments are recognised if this is required as a result of impairment testing. If the reasons for the impairment no longer apply, the impairment loss is reversed up to the amount of the amortised cost, except in the case of goodwill.

I) AUTHOR ADVANCES

Author advances relate to guaranteed payments for manuscripts for which Bastei Lübbe has acquired exploitation rights as well as advances made on these. They are each measured at cost.

Systematic depreciation is generally calculated on the basis of the revenue generated. If the revenues achieved fall short of a typified revenue trend, this is used as a basis for calculating depreciation. Author advances are generally amortised over five years. There is a close correlation between revenues and the consumption of the economic benefit of the exploitation rights. Author advances and part payments made are also reviewed at least once a year (usually on the reporting date) to determine whether there are any indications of impairment. If there is any evidence of impairment, the expected net income before royalty expenses is compared with the guaranteed royalties on the basis of an estimate of future sales volumes and the revenue calculated on this basis. To test the guaranteed author royalties for any impairment, a DCF (discounted cash flow) method based on an average WACC (weighted average cost of capital) in a range of 5.8 to 6.4% (previous year: 6.5 – 7.2%) is applied. The WACC is calculated on the basis of the data for a group of suitable peers. In cases in which the guaranteed royalties exceed the expected net income before royalty expenses, corresponding impairments are made or - if necessary - provisions recognised for onerous contracts. The resulting expenses are recognised within the cost of materials. Remeasurement gains are recognised within other operating income. Income from reversals of impairment losses arising from royalties not only results from a reduced WACC or changed planning assumptions, but may also reflect the carrying amount less amortisation.

All expenses in connection with author advances are included in a separate item entitled “Author royalties and depreciation of author royalties” within the cost of materials as these expenses are directly tied to the revenues used to cover them and must therefore be included in gross profit in the interests of economically appropriate allocation.

J) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised in accordance with IAS 16 (Property, Plant and Equipment) at historical cost less cumulative systematic depreciation and impairment losses. Historical cost includes the purchase price, commissioning costs and transaction costs.

Costs for repairs to property, plant and equipment are recognised through profit and loss. They are only recognised as an asset if the costs result in an expansion or significant improvement of the respective item. Property, plant and equipment are subject to depreciation calculated on a straight-line basis over the expected useful lives of these assets. Systematic depreciation is based on the following useful lives and rates:

	Useful life Years	Amortisation rate %
Land and buildings		
Leasehold improvements	5-10	10.00-12.50
Technical equipment and machinery	5-10	10.00-20.00
Other equipment, operating and business equipment		
Operating equipment, office machines and equipment	3-13	7.69-33.33
Low-value assets (up to 800 euros)	<1 year	100

Impairment losses are recognised if there are any indications that the asset is impaired. If the reasons for the impairment cease to apply, the impairment loss is duly reversed.

K) IMPAIRMENT TESTSTING

Bastei Lübbe tests assets for impairment at least once a year on the reporting date or during the year if any special events are identified and – if and to the extent that an independent measurement of the assets concerned is not possible – at the next higher level of the cash-generating units (CGU) within the meaning of IAS 36 (Impairment of Assets).

DEFINITION OF CGUS

At Bastei Lübbe, goodwill and intangible assets with indefinite useful lives acquired through business combinations are allocated to a group of CGUs that are expected to benefit from the synergistic effects of the business combination. These groups of CGUs represent the lowest level at which these assets are monitored for management purposes. These are usually individual companies or publishers.

IMPAIRMENT TESTING

For the purposes of impairment testing, the residual carrying amounts of the individual cash-generating units are compared with their respective recoverable amount, which is the higher of fair value less costs to sell and value in use. Value in use is determined on the basis of the present value of future payments forecast for the next three years under Bastei Lübbe Group’s current planning, which is broken down by company or division and is primarily based on past experience. The periods beyond the detailed planning phase are represented by a perpetual annuity, taking into account individual growth rates in the specific business.

To determine the present value, the discount rate is calculated on the basis of the weighted cost of capital, applying an underlying interest rate which is currently 2.8% (as of the reporting date, previous year: 2.5%) and a market risk premium of 6.5% (previous year: 7.0%).

Impairments are reversed if the recoverable amount exceeds the carrying amount of the asset due to changes in the estimates on which the measurement is based. The reversal of impairment losses is limited to the amount that would have resulted if no impairment losses had been recognised. Impairment losses on goodwill are not reversed.

L) LEASES

Leases are reported as a right-of-use asset and a corresponding liability on the date on which the leased asset become available for use by the Group.

Lease liabilities are initially recognised at an amount equalling the present value of the lease payments still outstanding. Lease liabilities include the following lease payments:

- Fixed payments, less any leasing incentives to be provided,
- Variable lease payments linked to an index, initially measured using the index at the commencement date.

The measurement of the lease liability also includes lease payments based on reasonably certain utilisation of options to extend the lease.

Right-of-use assets are measured at cost, which breaks down as follows:

- The amount of the initial measurement of the lease liability,
- All lease payments made when or before the leased asset becomes available less any lease incentives received,
- All direct costs initially incurred by the lessee,
- Estimated costs incurred by the lessee in dismantling or removing the underlying asset, restoring the site on which it is located or returning the underlying asset to the condition specified in the lease agreement.

Depreciation of right-of-use assets is calculated on a straight-line basis over the useful life of the asset or the duration of the underlying lease, whichever is the shorter.

In determining the duration of leases, management considers all facts and circumstances offering an economic incentive to exercise options to extend the lease or to refrain from exercising options to terminate the lease. Any changes to the duration of leases resulting from the option to extend or terminate the lease are only included in the duration of the lease if it is reasonably certain that an option to extend the lease will be exercised or an option to terminate the lease will not be exercised.

The assessment is reviewed when an option to extend a lease is actually exercised or not exercised. The original assessment is revised upon the occurrence of a significant event or change in circumstances liable to influence the previous assessment.

The Bastei Lübbe Group generally applies the incremental borrowing rate to discount lease payments if the interest rate on which the lease is based cannot be readily determined.

To determine its incremental borrowing rate, the Bastei Lübbe Group obtains data on interest rates from external financial sources and makes certain adjustments to factor in the lease terms, the nature of the asset and the collateral provided.

Lease payments are split into payments of principal and payment of interest. The interest component is recognised through profit and loss for the duration of the lease so that a constant periodic interest rate is applied to the outstanding amount of the liability for each period.

Payments under short-term leases for operating and business equipment as well as for vehicles and leases for low-value assets are recognised as expense through profit and loss on a straight-line basis. Short-term leases are leases with a duration of less than 12 months. Low-value assets are all leases with an initial right-of-use asset of less than EUR 5k.

M) FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

Under IFRS 9, financial assets are assigned to the following three categories:

- **(a)** At amortised cost (AC);
- **(b)** At fair value through other comprehensive income (FVOCI);
- **(c)** At fair value through profit and loss (FVPL).

Financial assets are initially recognised at fair value. In the case of financial assets other than those classified as at fair value through profit or loss, transaction costs directly attributable to the acquisition of the asset are also taken into account.

Financial assets are categorised upon being initially measured. All purchases and sales of financial assets are recognised on the trading date, which is the date that the Company undertakes to purchase or sell the asset. Trade receivables are recognised from the date on which they arose.

LOSS ALLOWANCES ON AND DERECOGNITION OF FINANCIAL ASSETS

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost. These loss allowances equal the amount of the expected credit losses over the term of the instrument in question and are solely calculated using the simplified method for determining loss allowances.

A financial asset is considered to be onerous if it is unlikely that the debtor will be able to settle its liability without recourse to any collateral provided.

- A financial asset is derecognised if the contractual rights to receive cash flows from a financial asset have expired or if the contractual rights to receive cash flows and all material opportunities and risks have been transferred.
- The Company retains the rights to receive cash flows from financial assets but assumes a contractual obligation to pay the cash flows immediately to a third party under an arrangement that meets the conditions of IFRS 9.3.2.5 (pass-through arrangement), or the Company has transferred its contractual rights to receive cash flows from a financial asset, whereby either (a) substantially all the risks and rewards of ownership of the financial asset are transferred, or (b) substantially all the risks and rewards of ownership of the financial asset are neither transferred nor retained, but control of the asset is transferred.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents recognised in the statement of financial position comprise cash in hand, balances with banks and other short-term deposits with an original term of less than three months. They are recognised upon receipt. Cheques are recognised upon receipt and incoming payments when they are credited to the bank account.

Cash and cash equivalents are measured at amortised cost. Holdings in foreign currencies are to be translated at the spot rate on the reporting date. Currency translation changes on the date of recognition are recognised in profit or loss.

TRADE RECEIVABLES

The simplified loss allowance model is applied to trade receivables and other receivables that do not contain a material financing component. A loss allowance equalling the expected credit loss risk over the entire term is recognised both upon initial recognition and with subsequent remeasurement. For this purpose, estimated default rates derived from external ratings are applied. Credit loss risks within each category have been divided into risk classes based on the classification of the customers. A risk rate is calculated for the expected credit loss for each segment.

FINANCIAL LIABILITIES

The Company determines the classification of its financial liabilities upon initial recognition. As of the reporting date, it had solely liabilities in the "measured at amortised cost" category.

Financial liabilities are initially recognised at fair value and, in the case of loans, plus directly attributable transaction costs. They are subsequently remeasured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process using the effective interest method. Amortised cost is calculated taking into account any fees or costs that are an integral part of the effective interest rate. Amortisation calculated using the effective interest method is reported within financing expenses in the consolidated income statement. Financial liabilities are derecognised when the underlying obligation is settled, extinguished or cancelled.

N) INVENTORIES

The inventories reported in accordance with IAS 2 (Inventories) are recognised at the lower of cost and the net realisable amount. Historical cost is calculated on the basis of a weighed average. Production costs include all direct costs attributable to the production of goods and services for materials and printing costs as well as production-related overheads.

Net realisable amount represents the estimated selling price less costs to sell. The net realisable amount of work in progress is determined retroactively on the basis of the net realisable amount of the finished goods, taking into account the costs still to be incurred until completion. To account for inventory risks, value adjustments for excess stock are made to non-marketable inventories. To identify excess stocks, the age of the respective titles (based on the initial date of publication) is applied in addition to the historical sales volumes of the last few months.

The impairment is duly reversed if the reasons for recognising cease to apply.

O) PROVISIONS

In accordance with the criteria of IAS 37 (Provisions, Contingent Assets and Contingent Liabilities), provisions are recognised for uncertain obligations when it is considered probable in each case that an outflow of resources embodying future economic benefits will be required directly to settle a present obligation and the value of that obligation can be measured reliably, including in the form of estimates.

The provisions for returns relate to returns of publishing products. Customers are issued with credit notes covering the full invoice amount. In the case of novel booklets which distributed subject to non-physical returns, no goods are returned. Only the corresponding credit note is issued. The return rate adjusted for any special effects in the last two financial years is used as a basis for determining the provisions for returns. These are calculated separately for the individual areas. The chronological course of returns has been recorded statistically for several years and is largely stable over time. Accordingly, the provisions for returns can be estimated reliably. The liability is mostly settled within the first eight months after the reporting date. Experience shows that returns are completed within 18 months. No further revenues arose from the provisions set aside in the previous year, as the returns either occurred or are expected.

In the case of cash-settled share-based payments for the Executive Board, provisions (LTIP provisions) are recognised for the services received and measured at fair value upon initial recognition using an option pricing model in accordance with IFRS 2. Pending settlement of the liability, the fair value is remeasured on every reporting date and at the settlement date. The allocation is made on a pro rata basis over the vesting period. Any changes in fair value are reported through profit and loss within personal costs.

In the case of non-current provisions, the portion that will not be paid out until after more than one year and for which a reliable estimate of the payment amounts or dates is possible is recognised at the present value determined by using an interest rate appropriate in the light of market conditions and the settlement period.

P) RECOGNITION OF REVENUES AND EXPENSES

Bastei Lübbe primarily generates product and licensing revenues. Revenues are recognised in accordance with IFRS 15 at the time at which the promised goods as well as rights and licences are transferred to the customer, i.e. when the Group has fulfilled its performance obligation.

Revenues are recognised in the amount that Bastei Lübbe can expect to receive as consideration for the transfer. Discounts and taxes are deducted from revenues. Discounts granted on total sales are allocated to the respective products in proportion to their individual sales prices. Discounts granted on only certain products, on the other hand, are only allocated to such products.

Product revenues primarily arise from the sale of books, audio books and novel booklets to wholesalers and retailers. Relinquishment rights are recognised as assets. For products subject to a contractual right of return, adjustments are made to revenues on the basis of historical data.

Revenues are also generated from the transfer of exploitation rights for e-books and digital audio books via digital distribution portals and are recognised in the same way as revenues from the sale of products.

In addition, licensing income arises from the resale of purchased and previously exploited rights to licensees in Germany and other countries. Revenues are recognised in accordance with the terms of the underlying contract, generally upon the transfer of the exploitation rights.

Other income is recognised when the economic benefits associated with the transaction are probable and the amount can be measured reliably. Operating expenses are taken to the income statement upon the service in question being used or as of the date on which they occur.

Interest income and expenses are recognised using the effective interest method. Interest expenses include interest expenses on loans and factoring as well as discount factor unwind effects on non-current liabilities and lease liabilities.

Dividends and impairments on financial investments are reported in the share or profit of associates. Dividends are recognised through profit and loss when the legal claim to payment arises. This is the point in time at which it is probable that the economic benefits will flow to the Group and the income can be reliably measured.

Q) INCOME TAXES

Tax expenses include current income taxes paid or owed as well as deferred taxes. Current income taxes, including refund claims and liabilities, are calculated on the basis of the applicable laws and regulations.

Deferred taxes are recognised on temporary differences between the carrying amounts of assets and liabilities in the IFRS statement of financial position and the tax balance sheet. They are calculated on the basis of the individual tax rates expected to apply as of the date of realisation in accordance with the tax legislation in force or enacted as of the reporting date.

Deferred tax assets are only recognised to the extent that it appears sufficiently certain that the temporary differences will actually reverse with an effect on tax.

If deferred taxes relate to transactions that are recognised directly in equity or in other comprehensive income, they are also recognised directly in equity or in other comprehensive income. Otherwise, they are always recognised through profit or loss.

4. COMPANIES CONSOLIDATED AND SHAREHOLDINGS

The following table sets out the Group's main subsidiaries in the 2024/2025 financial year.

FULLY CONSOLIDATED COMPANIES

		Share held	
	Domicile	**31 March 2025**	**31 March 2024**
Moravská Bastei MOBA s.r.o. (Moba)[1)]	Brno, Czech Republic	89.76%	89.76%
CE Community Editions GmbH	Cologne	100.00%	100.00%
Business Hub Berlin UG	Berlin	100.00%	100.00%

1) Different financial year from 1 January 2024 until 31 December 2024 included in the consolidated financial statements

The shares in Moravská Bastei MOBA s.r.o., Business Hub Berlin UG and CE Community Editions GmbH are allocated to the "Book" segment. Moravská Bastei MOBA s.r.o. distributed a dividend in the year under review as well as in the previous year. Other than this, there were no dividend payments from the other fully consolidated subsidiaries in the previous two financial years. A profit and loss transfer agreement was entered into between CE Community Editions GmbH and the Parent Company Bastei Lübbe AG in the 2023/2024 financial year. An amount of EUR 1,124k was transferred to the Parent Company for the 2024/2025 financial year.

NON-CONTROLLING INTERESTS

There are significant non-controlling interests in the following subsidiaries:

		Shares held by non-controlling shareholders	
	Domicile	**31 March 2025**	**31 March 2024**
Moravská Bastei MOBA s.r.o.[1)]	Brno, Czech Republic	10.24%	10.24%

1) Different financial year from 1 January 2024 until 31 December 2024 included in the consolidated financial statements

The following table sets out summarised financial information on the above-mentioned subsidiaries (before intercompany eliminations):

	Moba	
EUR k	**31 December 2024**	**31 December 2023**
Non-current assets	91	64
Current assets	2,656	2,607
Non-current liabilities	–	–
Current liabilities	507	458
Net assets	2,240	2,213
Net assets attributable to non-controlling interests	228	226
Revenues	2,663	2,799
Total profit/loss for the period	662	707
Total profit/loss attributable to non-controlling interests	68	72

NON-CONSOLIDATED SUBSIDIARIES AND OTHER INVESTMENTS

Subsidiaries and associates are not included in the consolidated financial statements if they are of only minor importance for the assessment of the Group's net assets, financial position and results of operations – both individually and in their entirety – due to their size or insignificant economic activity, or because the Parent Company – with the exception of statutory minority rights – does not have any contractual or other rights allowing it to exert a significant influence on the company.

The shares in non-consolidated affiliated companies (share of more than 50%) reported within financial assets are as follows as of the reporting date:

EUR k	Domicile	Share held	Equity	Net profit/loss for the year
Siebter Himmel Bastei Lübbe GmbH[1)]	Cologne	100%	404	57
Bastei Ventures GmbH[2)]	Cologne	100%	-2	-3

1) Figures taken from annual financial statements as of 31 March 2024
2) Figures taken from preliminary annual financial statements as of 31 December 2024

Shares in non-consolidated companies (share of between 20% and 50%):

EUR k	Domicile	Share held	Equity	Net profit/loss
Räder GmbH1)	Bochum	20%	2,062	4,798

1) Figures taken from annual financial statements as of 31 December 2023

Bastei Lübbe AG does not exert any significant influence on Räder GmbH. There are no material transactions between the company and Bastei Lübbe AG. Bastei Lübbe AG does not perform any management duties and has no influence on the company's decision-making processes.

The other investments reported under financial assets (share of less than 20%) consist of one investment (less than 5%) in "GROSSO" press distribution companies.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5. INTANGIBLE ASSETS

EUR k	Goodwill	Title and trademark rights	Software	Prepayments made	Total
Historical cost					
Amount on 1 April 2023	5,671	5,805	7,615	345	19,436
Additions	–	–	382	259	641
Disposals	–	-3,496	-1	-35	-3,532
Currency translation differences	–	–	-1	–	-1
Amount on 31 March 2024	**5,671**	**2,310**	**7,994**	**569**	**16,544**
Cumulative amortisation and impairment losses					
Amount on 1 April 2023	1,727	2,492	7,013	–	11,232
Depreciation and amortisation	–	312	328	–	640
Impairment losses	–	977	–	–	977
Disposals	–	-2,751	-1	–	-2,752
Currency translation differences	–	–	-1	–	-1
Amount on 31 March 2024	**1,727**	**1,030**	**7,338**	**–**	**10,096**
Carrying amounts					
Amount on 1 April 2023	3,943	3,313	602	345	8,204
Amount on 31 March 2024	**3,943**	**1,279**	**656**	**569**	**6,448**
Historical cost					
Amount on 1 April 2024	5,671	2,310	7,994	569	16,544
Additions	–	134	972	–	1,106
Reclassifications	–	–	569	-569	–
Currency translation differences	–	–	-1	–	-1
Amount on 31 March 2025	**5,671**	**2,444**	**9,535**	**–**	**17,650**
Cumulative amortisation and impairment losses					
Amount on 1 April 2024	1,727	1,030	7,338	–	10,096
Depreciation and amortisation	–	161	566	–	727
Amount on 31 March 2025	**1,727**	**1,191**	**7,904**	**–**	**10,822**
Carrying amounts					
Amount on 1 April 2024	3,943	1,279	656	569	6,448
Amount on 31 March 2025	**3,943**	**1,253**	**1,631**	**–**	**6,827**

As of the reporting date, the carrying amounts of goodwill are allocated to the corresponding cash-generating units and segments as follows:

EUR k	31 March 2025	31 March 2024
Book		
Community Editions	3,908	3,908
Eichborn	35	35
Total	**3,943**	**3,943**

In the case of goodwill, the capitalised carrying amounts are tested once a year for impairment in accordance with IAS 36 and in the event of triggering events on the basis of cash-generating units.

In the case of goodwill, the capitalised carrying amounts are tested once a year for impairment in accordance with IAS 36 and in the event of triggering events on the basis of cash-generating units.

The key assumptions used for estimating the recoverable amount are presented below. The recoverable amount was determined by calculating the value in use using cash flow projections on the basis of financial plans approved by the Executive Board for a detailed planning period of three years and on scenarios derived from these. The values assigned to the key assumptions represent the Executive Board's assessment of future developments and are based on historical data obtained from external and internal sources. Under the Company's assumptions, the growth rates do not exceed the long-term average growth rates of the business segment in which the respective cash-generating unit operates. Average annual revenue growth in the upper single-digit range is expected for the Community Editions cash-generating unit until the commencement of the perpetual annuity. In the same period, an average EBITDA increase of around 15% and an EBITDA margin in the low double-digit percentage range is projected. In connection with the calculation of the value in use of the cash-generating units, the greatest estimation uncertainties relate to the budgeted revenues, the EBITDA margin as well as the growth rate of the perpetual annuity and discount rates.

Cash-generating unit	Community Editions
Measurement date	31 March 2025
Revenue growth p.a. after the end of the planning period	1.0%
Discount rate (before taxes)	10.87%
Discount rate (after taxes)	7.34%
Carrying amount (EUR k)	6,530
Recoverable amount (EUR k)	7,352
Difference between value in use and carrying amount (EUR k)	822
Change in the EBIT margin in the perpetual annuity causing the value in use to equal the carrying amount	-0.62 percentage points
Change in the growth rate causing the value in use to equal the carrying amount	-0.74 percentage points
Change in WACC causing the value in use to equal to the carrying amount	0.62 percentage points

The planned EBIT margin for Community Editions, which is adjusted for risks through the inclusion of several scenarios, is based on expected future revenues and earnings. These are derived from programme portfolios consisting of titles that have already been acquired as well as target programme portfolios and past business experience. Revenue growth was mainly planned on the basis of the increase in the number of titles as well as business expansion. Sales planning is based on historical volume sales data for comparable titles.

With the exception of goodwill, there are no intangible assets with indefinite useful lives.

Other intangible assets mainly include title rights and trademarks totalling EUR 301k (previous year: EUR 243k) as of the reporting date, which are amortised over a useful life of 15 years. The hidden reserves on the acquired brands and domains that were recognised as assets in connection with purchase price allocation for Community Editions and smarticular, which are also amortised over a useful life of 15 years, amounted to EUR 952k as of the reporting date (previous year: EUR 1,036k). Depreciation, amortisation and impairment losses are presented in the consolidated income statement within the item entitled “Amortisation and depreciation”.

6. AUTHOR ADVANCES

EUR k	Author advances	Prepayments made	Total
Historical cost			
Amount on 1 April 2023	122,121	6,150	128,271
Additions	9,368	2,426	11,794
Disposals	-1,130	-139	-1,269
Reclassifications	1,716	-1,716	–
Currency translation	-8	–	-8
Amount on 31 March 2024	**132,068**	**6,720**	**138,788**
Cumulative amortisation and impairment losses			
Amount on 1 April 2023	104,134	206	104,340
Depreciation and amortisation	15,945	–	15,945
Impairment losses	24	88	111
Reversals of impairment losses	-1,393	–	-1,393
Disposals	-806	-70	-876
Reclassifications	1,100	–	1,100
Currency translation	-7	–	-7
Amount on 31 March 2024	**118,996**	**224**	**119,219**
Carrying amounts			
Amount on 1 April 2023	17,988	5,943	23,931
Amount on 31 March 2024	**13,072**	**6,497**	**19,569**

Historical cost			
Amount on 1 April 2024	132,068	6,720	138,788
Additions	16,042	3,206	19,248
Disposals	-790	-97	-887
Reclassifications	5,531	-5,531	–
Currency translation	-6	–	-6
Amount on 31 March 2025	**152,845**	**4,298**	**157,143**
Cumulative amortisation and impairment losses			
Amount on 1 April 2024	118,996	224	119,220
Depreciation and amortisation	11,655	–	11,655
Impairment losses	244	13	257
Reversals of impairment losses	-343	-30	-373
Disposals	-790	-38	-828
Currency translation	-6	–	-6
Amount on 31 March 2025	**129,756**	**169**	**129,924**
Carrying amounts			
Amount on 1 April 2024	13,072	6,497	19,569
Amount on 31 March 2025	**23,089**	**4,129**	**27,218**

In the year under review, impairment losses of EUR 257k (previous year: EUR 111k) were recognised where it was assumed that the present value of the expected future net income before royalty expenses for the title concerned would not cover the amount still recognised as an asset. In the year under review, remeasurement gains of EUR 373k (previous year EUR 1,393k) were recognised on author advances and prepayments for which impairments had previously been recognised where it was assumed that future recoupable sales-based royalties for the manuscripts concerned would cover the amounts still recognised as an asset. Significant portions of impairment losses and remeasurement gains are based on changes in the estimates of future expected revenues. Income from remeasurement gains on royalties is not only due to a reduced WACC or changed planning assumptions, but also to the fact that the residual carrying amount of a manuscript has dropped as a result of monthly success-tied depreciation, necessitating a corresponding correction.

7. PROPERTY, PLANT AND EQUIPMENT (INCLUDING RIGHT-OF-USE ASSETS)

EUR k	Land and buildings	Technical equipment and machinery	Operating and business equipment	Advance payments on assets under construction	Total
Historical cost					
Amount on 1 April 2023	12,004	38	6.102	–	18,144
Additions	233	–	805	53	1,091
Disposals	–	–	-444	–	-444
Currency translation differences	–	–	-3	–	-3
Amount on 31 March 2024	**12,237**	**38**	**6.460**	**53**	**18,788**
Cumulative amortisation and impairment losses					
Amount on 1 April 2023	5,474	38	5.324	–	10,837
Depreciation and amortisation	1,083	–	875	–	1,958
Impairment	23	–	–	–	23
Disposals	–	–	-441	–	-441
Currency translation differences	–	–	-3	–	-3
Amount on 31 March 2024	**6,581**	**38**	**5.755**	**–**	**12,374**
Carrying amounts					
Amount on 1 April 2023	6,529	–	778	–	7,307
Amount on 31 March 2024	**5,656**	**–**	**705**	**53**	**6,414**
Historical cost					
Amount on 1 April 2024	12,237	38	6,460	53	18,788
Additions	705	–	1,260	19	1,984
Disposals	-217	–	-844	–	-1,060
Reclassification	–	–	22	-22	–
Currency translation differences	–	–	-3	–	-3
Amount on 31 March 2025	**12,725**	**38**	**6,896**	**50**	**19,708**
Cumulative amortisation and impairment losses					
Amount on 1 April 2024	6,581	38	5,755	–	12,374
Depreciation and amortisation	1,157	–	584	–	1,741
Disposals	-182	–	-809	–	-991
Currency translation differences	–	–	-2	–	-2
Amount on 31 March 2025	**7,556**	**38**	**5,528**	**–**	**13,122**
Carrying amounts					
Amount on 1 April 2024	5,656	–	705	53	6,414
Amount on 31 March 2025	**5,169**	**–**	**1,368**	**50**	**6,587**

In the year under review, impairment losses of EUR 0k (previous year: EUR 23k) were recognised. All depreciation of property, plant and equipment is included under “Depreciation and amortisation” in the consolidated income statement.

Property, plant and equipment include right-of-use assets of EUR 5,171k (previous year: EUR 5,968k) in connection with leased assets.

As in the previous year, property, plant and equipment are not used as collateral for the Group's own liabilities (with the exception of the usual retention of ownership rights for supplier liabilities).

8. FINANCIAL ASSETS

EUR k	**31 March 2025**	**31 March 2024**
Non-current (financial) assets		
Other investments	15,187	15,187
Shares in affiliated companies	81	106
	15,268	**15,293**
Current		
Creditors with debit accounts	180	99
Loan receivable from affiliated companies	149	–
Others	13	47
	342	**146**

Shares in affiliated companies are not consolidated as they are of minor importance for the Group's net assets, financial condition and results of operations.

The investment in Räder GmbH is accounted for using the equity method and measured at fair value through other comprehensive income (FVOCI). The investment is not held for trading purposes.

As of 31 March 2025, the share in Räder GmbH had a fair value of EUR 15,100k (previous year: EUR 15,100k). A dividend of EUR 1,000k (previous year: EUR 1,200k) was received in the year under review.

Current financial assets are due for settlement within one year.

9. INCOME TAX ASSETS AND LIABILITIES

The following income tax assets and liabilities are shown separately in the statement of financial position:

EUR k	**31 March 2025**	**31 March 2024**
Deferred tax assets	657	757
Income tax refund claims	439	309
Deferred tax liabilities	-301	-331
Income tax liabilities	-2,218	-613
Net amount	**-1,423**	**122**

As in the previous year, the current tax refund claims and tax liabilities mainly relate to domestic trade tax and corporate income tax.

The deferred taxes recognised can be allocated to the individual items of the statement of financial position according to their origin as follows:

EUR k	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	31 March 2025		31 March 2024	
Other intangible assets	462	309	617	336
Property, plant and equipment	155	–	129	–
Financial assets	–	–	16	–
Trade receivables	68	69	59	61
Other provisions	25	–	4	–
Financial liabilities	24	–	–	–
	734	**378**	**824**	**397**
Net amount	-77	-77	-67	-67
Carrying amounts	**657**	**301**	**757**	**331**

It is still assumed that the unused tax losses of Business Hub Berlin UG cannot currently be used. For this reason, the resulting deferred tax assets of EUR 299k were not recognised.

Deferred tax liabilities are offset against corresponding tax assets to the extent that they relate to the same taxable entity and the same taxation authority. The change in deferred taxes can be reconciled with the deferred taxes in the consolidated income statement as follows:

EUR k	31 March 2025		31 March 2024	
Deferred tax assets 1 April	757		1,285	
Deferred tax liabilities 1 April	-331	426	-705	580
Deferred tax assets 31 March	657		757	
Deferred tax liabilities 31 March	-301	356	-331	426
= change in the net amount		-70		-154
= Net deferred tax assets/liabilities as shown in the income statement		**-70**		**-154**

10. INVENTORIES

EUR k	31 March 2025	31 March 2024
Raw materials, supplies and consumables	117	95
Work in progress	457	450
Finished goods	16,196	13,425
Prepayments towards inventories	–	21
Inventories	**16,770**	**13,990**

Impairments of inventories amounted to EUR 34k in the year under review (previous year: EUR 244k). Inventories that relate to Bastei Lübbe AG and with the exception of customary retained ownership rights are used as collateral for the existing loan agreements.

11. TRADE RECEIVABLES

All trade receivables are due for settlement within one year and are reported under current assets.

The Group's credit risk is mainly influenced by the individual characteristics of the customers (credit rating). However, the Executive Board also takes into account the characteristics of the overall customer base, including the credit risk inherent in the sectors in which customers operate, as these factors may also influence the credit risk. In the reporting year, default estimates are derived on the basis of external ratings. Accordingly, there is a general allocation to the lifetime expected credit losses (stage 2), which is replaced by classification as 12-month expected credit losses (stage 3) if there is objective evidence of a credit loss.

Trade receivables break down as follows:

EUR k	31 March 2025	31 March 2024
Trade receivables		
Trade receivables from third parties	28,147	20,001
Lifetime expected credit losses (level 2)	-211	-193
Individual loss allowances (level 3)	-787	-498
Total trade receivables	**27,148**	**19,310**

LOSS ALLOWANCES IN THE YEAR UNDER REVIEW

EUR k	2024/2025		2023/2024	
	Lifetime expected credit losses (level 2)	Individual value adjustments (level 3)	Lifetime expected credit losses (level 2)	Individual value adjustments (level 3)
Lifetime expected credit losses				
Amount at the start of period	193	498	197	385
Net revaluation	18	289	-4	114
Amount at the end of period	**211**	**787**	**193**	**498**

Lifetime expected credit losses for trade receivables (stage 2) as of 31 March 2025 break down by customer group as follows:

EUR k	Average default rate	Carrying amount	Lifetime expected credit losses
Wholesale book trade	0.4%	9,354	38
Digital portals	0.3%	9,872	33
Other retail book trade	1.1%	2,272	25
Other customers	2.0%	5,862	115
Total	**0.8%**	**27,360**	**211**

Disclosures on lifetime expected credit losses on trade receivables as of 31 March 2024 (stage 2):

EUR k	Average default rate	Carrying amount	Lifetime expected credit losses
Wholesale book trade	0.9%	5,701	53
Digital portals	0.6%	9,294	51
Other retail book trade	1.7%	1,325	22
Other customers	2.1%	3,183	67
Total	**1.0%**	**19,503**	**193**

Trade receivables are used as collateral for the Group's own liabilities on the reporting date. In addition, there is a negative pledge for all other assets, which excludes their use as collateral.

Until December 2024, there was a factoring agreement in force with VVA (Arvato Media GmbH, Bertelsmann subsidiary in Gütersloh), resulting in the derecognition of trade receivables. There is also a pre-financing arrangement with VVA, under which the Group similarly transfers trade receivables to VVA in exchange for a corresponding amount in cash. These receivables are not derecognised as, due to contractual provisions, essentially all risks and opportunities, primarily the credit risk, remain with the Group. The amounts received for (over)due receivables are recognised as a financial liability. Under the agreement with VVA, customers settle their liabilities by remittance to VVA directly. The receivables are held in a business model for the collection of cash flows, which is consistent with the amortised recognition of receivables. As of the reporting date, receivables of EUR 826k (previous year: EUR 470k) were transferred on a cash basis but not derecognised. There are financial liabilities of a matching amount.

12. OTHER RECEIVABLES AND ASSETS

EUR k	31 March 2025	31 March 2024
Assets from expected returns	1,582	1,502
VAT refund claims	886	712
Other accruals and deferrals	1,301	1,046
Others	56	58
Other receivables and assets	**3,826**	**3,318**

All amounts can be collected within one year.

13. CASH AND CASH EQUIVALENTS

EUR k	31 March 2025	31 March 2024
Cash at banks	9,221	18,360
Cash in hand	32	28
Cash and cash equivalents	**9,254**	**18,387**

This item is not subject to any ownership or alienation restrictions.

14. EQUITY

Since the IPO in October 2013, the Parent Company's share capital has consisted of 13,300,000 no-par value shares, each with a notional interest in the share capital of EUR 1.00, i.e. a total of EUR 13,300,000.00.

As of the reporting date, the Company had 99,900 treasury shares. The acquired shares may be used for all legally permissible purposes. Accordingly, as in the previous year, there were 13,200,100 issued and fully paid-up no-par Bastei Lübbe AG shares outstanding on the reporting date. As in the previous financial year, there were no changes in this regard during the period under review.

The Group share premium mainly includes the premium from the capital increase in 2013. Effective 31 March 2020, an amount of EUR 17,759,170.71 was reclassified as an unappropriated surplus in accordance with Section 150 (4) of the German Commercial Code.

The unappropriated surplus (including retained earnings) is made up of the net profit for the year plus the profit carried forward of the companies included in the consolidated financial statements except where a dividend has been distributed.

A dividend of EUR 3,960k was distributed to the equity holders of Bastei Lübbe AG in the year under review, equivalent to a payout of EUR 0.30 per share.

Other comprehensive income includes the reserve from investments in equity instruments and the foreign currency translation reserve.

Non-controlling interests relate to the shares held by the non-controlling shareholders of Moravská Bastei MOBA s.r.o.

15. EARNINGS PER SHARE

Earnings per share (EUR 0.86/share, previous year: EUR 0.66/share) are calculated by dividing the net profit for the period attributable to the shareholders of the Parent Company by the number of shares outstanding (13,200,100 shares) less treasury shares.

There was no dilution effect in the reporting year or in the previous year.

16. PROVISIONS

Movements in other provisions break down as follows:

EUR k	Amount on 1 April 2024	Reclassified	Utilised	Reversed	Added	Amount on 31 March 2025
Non-current						
Archiving costs	87	–	–	–	–	87
Provisions for anniversaries	96	–	-11	-1	12	96
LTIP provisions	304	-150	–	–	731	885
	487	**-150**	**-11**	**-1**	**743**	**1,068**
Current						
Returns	7,219	–	-7,219	–	7,636	7,636
LTIP provisions	378	150	-357	-22	289	439
	7,598	**150**	**-7,576**	**-22**	**7,925**	**8,075**
Provisions	**8,084**	**–**	**-7,587**	**-23**	**8,668**	**9,143**

17. FINANCIAL LIABILITIES

	Amount on 31 March 2025 of which due for settlement in				Amount on 31 March 2024 of which due for settlement in*			
EUR k	Total	Less than 1 year	More than 1 year, up to 5 years	More than 5 years	Total	Less than 1 year	More than 1 year, up to 5 years	More than 5 years
Liabilities (to/from)								
Banks	750	750	–	–	1,875	1,000	875	–
Lease liabilities	5,649	1,328	4,321	–	6,372	1,189	4,574	609
Employees	2,180	2,180	–	–	2,194	2,194	–	–
Debtors with credit balances	79	79	–	–	326	326	–	–
Prefinancing liabilities	826	826	–	–	470	470	–	–
Other	–	–	–	–	1	1	–	–
	9,484	**5,163**	**4,321**	**–**	**11,237**	**5,179**	**5,449**	**609**

* Previous year adjusted

Liabilities to employees mainly include short-term bonuses to the Executive Board and bonuses to other employees.

Pre-financing liabilities were reported within financial liabilities in the year under review. In the previous year, they had been reported within other liabilities.

18. TRADE PAYABLES

Trade payables (EUR 22,775k, previous year: EUR 20,397k) mainly relate to fees payable to authors and agencies, liabilities to printers and other publishers and liabilities under consulting services and rental agreements. The non-current liabilities of EUR 399k (previous year: EUR 627k) to licensors were discounted to their present value of EUR 380k (previous year: EUR 592k) as they are not subject to any interest.

19. OTHER LIABILITIES

EUR k	**31 March 2025**	**31 March 2024**
Liabilities (to/under)		
Employees	581	629
Other taxes	615	611
Deferred income	131	154
Prepayments received	13	93
Others*	171	226
Other liabilities	**1,510**	**1,712**

* Previous year adjusted

In addition to the amounts for which the Company is liable as a taxpayer, liabilities under other taxes include taxes paid for the account of third parties (particularly payroll and church tax).

All amounts reported are due for settlement in less than one year.

NOTES ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The consolidated income statement is organised by type of expense (total cost method). The following explanations and breakdowns relate to the items in the consolidated statement of comprehensive income.

20. REVENUES

	2024/2025			2023/2024		
EUR k	**Book**	**Novel booklets**	**Total**	**Book**	**Novel booklets**	**Total**
Physical	67,788	6,396	74,185	67,248	6,808	74,056
Digital	34,931	573	35,503	31,828	587	32,415
Other	4,239	83	4,322	3,821	38	3,859
Revenues	**106,959**	**7,051**	**114,010**	**102,897**	**7,433**	**110,330**

The physical revenues in the “Book” segment mainly comprise revenues of EUR 67,788k (previous year: EUR 67,248k) from the sale of physical books and audiobooks to retailers less discounts. They also include e-commerce revenues of EUR 3,104k (previous year: EUR 1,705k). Revenues from digital business in the “Book” segment comprise income of EUR 14,225k (previous year: EUR 14,127k) from the sale of e-books less discounts as well as sales of digital audiobooks of EUR 20,706k less discounts (previous year: EUR 17,701k). Other revenues in the “Book” segment mainly include licence revenues of EUR 3,712k (previous year: EUR 3,047k).

Physical revenues in the “Novel Booklets” segment are derived from sales of physical novel booklets via retailers and the segment’s own e-commerce shop of EUR 6,396k (previous year: EUR 6,808k). Revenues from digital business in the “Novel Booklets” segment come from the sale of e-books of EUR 573k (previous year: EUR 587k). Other revenues in the “Novel Booklets” segment mainly include license revenues of EUR 82k (previous year: EUR 37k).

21. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

	Amount		Changes in inventories	
EUR k	**31 March 2025**	**31 March 2024**	**2024/2025**	**2023/2024**
Work in progress	457	450	7	-80
Finished goods	16,196	13,425	2,771	1,104
			2,777	**1,025**
Currency translation differences			7	9
Total			**2,784**	**1,034**

22. OTHER OPERATING INCOME

EUR k	2024/2025	2023/2024
Income from reversals of impairments of author advances	373	1,393
Income from the reversal of loss allowances	36	77
Income from the derecognition of liabilities	162	398
Currency translation gains	39	19
Off-period income	12	96
Income from asset disposals	13	5
Income from the reversal of provisions	3	–
Other	57	69
Other operating income	**696**	**2,056**

23. COST OF MATERIALS

EUR k	2024/2025	2023/2024
Author royalties and amortisation of author royalties	31,872	33,717
Cost of services purchased	23,303	21,827
Cost of raw materials and supplies	344	366
Cost of materials	**55,519**	**55,910**

24. PERSONNEL EXPENSES

EUR k	2024/2025	2023/2024
Wages and salaries	19,311	18,328
Retirement benefits and other social security contributions	3,338	3,163
Personnel expenses	**22,649**	**21,491**

The employer contributions to statutory pension insurance amounted to EUR 1,489k in the year under review (previous year: EUR 1,444k).

25. SHARE-BASED PAYMENTS

Bastei Lübbe AG grants former and current members of the Executive Board share-based payments as defined by IFRS 2 in the form of a salary component. Under the agreements, the members of the Executive Board are entitled to collect a cash payment. The plan is structured in such a way that a number of virtual shares are issued in an amount equalling a contractually defined target on the grant date based on the average closing price of the Bastei Lübbe share over the 30 days prior to the respective start date (1 April), multiplied by a target achievement level as of the applicable reporting date. When the virtual shares are paid out, the period of activity in the respective three-year period is taken into account on a time-proportionate basis.

As of the reporting date, the following virtual shares had been issued to the current and former members of the Executive Board:

Number of virtual shares as of 31 March 2025	2022 - 2025	2023 - 2026	2024 - 2027
Soheil Dastyari, Chief Executive Officer	18,530	52,517	29,374
Mathis Gerkensmeyer, Chief Financial Officer	–	–	15,975
Sandra Dittert, Chief Marketing and Sales Officer	9,103	53,745	15,632
Simon Decot, Chief Programme Officer	8,777	30,712	17,178
Total	**36,410**	**136,973**	**78,159**

Number of virtual shares as of 31 March 2025	2022 - 2025	2023 - 2026	2024 - 2027
Joachim Herbst, Chief Financial Officer (1 August 2020 - 31 July 2023)	11,703	33,168	–
Total	**11,703**	**33,168**	**–**

The final number of virtual shares is linked to the achievement of a non-market target. The defined target achievement must be at least 75% and is capped at 150%. The number of virtual shares is adjusted at the end of the plan in accordance with average target achievement in the range of 0% - 150%. The share-based payments for the members of the Executive Board do not confer any right to claim shares in the Company.

The fair value of the virtual shares was determined using the Black-Scholes formula. Service and non-market performance conditions associated with the transactions were not considered in determining fair value. There are different provisions in the employment contracts relating to remuneration caps. With respect to the relevant allocations, the amount of the multi-year variable remuneration for the respective three-year period is capped at 375% and 250% respectively. The following parameters were used to determine the fair values on the grant date and the measurement date of the virtual shares.

Measurement parameters in accordance with IFRS 2	Grant date	Measurement date	Measurement date
	1 April 2023	**31 March 2025**	**31 March 2024**
Fair value of cap of 375% (in euros)	4.48	10.28	6.28
Fair value of cap of 250% (in euros)	4.27	8.06	5.83
Share price (in euros)	4.61	11.10	6.45
Expected volatility (weighted average, %)	42.6%	28.8%	35.5%
Expected term (in years)	3	1	2
Expected dividends (%)	7.4%	4.0%	5.3%
Risk-free interest rate (based on government bonds, %)	2.5%	2.2%	2.7%

Measurement parameters in accordance with IFRS 2	**Grant date**	**Measurement date**
	1 April 2024	**31 March 2025**
Fair value of cap of 375% (in euros)	6.36	10.61
Fair value of cap of 250% (in euros)	6.13	9.39
Share price (in euros)	6.45	11.10
Expected volatility (weighted average, %)	35.5%	30.9%
Expected term (in years)	3	2
Expected dividends (%)	6.8%	4.0%
Risk-free interest rate (based on government bonds, %)	2.4%	2.1%

The expected volatility is based on an assessment of the historical volatility of the Company's share price, particularly in the period corresponding to the expected term.

The total expenses under cash-settled share-based payments come to EUR 1,020k (previous year: EUR 549k).

The total carrying amount of the liabilities under share-based payments is EUR 1,324k (previous year: EUR 682k).

26. OTHER OPERATING EXPENSES

EUR k	**2024/2025**	**2023/2024**
Marketing expenses	7,462	6,819
Advertising	5,243	4,863
Legal, consulting and acquisition costs	1,890	2,261
IT expenses	2,524	2,281
Rents, leases and other costs of premises	699	752
Currency translation losses	27	27
Other expenses	2,909	2,689
Other operating expenses	**20,753**	**19,693**

27. DEPRECIATION AND AMORTISATION

EUR k	**2024/2025**	**2023/2024**
Systematic depreciation and amortisation		
Intangible assets	-727	-640
Property, plant and equipment	-1,741	-1,958
	-2,468	**-2,598**
Impairment losses		
Intangible assets	–	-977
Property, plant and equipment	–	-23
	–	**-1,000**
Total	**-2,468**	**-3,598**

Impairment losses on intangible assets and property, plant and equipment arise from impairment testing at Business Hub Berlin.

28. SHARE OF PROFIT OF ASSOCIATES

The share of profit of associates comprises dividends distributed by Räder GmbH (EUR 1,000k) and a dividend distributed by wholesale press distribution companies.

The business operations of Bastei Ventures GmbH i. L. were terminated due to a changed strategic focus. In this connection, an impairment of EUR 25k (previous year: EUR 0k) was recognised on financial assets.

29. INCOME FROM OTHER INVESTMENTS

EUR k	2024/2025	2023/2024
Income from other investments		
Interest income	222	252
Income from the remeasurement of the contingent purchase price liability	–	24
	222	**276**

30. FINANCING EXPENSE

EUR k	2024/2025	2023/2024
Financing expense		
Interest expense on bank loans	-124	-160
Interest expense on factoring	-410	-491
Interest expense lease liabilities	-321	-313
Other	8	-21
	-847	**-984**

31. INCOME TAXES

EUR k	2024/2025	2023/2024
Income taxes refunded, paid or owed		
for the current year	-5,053	-4,085
for previous years	35	-235
	-5,019	**-4,320**
Deferred taxes		
on temporary differences	-70	62
on change in unused tax losses	–	-216
	-70	**-154**
Total	**-5,089**	**-4,474**

Actual income tax expense can be reconciled with the expected tax expense for the reporting year as follows:

EUR k	2024/2025	2023/2024
Net profit before income taxes	16,491	13,271
Expected income tax expense (32.45%)	5,351	4,306
Differences in tax rates	-107	-75
Non-deductible operating expenses / tax-exempt income / special area	-247	-318
Trade tax corrections	39	45
Non-recognition of deferred tax assets	83	216
Taxes for prior years	-34	321
Adjustment for previous years	-7	–
Other	11	-21
Actual income tax expense	**5,089**	**4,474**

The tax rate corresponds to the tax rate of the Parent Company and, as in the previous year, is derived from the corporate income tax rate of 15% plus the solidarity surcharge of 5.5% and trade tax with an average assessment rate of 475%.

32. SHARE OF PROFIT FOR THE PERIOD ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

The share of profit of EUR 68k (previous year: EUR 72k) attributable to non-controlling interests relates to Moba.

OTHER DISCLOSURES

33. NOTES TO THE CASH FLOW STATEMENT

In accordance with IAS 7 (Statement of Cash Flows), the cash flow statement shows changes in cash and cash equivalents during the year under review as a result of cash inflows and outflows. The cash flow statement distinguishes between cash flows from operating activities (indirect method), investing activities and financing activities. The changes in author advances are included in the cash flow from operating activities. Cash and cash equivalents include cash on hand as well as bank balances with a remaining term of less than three months. They correspond to the item “Cash and cash equivalents” in the statement of financial position.

34. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

EUR k	Carrying amount on 31 March 2024	Recognised in the cash flow statement	Not recognised in the cash flow statement	Carrying amount on 31 March 2025
Liabilities to banks	1,875	-1,125	–	750
Lease liabilities	6,372	-1,288	564	5,649
Total	**8,247**	**-2,413**	**564**	**6,399**

EUR k	Carrying amount on 31 March 2023	Recognised in the cash flow statement	Not recognised in the cash flow statement	Carrying amount on 31 March 2024
Liabilities to banks	2,750	-875	–	1,875
Lease liabilities	6,914	-1,242	700	6,372
Total	**9,664**	**-2,117**	**700**	**8,247**

35. SEGMENT REPORT

Segment reporting reflects the internal management and reporting structures. For the purposes of corporate management, the Bastei Lübbe Group is divided into business units according to products or their distribution channels. The business units are each monitored by the Executive Board on the basis of EBIT. Group financing (including finance expenses and income) and income taxes are managed on a Group-wide basis and are not allocated to the individual business segments. The transfer prices between the business segments are determined on an arm’s length basis.

BOOK

The “Book” segment includes all printed book products as well as the digital e-books and audio products of Bastei Lübbe AG. The products are sold under various labels, including hardcover and paperback. The segment also includes Moravská Bastei MoBa s.r.o. and CE Community Editions GmbH.

NOVEL BOOKLETS

The “Novel Booklets” segment is composed of the physical and digital novel booklets (including women’s novels and suspense stories).

The segments were as follows in the year under review:

	Book		Novel booklets		Group	
EUR k	**2024/ 2025**	**2023/ 2024**	**2024/ 2025**	**2023/ 2024**	**2024/ 2025**	**2023/ 2024**
Segment revenues	107,429	103,366	7,051	7,433	114,480	110,799
Internal revenues	-470	-469	–	–	-470	-469
External sales	106,959	102,897	7,051	7,433	114,010	110,330
EBITDA	**18,551**	**16,427**	**1,058**	**1,151**	**19,609**	**17,577**
Depreciation and amortisation/impairment of intangible assets and property, plant and equipment	-2,310	-3,427	-158	-172	-2,468	-3,598
Impairment/remeasurement gains of financial assets	-25	–	–	–	-25	–
EBIT	**16,216**	**13,000**	**900**	**979**	**17,116**	**13,979**
This includes the following significant non-cash items:						
Impairments of other intangible assets and property, plant and equipment	–	-1,000	–	–	–	-1,000
Impairments of the authors' fees	-257	-111	–	–	-257	-111
Reversion of impairments of author royalties	373	1,393	–	–	373	1,393
Impairments of inventories	-184	–	–	–	-184	–

Transactions between the segments mainly comprise intra-segment revenues and are generally conducted on arm's length terms.

The following table breaks down the segment revenues geographically:

	Germany		International		Total	
EUR k	**2024/2025**	**2023/2024**	**2024/2025**	**2023/2024**	**2024/2025**	**2023/2024**
External revenues	89,327	83,892	24,683	26,438	114,010	110,330

The revenues are allocated to the regions according to the location of the customer. International revenues are mainly generated in Austria, Luxembourg and Switzerland.

The Bastei Lübbe Group generates more than 20% of its revenues with its largest customer. The total revenues generated with this customer stand at EUR 30,009k and relate to the "Book" segment.

Segmentation of assets, liabilities and investments on the basis of the operating segments is dispensed with, as these performance indicators are not used for management purposes at the segment level. Segment assets and liabilities are predominantly located in Germany.

36. CAPITAL MANAGEMENT

The Group's capital management ensures that the objectives and strategies can be achieved in the interests of its shareholders and employees. It focuses on maximising the return on equity. The aim is to increase the value of the Group and its divisions as far as possible for the benefit of all of its stakeholders.

As part of capital management, the Executive Board strives to achieve a strong equity base to reinforce the confidence of current and potential investors and contractual partners in the sustainability of Bastei Lübbe's business activities and to guarantee the future development of its business. One of Bastei Lübbe AG's aims is also to pursue a dividend policy aligned to continuity in which the shareholders are able to participate in the Company's success through a dividend ratio of 40 to 50% of the Group's distributable profit as long as this is warranted by the Group's funding and earnings situation and its long-term sustainable business performance. Employee participation in the form of employee share schemes has so far been dispensed with.

The following key figures are of particular importance for capital management:

- Group equity ratio and EBIT
- Bastei Lübbe AG's equity and EBIT
- Ratio of net debt to Group EBITDA

EBIT corresponds to reported operating profit plus the share of profit of associates, while EBITDA additionally includes depreciation and amortisation expense.

Bastei Lübbe generally strives for an equity ratio of greater than 40% and a ratio of net debt (liabilities to banks less cash and cash equivalents) to consolidated EBITDA (= gearing) of 2.5 or less. The Group equity ratio stood at 60.3% as of 31 March 2025; the gearing was zero as of the same date as there were no net financial liabilities as of the reporting date. As of 31 March 2025, net financial assets (cash and cash equivalents less liabilities to banks) were valued at EUR 8,504k and EBITDA at EUR 19,609k.

In the previous financial year, Bastei Lübbe had used a factoring facility of EUR 10,000k for cash management purposes and factored receivables for the last time in December 2024. Since then, factoring operations have been discontinued. In addition, it has a currently unused working capital facility of EUR 10,000k.

Under the existing loan agreements, covenants were defined and must be adhered to so as to ensure that the required financial resources can be obtained on the agreed terms. This entails a contractually agreed definition of gearing (adjusted financial liabilities / adjusted EBITDA) at the Group level. Bastei Lübbe achieved the target financial indicators in the year under review.

37. FINANCIAL INSTRUMENTS

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table sets out the carrying amounts and fair values of the financial instruments by type and breaks them down into the different categories of financial instruments in accordance with IFRS 9 as of 31 March 2025 and 31 March 2024.

			Measured in accordance with IFRS 9			
EUR k	**Measure-ment category in accordance with IFRS 9**	**Carrying amount on 31 March 2025**	**At amortised cost**	**At fair value through other compre-hensive income**	**At fair value through profit and loss**	**Fair value on 31 March 2025**
Assets						
Cash and cash equivalents	AC	9,254	9,254	–	–	–
Trade receivables	AC	27,148	27,148	–	–	–
Other originated financial assets	AC	342	342	–	–	–
Investments in associates	FVOCI (Level 3)	15,100	–	15,100	–	15,100
Investments in associates	FVPL (Level 3)	168	–	–	168	168
Equity and liabilities						
Trade payables	AC	22,775	22,775	–	–	–
Liabilities to banks	AC	750	750	–	–	–
Lease liabilities*	n/a	5,649	–	–	–	–
Other originated financial liabilities	AC	3,085	3,085	–	–	–

* Measured in accordance with IFRS 16

			Measured in accordance with IFRS 9			
EUR k	**Measure-ment cate-gory in accord-ance with IFRS 9**	**Carrying amount on 31 March 2 024**	**At amor-tised cost**	**At fair value through other compre-hensive income**	**At fair value through profit and loss**	**Fair value on 31 March 2024**
Assets						
Cash and cash equivalents	AC	18,387	18,222	–	–	–
Trade receivables	AC	19,310	19,310	–	–	–
Other originated financial assets	AC	146	146	–	–	–
Investments in associates	FVOCI (Level 3)	15,100	–	15,100	–	15,100
Investments in associates	FVPL (Level 3)	193	–	–	193	193
Equity and liabilities						
Trade payables	AC	20,397	20,397	–	–	–
Liabilities to banks	AC	1,875	1,875	–	–	–
Lease liabilities[1]	n/a	6,372	–	–	–	–
Other originated financial liabilities[2]	AC	2,990	2,990	–	–	–

[1] Measured in accordance with IFRS 16
[2] Previous year adjusted

The methods and assumptions used to determine the fair values are as follows:

- Cash, trade receivables, other current receivables and assets, trade payables, current liabilities to banks and other current liabilities are very close to their carrying amount mainly due to the short-dated maturities of these instruments.
- The fair value of the equity instruments is determined using valuation models as there are no listed market prices in an active market. These measurement models apply observable market data rather than specific company data as far as possible.

FAIR VALUE HIERARCHY

Bastei Lübbe uses the following hierarchy to determine and report fair values:

- Level 1: Prices quoted in active markets for similar assets or liabilities (such as share prices).
- Level 2: Inputs, other than prices within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Valuation techniques for which any significant input is not based on observable market data.

The fair value of all financial instruments recognised in the statement of financial position and disclosed in these notes is determined on the basis of valuation techniques, which also include non-observable inputs as material parameters. For this reason, they are assigned to Level 3.

MEASUREMENT OF FINANCIAL INSTRUMENTS AT FAIR VALUE

The fair value of the 20% share held in Räder GmbH is calculated using the discounted cash flow (DCF) method. The fair value calculation was based on Räder GmbH’s earnings forecast for the financial years 2025 to 2029; assumptions were made regarding sustainable growth and margins for the financial years 2030 and beyond (“perpetual annuity”) and the forecast EBIT was reconciled with the free cash flows to be discounted. The enterprise value was derived on the basis of the free cash flows to be discounted and the weighted average cost of capital (WACC) of 6.7% and a sustainable growth rate of 1.0%. As this company has neither financial liabilities nor excess liquidity, the enterprise value corresponds to the equity value of Räder GmbH.

In addition, a marketability discount in the low double-digit percentage range was applied to the equity value to derive the fair value of the 20% shareholding in Räder GmbH. This reflects the lower marketability of the non-controlling interest compared to shares in listed peer-group companies.

In addition, the fair value determined was verified using the multiple method of valuation. To this end, an EBIT multiple was derived from the capital market data for listed peer-group companies (trading multiples) as well as comparable transactions by comparable peer groups (transaction multiples). The fair value calculated for the 20% share held by Bastei Lübbe in the company was verified on the basis of its enterprise value, which had been calculated as the product of the EBIT multiple and Räder GmbH’s risk-adjusted EBIT forecast for 2025, less a marketability discount.

Räder’s revenues and EBIT were lower in 2024 compared to the previous year due to persistent consumer restraint as well as the loss of a supplier. It is assumed that the economic environment will return to normal from 2025 and that revenues and EBIT will recover. Pending the commencement of the perpetual annuity, an increase in revenues in the mid double-digit percentage range and a comparable improvement in EBITDA are expected, both of which have already been achieved in the past.

The carrying amount of the 20% interest with a total value of EUR 15.1 million remains within the calculated range.

The greatest estimation uncertainties in connection with the calculation of the fair value of the 20% share in Räder GmbH arise from the budgeted revenue, the EBITDA margin and the growth rate of the perpetual annuity, discount rates and the marketability discount:

Measurement methods	**Material Input factors**	**Impact of changes in inputs on the fair value**
DCF model	Revenue volume in perpetual annuity	An increase (decrease) of the revenue volume in perpetuity of 10% points would lead to an increase (decrease) in the fair value of EUR 1.4 million.
	EBITDA margin of the perpetual annuity	An increase (decrease) of 5% percentage points would result in an increase (decrease) of EUR 3.0 million in the fair value.
	Growth rate of perpetual annuity	An increase (decrease) of 0.5 percentage points would result in an increase (decrease) of EUR 1.1 million in the fair value.
	WACC	An increase (decrease) of 0.5 percentage points would result in a decrease (increase) of EUR 1.5 million in the fair value.
	Discount for reduced marketability	An increase (decrease) of 5% percentage points would result in a decrease (increase) of EUR 1.1 million in the fair value.

NET GAINS OR LOSSES

The net measurement gains and losses in the respective categories of financial instruments according to IFRS 9 for the reporting period are shown in the following table:

	From interest	From subsequent measurement		
EUR k		**Change in fair value**	**Loss allowance**	**Net gain/ loss**
Financial assets measured at amortised cost (AC)	–	–	-307	-307
Financial assets at fair value through profit or loss (FVPL)	–	–	-25	-25
Financial liabilities measured at amortised cost (AC)	-12	–	–	-12

The net results of the respective categories of financial instruments according to IFRS 9 for the previous year are shown in the following table:

	From interest	From subsequent measurement		Miscellaneous
EUR k		**Change in fair value**	**Loss allowance**	**Net result**
Financial assets measured at amortised cost (AC)	–	–	-110	-110
Financial liabilities measured at amortised cost (AC)	-35	–	–	-35
Financial liabilities at fair value through profit and loss (FVPL)	–	24	–	24

38. FINANCIAL RISK MANAGEMENT

Bastei Lübbe’s financial instruments are exposed to credit, liquidity, currency and interest rate risks. The task of financial risk management is to limit these risks through targeted activities.

CREDIT RISK

Credit risks in connection with trade receivables are partially hedged at Bastei Lübbe in the form of trade credit insurance. Compliance with the respective trade credit limit for trade receivables from physical products is monitored in monthly intervals. There is essentially one main customer in the “Novel Booklets” segment. The receivables are not covered by trade credit insurance. These receivables are regularly checked for compliance with the agreed payment terms.

The books sold are delivered via VVA (Arvato Media GmbH, Bertelsmann subsidiary in Gütersloh). VVA provides this service for a large number of publishers, including the Random House Group. VVA has its own risk management system that monitors the creditworthiness of the individual debtors based on the total payments. VVA issues regular and timely warnings to its contractual partners, including Bastei Lübbe, if there is any change or deterioration in the payment practices of individual customers. In consultation with Bastei Lübbe, further deliveries to these customers are suspended. VVA’s receivables were purchased for the final time in December 2024. Factoring operations were terminated effective 31 December 2024.

The maximum credit risk for financial assets equals the carrying amounts of the financial assets in question.

LIQUIDITY RISK

The liquidity required by Bastei Lübbe was secured primarily through a working capital facility of EUR 10,000k as of the reporting date. Daily planning of incoming and outgoing payments provides an ongoing daily overview of liquidity requirements. Potential liquidity risks may arise in particular from the loss of significant incoming payments, delays in payment inflows or unplanned, short-term payments. There is also a risk that existing financing agreements will not be extended or will only be continued subject to changed conditions.

The following analysis of the contractual settlement dates for trade payables and financial liabilities can be used to assess the liquidity risk:

		Amount on 31 March 2025 Undiscounted cash outflows		
EUR k	**Carrying amount**	**Total**	**Less than 1 year**	**1-5 years**
Trade payables	22,775	22,794	21,100	1,694
Liabilities to banks	750	750	750	–
Lease liabilities	5,649	6,255	1,571	4,684
Other originated financial liabilities	3,085	3,085	3,085	–
Total	**32,258**	**32,883**	**26,506**	**6,378**

		Amount on 31 March 2024 Undiscounted cash outflows			
EUR k	**Carrying amount**	**Total**	**Less than 1 year**	**1 - 5 years**	**More than 5 years**
Trade payables	20,397	20,397	19,805	592	–
Liabilities to banks	1,875	1,982	1,209	773	–
Lease liabilities	6,372	7,292	1,490	5,183	618
Other originated financial liabilities*	2,990	2,990	2,990	–	–
Total	**31,634**	**32,661**	**25,495**	**6,548**	**618**

*) Previous year adjusted

In addition to the carrying amounts of the liabilities, the gross inflows/outflows particularly include future interest payment obligations.

FOREIGN CURRENCY RISK

A change in any exchange rate beyond this within an expected fluctuation range would not have any material effect on the Group’s net assets, financial position and results of operations.

INTEREST RATE RISK

Bastei Lübbe has only fixed or low-interest financial assets and financial liabilities. A change in interest rates within the expected fluctuation range would therefore not have any significant impact on the consolidated result.

In addition, Bastei Lübbe has variable-interest financial liabilities. Accordingly, there is also a risk that the variable interest rate may change due to changed market conditions. An increase of 1 percentage point in interest rates would cause interest expense to rise by around EUR 4k.

39. LEASES

The Group mainly leases office space, IT equipment and vehicles. Some leases provide for additional rental payments based on the change in local price indices.

The Bastei Lübbe Group has a number of real estate leases that include options to extend or terminate the lease. Most of these options can only be exercised by the Group companies and not by the lessor in question.

Most of the options to extend the leases of road vehicles, warehouse vehicles and operating and business equipment have not been included in the determination of the duration of the respective lease and, hence, the lease liability as it is possible for the Group to replace these assets without any material costs or disruptions.

In the year under review, the right-of-use asset and the lease liability for the office building (including rented parking spaces) were remeasured to reflect an increase in the lease payments linked to a consumer price index. Other than this, there were no material changes as a result of the remeasurement of leases or modifications and adjustments to the lease durations.

Right-of-use assets in connection with the leases are reported within property, plant and equipment.

EUR k	Land and buildings	Operating and office equipment	Total
Historical cost			
Amount on 1 April 2023	10,382	999	11,381
Additions	214	504	718
Disposals	–	-386	-386
Amount on 31 March 2024	**10,596**	**1,117**	**11,713**
Cumulative amortisation and impairment losses			
Amount on 1 April 2023	3,945	836	4,782
Depreciation and amortisation	1,014	313	1,327
Impairment losses	23	–	23
Disposals	–	-386	-386
Amount on 31 March 2024	**4,983**	**763**	**5,745**
Carrying amounts			
Amount on 1 April 2023	6,437	163	6,600
Amount on 31 March 2024	**5,613**	**354**	**5,968**
Historical cost			
Amount on 1 April 2024	10,596	1,117	11,713
Additions	381	210	590
Disposals	-217	-697	-913
Amount on 31 March 2025	**10,760**	**630**	**11,390**
Cumulative amortisation and impairment losses			
Amount on 1 April 2024	4,983	763	5,745
Depreciation and amortisation	1,130	221	1,351
Disposals	-182	-696	-877
Amount on 31 March 2025	**5,931**	**288**	**6,219**
Carrying amounts			
Amount on 1 April 2024	5,613	354	5,968
Amount on 31 March 2025	**4,829**	**342**	**5,171**

Amounts recognised in the income statement:

EUR k	**2024/2025**	**2023/2024**
Depreciation of right-of-use assets	-1,362	-1,316
Interest expense for lease liabilities	-321	-313
Expense for short-term leases	-86	-64
Expense for low-value assets	–	-1

40. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

CONTINGENT LIABILITY UNDER JOINT AND SEVERAL LIABILITY FOR GUARANTEES AND CASH ADVANCES, ORDER COMMITMENT

The Company has issued a letter of comfort in favour of its subsidiary Siebter Himmel Bastei Lübbe GmbH. As far as we are aware, the company concerned is able to meet all of its underlying obligations. Accordingly, no recourse is expected to be taken under the letter of comfort. Author royalty commitments are valued at EUR 6,376k as of the reporting date (previous year: EUR 6,496k). The payment dates depend on the occurrence of certain contractual events, e.g. the acceptance of the manuscript for a purchased work.

OTHER FINANCIAL OBLIGATIONS

The maturities of the remaining other financial obligations, in particular maintenance contracts, are as follows:

EUR k	**31 March 2025**	**31 March 2024**
Less than one year	1,776	1,278
Between 1 and 5 years	1,054	971
More than five years	–	364
Other financial obligations	**2,830**	**2,613**

Other financial obligations mainly comprise operating costs for Bastei Lübbe AG's office building. In addition, the other financial obligations due for settlement within one year include maintenance contracts (year under review: EUR 1,402k; previous year: EUR 971k). However, these are only included in other financial obligations due for settlement within one year because of the short contract periods.

41. RELATED PARTY DISCLOSURES

With a share of 33.08%[1], Ms Birgit Lübbe is the largest shareholder of Bastei Lübbe AG and a related party as defined in IAS 24. A contract governing the performance of representation duties has been in force with her for several years. This contract has been entered into at arm's length and the total remuneration is not considered to be material in the year under review.

1 On the basis of the most recently available voting rights notification

In addition, Rossmann Beteiligungs GmbH is a related party with a share of 25.44%[2] in Bastei Lübbe AG. In this connection, the managing director and shareholder Mr. Dirk Rossmann is indirectly classified as a related party. Bastei Lübbe AG has entered into author agreements with Dirk Rossmann and Dirk Rossmann Media GmbH, of which Dirk Rossmann is a managing partner. To date, Bastei Lübbe AG has published four works by the author. The author contracts were entered into at arm's length and were already in force before Dirk Rossmann was classified as a related party. The total author royalties are not considered to be material in the year under review.

Related parties as defined in IAS 24 also include members of the Executive Board and the Supervisory Board. In the year under review, there were no transactions other than the remuneration for the members of the Executive Board and the Supervisory Board.

Legal transactions were conducted with non-consolidated affiliated companies in the year under review. The items included in the consolidated financial statements and therefore not consolidated relate to the sale of goods and are considered by the Company to be immaterial. In the year under review, a short-term, interest-bearing loan of EUR 150k was granted to the subsidiary Siebter Himmel Bastei Lübbe GmbH. The interest received in the 2024/2025 financial year is of an immaterial amount.

42. DECLARATION OF CONFORMITY PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT

The declaration of compliance is permanently accessible to the public on Bastei Lübbe AG's website at bastei-luebbe.de/en/company/corporate-governance.

43. EXECUTIVE BOARD AND SUPERVISORY BOARD

The members of the Supervisory Board in the year under review were:

- Carsten Dentler, Bad Homburg (Chairman), Diplom-Kaufmann
  Mr Dentler is managing shareholder of Palladio Infrastruktur GmbH, Frankfurt am Main,
  Member of the Supervisory Board of König & Bauer AG, Würzburg,
  Member of the Supervisory Board of Scope Management SE, Berlin,
  Member of the Supervisory Board of Scope SE & Co. KGaA, Berlin.
- Dr Ralph Drouven, Cologne (Deputy Chairman), lawyer
  Dr Drouven is a partner in the law firm Drouven Dietlein Rechtsanwälte Partnerschaft mbB.
- Dr Melanie Bockemühl, Düsseldorf, Diplom Kauffrau, Master of Business Administration
  Dr Bockemühl is managing shareholder of River22 Invest GmbH, Düsseldorf,
  Managing director of kolula solutions UG, Munich,
  Member of the Advisory Board of G. Siempelkamp GmbH & Co. KG, Krefeld,
  Independent member of the Forvis Mazars Group governing board.

The total annual remuneration to be paid to the members of the Supervisory Board (solely fixed) in accordance with Bastei Lübbe AG's articles of association totalled EUR 225k in the 2024/2025 financial year (previous year: EUR 225k).

2 On the basis of the most recently available voting rights notification

The following persons have been appointed as members of the Executive Board of Bastei Lübbe AG:

- Soheil Dastyari, Hamburg (Chief Executive Officer)
- Mathis Gerkensmeyer, Cologne (Chief Financial Officer)
- Simon Decot, Frankfurt am Main (Chief Programme Officer)
- Sandra Dittert, Cologne (Chief Sales and Marketing Officer)

In the 2024/2025 financial year, the total remuneration (expense-based) paid to the members of the Executive Board amounted to EUR 2,764k (previous year: EUR 2,302k); of this amount, short-term benefits were valued at EUR 2,033k (previous year: EUR 1,999k) and long-term benefits at EUR 731k (previous year: EUR 304k). Short-term and long-term benefits include expenses for share-based payments of EUR 1,020k (previous year: EUR 549k).

44. EMPLOYEES

In the year under review, the average number of Group employees stood at 318 (previous year: 309), including 318 salaried employees (previous year: 309). As of 31 March 2025, the Group had 322 employees (previous year: 309) (including 322 salaried employees; previous year: 309).

45. FEES FOR SERVICES PROVIDED BY THE AUDITOR OF THE CONSOLIDATED FINANCIAL STATEMENTS

The fees charged in the reporting year by the auditor of the consolidated financial statements within the meaning of Section 319 (1) Sentences 1, 2 of the German Commercial Code break down as follows:

EUR k	2024/2025	2023/2024
Assurance services	256	285
Other attestation services	10	8
Fees for services provided by the auditor of the consolidated financial statements	**266**	**293**

The assurance services include the audit of the annual financial statements and the consolidated financial statements of Bastei Lübbe AG and audit reviews of the consolidated subsidiaries. Other attestation services include the formal review of the remuneration report as well as the review of the financial covenants.

46. GROUP RELATIONS

Bastei Lübbe AG, Cologne, is a parent company which, as a listed company, prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) pursuant to Section 315e (1) of the German Commercial Code (HGB). These consolidated financial statements are published in the Bundesanzeiger and in the Company Register (Cologne Local Court, HRB 79249).

47. EVENTS AFTER THE REPORTING DATE

No events that are of material significance for the Bastei Lübbe Group liable to lead to a different assessment of the Group occurred after the reporting date.

Cologne, 7 July 2025

Bastei Lübbe AG
The Executive Board

Soheil Dastyari Chief Executive Officer	Mathis Gerkensmeyer Chief Financial Officer	Sandra Dittert Chief Marketing and Sales Officer	Simon Decot Chief Programme Officer

SUPPLEMENTARY INFORMATION

CONTENT CREATORS
BOOKS AND PRODUCTS

RESPONSIBILITY STATEMENT

STATEMENT OF THE EXECUTIVE BOARD

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements of Bastei Lübbe AG, Cologne as of 31 March 2025 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the management report of the Group 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 development of the Group.

Cologne, 7 July 2025
Bastei Lübbe AG

Soheil Dastyari Chief Executive Officer	Mathis Gerkensmeyer Chief Financial Officer	Sandra Dittert Chief Marketing and Sales Officer	Simon Decot Chief Programme Officer

INDEPENDENT AUDITOR'S REPORT

To Bastei Lübbe AG, Cologne

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of **Bastei Lübbe AG, Cologne**, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 March 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 April 2024 to 31 March 2025, and consolidated notes to the financial statements, including a summary of material accounting methods. In addition, we have audited the combined management report of Bastei Lübbe AG, Cologne, for the financial year from 1 April 2024 to 31 March 2025. In accordance with the German legal requirements, we have not audited the content of the corporate governance declaration represented in the financial statement and posted on the Company's website pursuant to §§ 289f and 315d of the German Commercial Code (HGB [Handelsgesetzbuch]) and the declaration of conformity in accordance with § 161 of the German Public Limited Companies Act (AktG [Aktiengesetz]), also posted on the Company's website, to which reference is made in the "Corporate Governance" section of the combined management report, as well as the information contained in the "Risk Report" section of the combined management report that is marked as unaudited in connection with recommendation A.5 of the German Corporate Governance Code.

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 IFRS accounting standards issued by the International Accounting Standards Board (IASB) (referred to subsequently as "IFRS accounting standards") as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e para. 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 March 2025 and of its financial performance for the financial year from 1 April 2024 to 31 March 2025 and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined 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 audit opinion on the combined management report does not cover the above-mentioned components of the combined management report not audited in respect of their content.

Pursuant to § 322 para. 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 combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014; hereinafter referred as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the German Institute of Public Auditors (IDW [Institut der Wirtschaftsprüfer]). 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 combined management report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of European 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) point (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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 April 2024 to 31 March 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were

1. Valuation of pre-paid royalties
2. Valuation of the investment in Räder GmbH at fair value

Re 1) Valuation of pre-paid royalties

a) Risk for the financial statements

As of the balance sheet date, the balance sheet shows pre-paid royalties with a total carrying amount of EUR 27.2 million (previous year: EUR 19.6 million), which corresponds to 24 % (previous year: 19 %) of the balance sheet total. In the financial year, scheduled depreciation amounted to EUR 11.7 million (previous year: EUR 15.9 million) and impairment losses to EUR 0.3 million (previous year: EUR 0.1 million). This was offset by value recoveries amounting to EUR 0.4 million (previous year: EUR 1.4 million). As in the previous year, there were no provisions for anticipated losses from existing contracts with authors. The inventory of pre-paid royalties relates to guarantee and advance payments for manuscripts for which Bastei Lübbe AG or one of its subsidiaries included in the consolidated financial statements has acquired exploitation rights. They are measured at amortized cost. Scheduled depreciation is generally determined on the basis of the revenues generated, depending on performance. If the revenues generated are below a typical sales trend, this trend is used as the basis for determining depreciation. In addition, all material contracts with guaranteed payments in excess of TEUR 250 and high-risk contracts are reviewed for impairment. Impairment losses are recognized if the expected net income before royalty expenses determined for an author contract on the basis of an estimate of future revenues is less than the carrying amount. The Company's disclosures on the balance of pre-paid royalties are contained in the sections "Accounting principles", "Significant accounting policies" and "Balance of pre-paid royalties" of the notes to the consolidated financial statement and "Net assets" and "Net assets of Bastei Lübbe AG" of the combined management report.

The standardized scheduled depreciation as well as the determination of additional impairment loss requirements are affected to a great extent by estimated values and discretionary decisions. Considering the central importance and the amount of the capitalized pre-paid royalties, as well as the inherent uncertainty of estimates and discretionary decisions, this matter was of particular importance within the scope of our audit.

b) Audit procedures and conclusions

Depreciation of pre-paid royalties is performed based on performance or based on standardized historical sales trends for the categorized forms of exploitation. In the course of our audit, in addition to analyzing the accounting and measurement requirements we verified the determination of the performance-related depreciation calculated by the legal representatives. For this purpose, we analyzed the processes implemented by the legal representatives and tested the effectiveness of the material controls implemented in this process. In addition, we verified the determination of depreciation by performing interface tests and testing the calculation logic. In addition, we examined the adequacy of the standardized sales trends by tracing the retrograde review of the standardized depreciation rates carried out annually by the Company on the basis of current revenue trends. We additionally examined the calculation of standardized depreciation using data analyses.

We evaluated the methods and data used by Bastei Lübbe AG to identify indications of impairment losses for their accuracy and mathematical correctness. Subsequently, we evaluated the plausibility and mathematical correctness of the forecasts and key assumptions of the legal representatives underlying the impairment tests. We also evaluated whether management has made biased judgements and estimations regarding these assumptions. Where securities have already been realised, we have also checked whether the planning assumptions of the previous year have been met.

Overall, our audit led us to conclude that judgements on depreciation are comprehensible and properly derived. The valuation assumptions made by the legal representatives in the course of the individual impairment tests are within appropriate range.

Our audit procedures did not lead to any reservations relating to the measurement of the amount of prepaid royalties.

Re 2) Valuation of the investment in Räder GmbH at fair value

a) Risk for the financial statements

Bastei Lübbe AG holds a 20 % (previous year: 20 %) interest in Räder GmbH, which is registered in Bochum. The information provided by Bastei Lübbe AG on the investment in Räder GmbH can be found in the sections "Accounting principles", "Significant accounting policies", "Basis of consolidation and shareholdings", "Financial assets" and "Financial instruments" in the notes to the consolidated financial statements. In accordance with IFRS 9.4.1.4 in conjunction with IFRS 9.5.7.5, the investment in Räder GmbH is measured at fair value through other comprehensive income of EUR 15.1 million (previous year: EUR 15.1 million). The legal representatives determine the fair value using the discounted cashflow method. Räder GmbH's corporate planning for the years 2025 to 2029 forms the basis for determining the fair value. The forecasted cash inflows were discounted using a weighted average cost of capital (WACC) in order to derive the fair value of Räder GmbH. The equity value of Räder GmbH resulting after creasing the net financial assets or deducting net financial liabilities was multiplied by the share of interest in order to obtain the fair value of the investment from the Group's perspective. Two different scenarios were considered in order to determine a range of the fair value. The calculated range was validated using a multiples method based on expectations of the business result as well as trading and transaction multiples. Company-specific discounts were applied to the fair values. In determining the fair value, Bastei Lübbe AG used the work of an external expert. In our opinion, the determination of fair value is a key audit matter in view of the material significance, the complexity of the valuation models and the discretionary assumptions made by the legal representatives.

b) Audit procedures and conclusions

As part of our audit, we analyzed the process implemented by the legal representatives of Bastei Lübbe AG as well as the accounting and measurement requirements for determining the fair value and obtained an understanding of the process steps. To audit the determination of the fair value of Räder GmbH, we assessed the applicability of the valuation model used and checked the plausibility of the assumptions underlying the earnings planning. In doing so, we also examined the accuracy of the business planning in the past. In addition, we verified the valuation using the discounted cashflow method and reviewed the appropriateness of the multiples used and the fungibility discount. We also assessed the professional qualification of the external experts engaged. We have come to the conclusion that the valuation of the investment in Räder GmbH is appropriate, adequately documented and justified with regard to the method, assumptions and data used and that the fair value recognized is within a valuation range that is deemed appropriate.

Our audit procedures did not lead to any reservations relating to the determination of the fair value of Räder GmbH.

OTHER INFORMATION

The legal representatives and the supervisory board, respectively, are responsible for other information. The other information comprises:

- the Group corporate governance declaration posted on the website of Bastei Lübbe AG pursuant to §§ 289f and 315d HGB and the declaration of conformity in accordance with § 161 AktG, also posted on the website of Bastei Lübbe AG, to which reference is made in the “Corporate Governance” section of the combined management report,
- the information contained in the "Risk report" section of the combined management report that is labelled as unaudited in connection with recommendation A.5 of the German Corporate Governance Code,
- the supervisory board report,
- the other parts of the published Annual Report, but not the consolidated financial statements, not the audited content of the combined management report and not our auditor’s opinion,
- the confirmation pursuant to § 297 para. 2 sentence 4 HGB concerning the consolidated financial statements and the confirmation pursuant to § 289 para. 1 sentence 5 HGB in conjunction with § 315 para. 1 sentence 5 HGB for the combined management report.

The supervisory board is responsible for their report. The legal representatives and the supervisory board are responsible for the declaration in accordance with § 161 AktG as part of the Group corporate governance declaration contained in section “Corporate Governance” of the combined management report. Further other information is within the responsibilities of the legal representatives.

Our audit opinions concerning the consolidated financial statements and the combined management report do not cover the other information and, consequently, we neither issue an opinion nor do we express any form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the above-mentioned other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, the audited information of the combined management report or our knowledge obtained in the audit or
- otherwise appear to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of the IFRS accounting standards, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e para. 1 HGB and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with those provisions. In addition, the legal representatives are responsible for such internal controls that they consider necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraudulent acts (i.e. manipulation of accounting and asset misstatements) or errors.

In preparing the consolidated financial statements, the legal representatives are 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 the intention is to liquidate the Group or discontinue operations, or there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the combined management report which, 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, the legal representatives are responsible for such arrangements and measures (systems) that they consider necessary to enable the preparation of a combined 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 combined 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 combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED 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 fraudulent acts or errors, and whether the combined 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 audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation 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 fraudulent acts or errors 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 combined 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 combined management report, whether due to fraudulent acts or errors, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraudulent acts is higher than the risk of not detecting a material misstatement resulting from error, as fraudulent acts may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined 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 the Group's internal controls or on the effectiveness of these arrangements and measures.
- evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.
- conclude on the appropriateness of the legal representatives' 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 combined management report or, if such disclosures are inadequate, to modify our respective audit 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 the IFRS accounting standards, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e para. 1 HGB.
- plan and perform the audit of the consolidated financial statement to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statement. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined 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 the legal representatives in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives 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 supervision regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with supervision 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 actions taken or safeguards implemented to address independence threats.

From the matters communicated with those charged with supervision, 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 IN ACCORDANCE WITH § 317 PARA. 3A HGB ON THE ELECTRONIC REPRODUCTION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES

REASONABLE ASSURANCE OPINION

We have performed assurance work in accordance with § 317 para. 3a HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the attached electronic file "529900F1RRY8J20M2I79-2025-03-31-0-en.zip" and prepared for publication purposes complies in all material respects with the requirements of § 328 para. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of § 328 para. 1 HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 April 2024 to 31 March 2025 contained in the "Report on the audit of the consolidated financial statements and of the combined management report" above.

BASIS FOR THE REASONABLE ASSURANCE OPINION

We conducted our assurance work on the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file in accordance with § 317 para. 3a HGB and the Exposure of IDW Assurance Standard: Assurance in Accordance with § 317 para. 3a HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW PS 410 (06.2022)). Accordingly, our responsibilities are further described below in the "Group auditor's responsibilities for the assurance work on the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

RESPONSIBILITIES OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The legal representatives of the company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the combined management report in accordance with § 328 para. 1 sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 para. 1 sentence 4 No. 2 HGB.

In addition, the legal representatives of the company are responsible for such internal controls that they consider necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 para. 1 HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE WORK ON THE ESEF DOCUMENTS

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 § 328 para. 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 § 328 para. 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 controls 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 electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended at the reporting date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited combined management report.

- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815 in the version applicable on the reporting date enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor of the consolidated financial statement by the shareholders on 11 September 2024. We were engaged by the Supervisory Board on 30 December 2024. We have been acting as the auditor of the financial statements for Bastei Lübbe AG, Cologne, without interruption since the 2016/17 financial year.

We declare that the audit 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 MATTERS – USE OF THE AUDITOR'S REPORT

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and combined management report converted to ESEF format - including the versions to be published in the Company Register - are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German public auditor responsible for the engagement is Mr. Holger Wildgrube.

Köln, 7 July 2025

RSM Ebner Stolz GmbH & Co. KG

Auditing firm Tax consultancy firm

Marcus Wildgrube	Holger Wildgrube
Auditor	Auditor

FINANCIAL CALENDAR 2025/2026

Date	Event
7 August 2025	Quarterly statement (Q1)
17 September 2025	Annual General Meeting
6 November 2025	Half-year financial report as of 30 September 2024 (HY1)
24 – 26 November 2025	German Equity Forum, Frankfurt / Main
5 February 2026	Quarterly statement (Q3)

LEGAL NOTICE

For reasons of better readability, the simultaneous use oft he language forms male, female and diverse (m/f/d) is avoided as far as possible. All job an personal titels appy equally to all genders.

Bastei Lubbe AG's annual report ist available as a PDF file on the Internet at www.bastei-luebbe.de.
Further information can also be found on the Internet at www.bastei-luebbe.de.

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