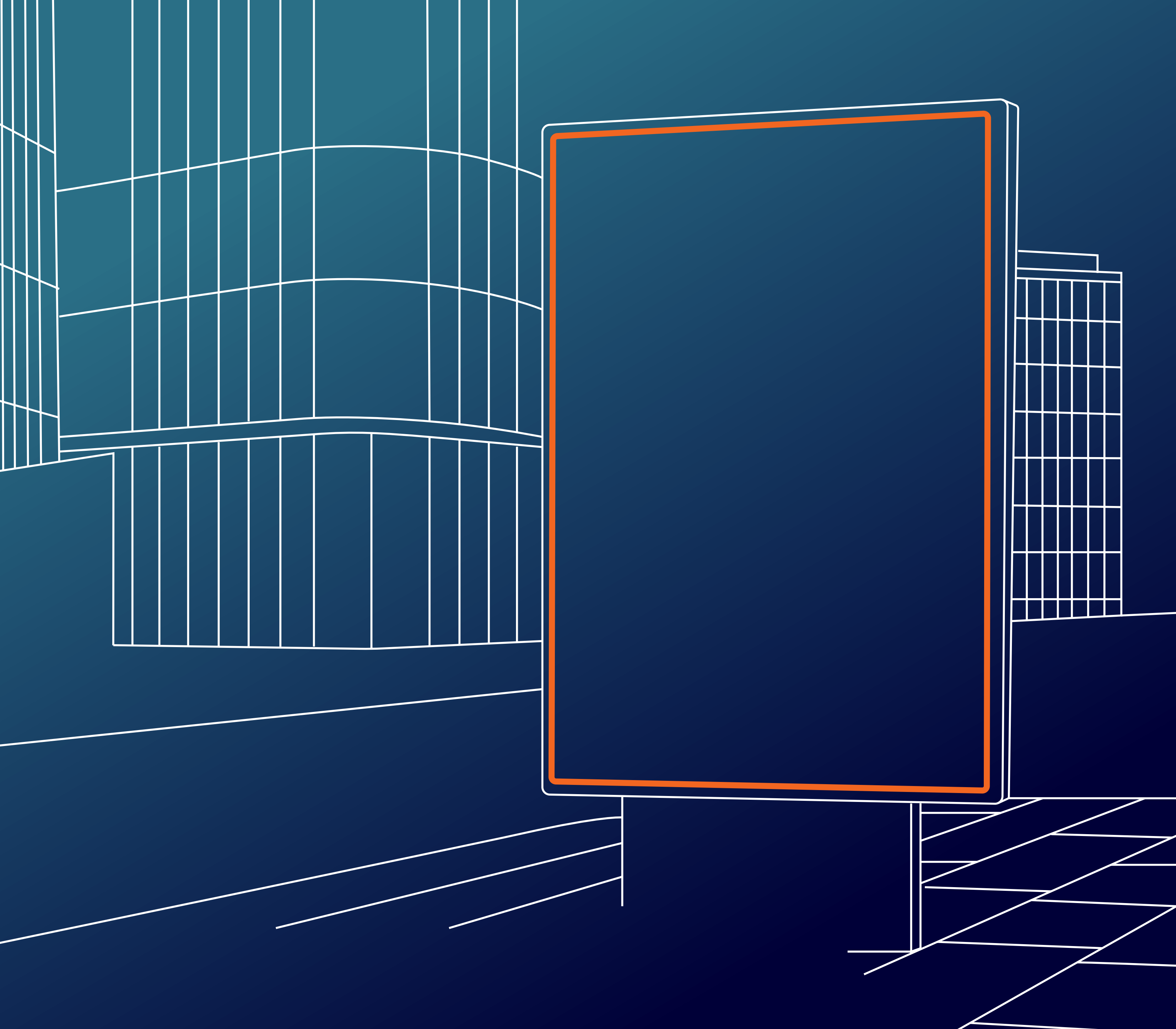


ANNUAL REPORT 2022

STRÖER SE & CO. KGAA

STRÖER

CONTENTS

Ströer SE & Co. KGaA
('Ströer KGaA')


Peek&Cloppenburg
MERRY
Memories
im Store & online
peek-cloppenburg.de
MATRATZEN Markt
MFO Matratzen

THE GROUP'S FINANCIAL FIGURES AT A GLANCE[1]

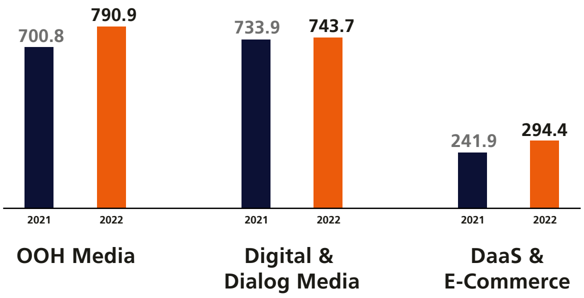
REVENUE

1,771.9 EUR m

(prior year: EUR 1,627.3m)

SEGMENT REVENUE

In EUR m



EBITDA (ADJUSTED)

541.4 EUR m

(prior year: EUR 513.3m)

EBITDA MARGIN (ADJUSTED)

30.6%

(prior year: 31.5%)

ORGANIC REVENUE GROWTH

9.3%

(prior year: 13.2%)

ADJUSTED EARNINGS PER SHARE

EUR 2.88

(prior year: EUR 2.86)

FREE CASH FLOW BEFORE M&A TRANSACTIONS

248.3 EUR m

(prior year: EUR 325.1m)

ROCE

20.0%

(prior year: 20.0%)

EUR m	12M 2022	12M 2021
Revenue	**1,771.9**	**1,627.3**
EBITDA (adjusted)	**541.4**	**513.3**
Exceptional items	0.8	–5.9
EBITDA	**542.2**	**507.3**
Amortization, depreciation, and impairment	–303.5	–310.1
thereof attributable to purchase price allocations and impairment losses	–27.3	–45.9
EBIT	**238.7**	**197.3**
Net finance income/costs	–27.9	–28.6
EBT	**210.8**	**168.7**
Taxes	–59.0	–38.5
Consolidated profit or loss for the period	**151.8**	**130.3**
Adjusted consolidated profit or loss for the period	**171.5**	**170.2**
Free cash flow (before M&A transactions)	**248.3**	**325.1**
Net debt (Dec. 31)	**718.0**	**612.3**

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

THE BOARD OF MANAGEMENT OF THE GENERAL PARTNER

Udo Müller

Co-CEO

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

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

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

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

Christian Schmalzl

Co-CEO

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

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

Henning Gieseke

CFO

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

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

FOREWORD BY THE GENERAL PARTNER

Dear ladies and gentlemen,
dear shareholder,

Following two years of the COVID-19 pandemic, Russia's war of aggression against Ukraine brought new and equally pressing challenges. Disrupted supply chains, rocketing energy and raw material prices, a considerable uptick in inflation, interest rate hikes, and a darkening global economic outlook had the most tangible impacts on the macroeconomic environment in 2022. Against this backdrop, it is especially important to have a robust, flexible, and crisis-resistant strategy for doing business. Having already proved their worth during the pandemic, our 'OOH plus' strategy and focus on Germany have once again allowed us to rise to the challenges posed by the new normal. Thanks to our excellent positioning, we were able to limit the negative effects on our core OOH business of the overall downturn in the advertising market over the course of the year, with OOH business outperforming other types of advertising. We also drew on our potential to expand areas of growth, such as our digital OOH advertising business, and forged ahead with building Asam and Statista.

Digital out-of-home advertising (DOOH)
DOOH was once again a key driver of growth in 2022. A key factor in Ströer's success is the significant reach of public video and digital roadside screens, along with a high degree of flexibility and ease of booking. Reaching an average of around 65% of the population in Germany's ten largest cities, DOOH is an appealing option for local customers and, increasingly, for national and international customers looking to advertise throughout the country. From a sustainability perspective, out-of-home advertising will remain the backbone of sustainable and environmentally friendly advertising business thanks to the growing use of digital technologies. A growing number of national advertisers are incorporating DOOH into their core digital budgets. It is rapidly gaining popularity on sustainability grounds because it is a low-emission medium and is increasingly becoming a key driver of structural change.

Local out-of-home advertising in Germany
With 60,000 or so local customers, which account for roughly 60% of Ströer's out-of-home advertising revenue, Ströer is the no. 1 in local out-of-home advertising. The out-of-home business has a diversified customer base with long-standing relationships with local customers, which puts Ströer in a strong position to cope with difficult market conditions. The structural change in the advertising market is only just underway for this attractive customer group and offers significant potential for further sustainable and profitable growth in this area.

Ströer in the German out-of-home advertising market
Thanks to our excellent position, we are benefiting disproportionately from structural change and the current market conditions. We are increasing our relevance to advertising customers due to the high quality of our infrastructure at national and local level and because we provide national networks.

All in all, our Digital & Dialog Media segment continued on its upward trajectory from the prior year. However, business in the two subsegments, Digital and Dialog, was shaped by disparate developments. In spite of the growth in our special-interest portals such as Kino.de and Giga.de, digital revenue (online advertising and content publishing) decreased slightly in 2022 due to the increasingly difficult market conditions. The decrease was attributable to the progressive decline in t-online traffic over the course of the year, mainly triggered by waning interest in the news generally and a lull in advertising activity.

By contrast, the dialogue business with its call centers and, in particular, its direct sales activities (door to door) recorded a very high level of growth in spite of already impressive prior-year figures, and continued to play to its strengths.

Both our e-commerce business through Asam and our DaaS business through Statista lived up to our high expectations, generating higher revenue year on year of EUR 158m and EUR 136m respectively.

On the operational side, we drew on our experiences from the COVID-19 pandemic in 2020, 2021, and part of 2022 to enhance the steps we had taken to secure the Company's earnings, and we were also successful with the additional measures taken to accelerate our profitable growth. For example, we continued to expand our portfolio of digital roadside screens for programmatic advertising campaigns in 2022. Our analog OOH inventory can now also be booked on a programmatic basis, making our offering even more flexible and even more attractive for our customers. This makes us one of the first out-of-home advertising companies worldwide to offer a comprehensive, flexible solution to seamlessly combine analog campaigns with digital formats and thereby maximize a campaign's reach and number of contacts.

We also further improved the Group's financial footing. With previous note loans having expired, we placed our first ever note loan with an ESG (environmental, social, and corporate governance) component on the capital markets. The note loan has a nominal value of EUR 203m and the coupon payable on it is linked to our MSCI ESG rating.

In 2022, we also invested approximately EUR 160m in expanding our operations further. Investments once again focused on growing our digital portfolio, as well as making our business ever more international and stepping up our DaaS and e-commerce activities.

In spite of the manifold challenges, we largely achieved our targets, which had been set before the war in Ukraine broke out, and were thus in line with market expectations. Revenue, for example, increased from EUR 1,627m to EUR 1,772m, an increase of around 9%. EBITDA (adjusted) improved from EUR 513m to EUR 541m in 2022. The EBITDA margin (adjusted) stood at 30.6% (prior year: 31.5%). Adjusted consolidated profit for the period increased slightly, from EUR 170m in the prior year to EUR 172m in 2022. In light of relatively high levels of capital expenditure, partly on the accelerated expansion of our digital out-of-home advertising portfolio, free cash flow before M&A transactions was down year on year at EUR 248m (prior year: EUR 325m).

We aim to create shareholder value, allowing our shareholders to share in the success of our Company. In view of our solid earnings, a powerful 'OOH plus' strategy, our excellent market position, and our immense innovative power, we launched a share buyback program in September 2022 with a volume of EUR 50m in spite of the difficult macroeconomic conditions. This flexible program expands our capital allocation options.

The challenging macroeconomic conditions and the uncertainty about the further course of the war in Ukraine, and consequently about the future of the global economy, were starkly reflected in the global stock markets. This made our intensive and ongoing dialogue with the capital markets all the more important. In our capacity as general partner, and together with the investor relations team, we explained our strategy, recent developments, and our medium-term objectives to international analysts and investors at a number of virtual and in-person meetings in key international financial centers. The aim was to provide our investors and analysts with prompt and comprehensive information, particularly in view of the volatile overall situation.

Sustainability

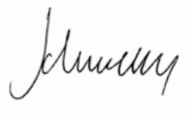
Even though the capital markets will continue to focus on earnings and business growth, the topic of sustainability is gaining prominence and is becoming a standard factor in investment choices. But this is not the only reason why we attach so much importance to the topic. Given its extensive reach, out-of-home advertising is by nature one of the most resource-efficient forms of advertising and communication. We nevertheless undertook a number of other projects and steps to enhance our sustainability credentials in 2022. For example, we cut our carbon footprint again in 2022, reducing CO_2 emissions to 65% below the 2019 level. But even this huge step is only a small milestone in our 2030 sustainability strategy for transforming Ströer into a leading company in terms of sustainability. Alongside traditional environmental targets, we also made progress in key social and corporate governance matters in 2022. This brought about a considerable improvement in our sustainability rating by leading agencies.

Despite the ongoing challenges, we believe that we are very well positioned for continuing to tap into the potential created by the structural change in the media market – thanks to a combination of our robust 'OOH plus' strategy, the steps we have taken to strengthen and protect our Company over the long term, our focus on the ongoing expansion of our digital portfolio, our excellent market position, and our transparent communications.

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

We would like to extend our sincere thanks to our dedicated employees for their hard work last year and to our business partners and investors for the trust they have placed in our Company, and we wish you all a successful year in business in 2023.

The general partner, represented by its Board of Management


Udo Müller Co-CEO	Christian Schmalzl Co-CEO	Henning Gieseke CFO

SUPERVISORY BOARD REPORT

Christoph Vilanek
Chairman of the Supervisory Board

Dear ladies and gentlemen,

With Russia's abhorrent war against Ukraine following on the tail of the pandemic, the last three years have taken their toll on us all. This applies equally to each and every one of the employees of your Company, Ströer SE & Co. KGaA. War in Europe, exploding energy prices, supply chain difficulties, inflation, and the impossibility of planning for the months ahead give rise to a particularly complicated environment for a company in the communications and advertising industry.

Huge demand for information in connection with the war and about energy initially saw our portal traffic rise and your Company initially unwittingly benefited from this. However, many industries are also being extremely cautious about investing in brands, publicity, and sales, which is having a tangible effect on bookings for our excellent advertising media.

Nevertheless, the Board of Management, the management team, and the employees of Ströer SE & Co KGaA once again managed to deliver a great performance in 2022 in spite of the difficult circumstances. This success is based on the firm belief in our ability to provide the best products for advertising customers and on our ability to make the advertising effectiveness of all Ströer advertising media visible and measurable, and that success thrives on the love and dedication of a workforce that believes in itself and in the management team. I believe you can be happy and proud to be stakeholders in this Company. Thank you for your trust. I can assure you that your Company is in the safest of hands.

In 2022, the Supervisory Board discharged, in full, the responsibilities incumbent upon it under the law, the Company's articles of association, and its rules of procedure. We carefully monitored and advised the general partner, Ströer Management SE, on a regular basis. In doing so, the Supervisory Board primarily checked that the general partner, represented by its Board of Management, was running the Company lawfully, expediently, and properly. Both during and between Supervisory Board meetings, the general partner regularly provided the Supervisory Board with written and oral reports on business policy and all relevant aspects of business planning. It therefore fully complied with its obligations to provide information.

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

Meetings of the full Supervisory Board

The Supervisory Board of Ströer SE & Co. KGaA met six times in 2022. In agreement with all members of the Supervisory Board, the chairman decided that the majority of these meetings had to be held as virtual events due to the COVID-19 pandemic.

The main subjects examined during these routine discussions were the Ströer Group's revenue and earnings, its financial position and financial performance, and personnel planning. An increasing amount of time at our meetings was devoted to the topic of sustainability. The general partner reported to us on the current situation with the Ströer Group's businesses in each of the meetings, and, on an ongoing basis, on the impact on the Ströer Group of Russia's war against Ukraine that began at the start of the reporting year, the ensuing energy crisis, and the ever more pronounced weakening of the German and global economy. The Supervisory Board regularly discussed agenda items without the Board of Management of the general partner, particularly when the agenda items related to internal Supervisory Board matters.

During the meeting of the Supervisory Board on **March 10, 2022**, we discussed and approved the report on the remuneration granted and owed in the prior year to the members of the Supervisory Board of Ströer SE & Co. KGaA and the members of the Board of Management of the general partner.

Our meeting on **March 23, 2022** was dominated by a discussion of the work on the separate and consolidated financial statements for 2021. In the presence of the auditor, who presented the focus of the audit and its findings, we discussed in detail and subsequently approved the separate financial statements of Ströer SE & Co. KGaA and the consolidated financial statements of Ströer SE & Co. KGaA. The auditor had issued an unqualified opinion for each of these sets of financial statements. The general partner then reported on the liquidity of the Company's equity. We approved the non-financial declaration for 2021 having conducted our own review of it. We approved the proposal by the general partner for the appropriation of profit for 2021. The general partner also presented the internal audit report and the compliance report for 2021. Finally, we agreed the agenda for the Company's annual shareholder meeting for 2022 and followed the general partner's recommendation to hold the annual shareholder meeting as a virtual event due to the restrictions imposed as a result of the COVID-19 pandemic.

The meeting of the Supervisory Board on **April 21, 2022** focused on discussion of the recommendations of the Nomination Committee for the election of shareholder representatives to the Supervisory Board by the shareholder meeting. Following a presentation of the candidates put forward by the Nomination Committee during the meeting, we concurred with the committee's recommendations. We also approved the changes proposed by the nomination committee to adjust the profile of skills and expertise for the Supervisory Board and approved the recommendation of the Audit Committee to appoint KPMG AG Wirtschaftsprüfungsgesellschaft as the Company's auditor for 2022.

During our meeting on **June 22, 2022**, immediately before the Company's annual shareholder meeting, we signed off the evaluation form for the Supervisory Board's efficiency review in 2022.

Following the elections to the Supervisory Board, we initially began our constitutive meeting on **September 19, 2022** without the Board of Management of the general partner. We elected the chairman and deputy chairman of the Supervisory Board, the members of the Audit Committee and the Nomination Committee, and the ESG officer of the Supervisory Board. We then addressed the efficiency of our Supervisory Board work on the basis of evaluation forms filled in by all members of the Supervisory Board and an analysis thereof. The Board of Management then joined us and reported on the realignment of the risk management system that it had undertaken in collaboration with the Audit Committee and the results of that process for the first half of 2022. The Board of Management also gave us a progress report on the measures being taken to improve the internal control system. Lastly, the Board of Management presented the sustainability report for Ströer SE & Co. KGaA for 2021. The Supervisory Board ESG officer oversaw the preparation of the report in an advisory capacity.

At our meeting on **December 9, 2022**, we concurred with the recommendation of the general partner and the Audit Committee to engage the Company's auditor for a formal review of the Company's remuneration report for 2022, to conduct our own review of the Ströer Group's non-financial declaration for 2022, and to have a voluntary dependent company report prepared on the relationship between the Company and Udo Müller in 2022 and have it reviewed by the auditor. The chairman of the Audit Committee then reported on the main results of his review of the audit by KPMG AG Wirtschaftsprüfungsgesellschaft of the separate and consolidated financial statements of

Ströer SE & Co. KGaA for 2021 (audit quality review). Furthermore, the general partner explained the internal audit plan for 2023 prepared in consultation with the Audit Committee. Finally, we agreed the declaration of compliance for 2022 with the general partner.

Supervisory Board committees

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

The Audit Committee

The Audit Committee met four times in 2022. In the period between the elections for the Supervisory Board at the shareholder meeting on June 22, 2022 and the elections for the Audit Committee at the Supervisory Board meeting on September 19, 2022, the former and future members of the Audit Committee discussed current issues at an interim meeting.

The Audit Committee supported us in the monitoring of the financial reporting process and held in-depth discussions on the separate and consolidated financial statements, the interim financial statements, the non-financial declaration, and the sustainability report. It also monitored the effectiveness of risk management, discussed at length the ongoing improvements to the internal control system, heard reports on the work of internal audit, approved the latter's audit plan, and scrutinized the annual compliance report. Discussion of these topics gave the Supervisory Board a detailed insight into the status of governance, risk, and compliance certification. The discussions also involved an analysis of the internal resources of the relevant departments. The Audit Committee devoted an increasing amount of time to the discussion of sustainability topics, receiving reports from the ESG officer of the Supervisory Board.

The Audit Committee resolved to recommend to the Supervisory Board that it engage KPMG AG Wirtschaftsprüfungsgesellschaft as an independent auditor, a decision that took account of the review of the auditor's independence, which did not indicate any shortcomings. The committee monitored the quality and efficiency of the auditor as well as the services it provided (audit quality review) in accordance with the plan for reviewing the quality of the auditing of the financial statements that it adopted in the prior year. It also discussed the preparatory measures for the audit of the 2022 separate and consolidated financial statements and drew up recommendations for key audit matters.

During preparations for the audit and while it was being conducted, the members of the Audit Committee held regular discussions without the Board of Management of the general partner. The Audit Committee also convened regularly in the presence of the respective CFO of the general partner, and in some cases also with other members of the Board of Management and the auditor.

The Nomination Committee

The Nomination Committee met twice in 2022. Its deliberations focused on succession and appointment matters, taking due account of the legal and regulatory requirements, and it proposed specific candidates for the Supervisory Board. Furthermore, it prepared a proposal to the Supervisory Board to amend the profile of skills and expertise for the shareholder representatives on the Supervisory Board, taking into consideration the requirements of the German Corporate Governance Code and the German Act to Strengthen Financial Market Integrity (FISG) in doing so.

Attendance of meetings

The following table details the attendance of members of the Supervisory Board at its meetings and at the meetings of the committees. Most of the meetings were held virtually because of the COVID-19 pandemic. The attendance figures for meetings refer to the meetings that took place during the respective Supervisory Board member's term of appointment and not simply the total number of all meetings in the year:

	Meetings (incl. committees)	Meetings (plenary)	Attendance (plenary)	Meetings (committees)	Attendance (committees)	Attendance (all meetings, incl. committees, %)
Altenburg	6	6	6	0	0	100
Barzen (until June 22, 2022)	4	4	4	0	0	100
Diederichs	13	6	5	7	6	85
Güth (from June 22, 2022)	2	2	2	0	0	100
Hüttinger	6	6	6	0	0	100
Huster	6	6	5	0	0	83
Kascha (from June 22, 2022	2	2	2	0	0	100
Kollmann-Göbels (from June 22, 2022)	2	2	1	0	0	50
Lepique (from June 22, 2022)	2	2	2	0	0	100
Liese-Bloch	6	6	4	0	0	67
Loubek (until June 22, 2022)	4	4	3	0	0	75
Marquardt (until June 22, 2022)	4	4	4	0	0	100
Meuser	6	6	6	0	0	100
Müller (until June 22, 2022)	4	4	4	0	0	100
Reichel (until June 22, 2022)	4	4	4	0	0	100
Sardiña-Gellesch (until June 22, 2022)	4	4	4	0	0	100
Sauermann	6	6	6	0	0	100
Schleich (from June 22, 2022)	2	2	2	0	0	100
Somberg (from June 22, 2022)	2	2	2	0	0	100
Sontheimer	8	6	5	2	2	88
Vilanek	11	6	6	5	5	100
Voigt	13	6	4	7	6	77

German Corporate Governance Code

At its meeting on December 9, 2022, the Supervisory Board issued a declaration of compliance pursuant to section 161 of the German Stock Corporation Act (AktG). This declaration of compliance was made permanently available to shareholders on the Company's website at ir.stroeer.com/investor-relations/corporate-governance/. The most recent declaration of compliance is also included in the corporate governance declaration.

Training

All of the new Supervisory Board members received an induction on the main commercial, legal, personnel, and other criteria of the Company and the Ströer Group and were given a summary of the rights and obligations of a Supervisory Board member. In the reporting year, training was also provided internally to all members of the Supervisory Board to explain the tasks and responsibilities of the Supervisory Board, with particular attention paid to the legal form of a partnership limited by shares, as well as changes to the law. The training also provided an insight into the work of the Group's Financial Planning and Reporting unit, its Governance, Risk & Compliance unit, and a detailed presentation of the online marketing business.

Audit of the separate and consolidated financial statements

KPMG AG Wirtschaftsprüfungsgesellschaft has audited the Company's separate and consolidated financial statements, together with the bookkeeping system and the combined management report of the Company and the Group for 2022 and on March 17, 2023 issued an unqualified opinion in each case. KPMG AG Wirtschaftsprüfungsgesellschaft has been the auditor for Ströer SE & Co KGaA and the Ströer Group since 2020.

The documentation on the financial statements and the audit reports were made available to all Supervisory Board members in good time by the general partner. They were discussed at length by the Audit Committee and during the Supervisory Board's meeting to discuss the financial statements on March 23, 2023. The responsible auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, participated in the Supervisory Board's discussions.

The auditor reported on the scope, focus, and key findings of the audit and went into particular detail on the key audit matters and the audit procedures.

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

Personnel changes

Supervisory Board

The term of appointment of the following Supervisory Board members ended with the annual shareholder meeting of the Company on June 22, 2022: Angela Barzen, Petra Loubek, Rachel Marquardt, Dr. Thomas Müller, Nadine Reichel, and Christian Sardiña-Gellesch. We would like to thank every one of these Supervisory Board members for their many years of reliable service and for their professionalism. At the annual shareholder meeting on June 22, 2022, Ms. Elisabeth Lepique was elected as a new shareholder representative on the Supervisory Board for a term of three years. Andreas Güth, Christian Kascha, Simone Kollmann-Göbels, Tobias Schleich, and Stephan Somberg were elected as employee representatives. Their five-year term of office began on June 22, 2022.

The Board of Management of the general partner

On July 31, 2022, Dr. Christian Baier stepped down from the Board of Management of the general partner.

Thanks

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

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

On behalf of the Supervisory Board

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

COMBINED MANAGEMENT REPORT OF THE COMPANY AND THE GROUP

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

[1] Any references to webpages in the combined management report were not included in the audit. By contrast with the figures for the financial year, the disclosures for the quarters in the combined management report contain unaudited information.
[2] This section is not included in the audit conducted by the independent auditor.

BACKGROUND AND STRATEGY OF THE STRÖER GROUP

Strategy

In 2022, Ströer forged ahead with its 'OOH plus' strategy and continued to build on its strengths.

The advantages of this strategic approach were underscored once again when OOH outperformed other segments of the advertising market.

The 'OOH plus' strategy is primarily based on:

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

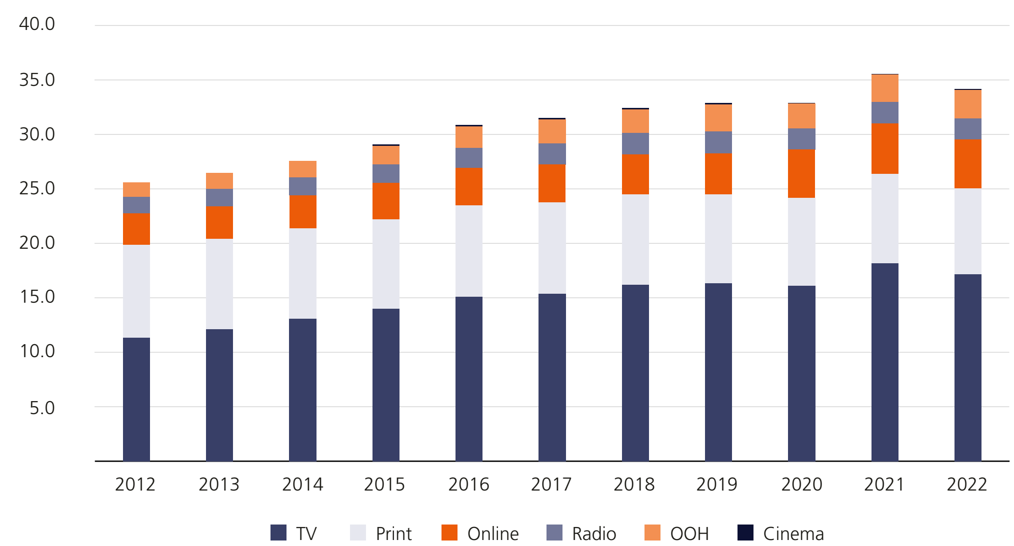
Despite the tangible repercussions of the pandemic that were still being felt in the first few months of the year and the downturn in the economy due to Russia's war of aggression, Ströer further consolidated its market position in Germany in terms of advertising revenue from out-of-home advertising in 2022.

The Board of Management of the general partner believes the Company's strategy has secured the foundations of the business model for many years to come. The capital expenditure that was carried out in 2022 despite the challenging macroeconomic conditions and the capital expenditure that is planned for subsequent years – aimed at the continued expansion of digital OOH infrastructure in Germany – are an important building block for ensuring sustained growth in value.

Compared with 2019, the last year before the pandemic, the advertising market in Germany did not grow in 2022 due to macroeconomic challenges such as spiraling inflation, supply chain difficulties, and rising energy prices, but over the course of the year it did improve against 2021. The out-of-home segment has been expanding steadily since 2014, typically outperforming the rest of the market in that time. The stark restrictions on movement imposed on people at the start of the pandemic in 2020 and, to a lesser extent, in 2021 were virtually non-existent in 2022.

Performance of the German advertising market 2012–2022

In EUR b



Source: Nielsen Germany, gross advertising spend. All figures adjusted (excluding direct mailing) Figures for 2022 to be considered provisional until back data is delivered in mid-February (as at January 2023).

The advertising market proved itself to be stable and resilient as the end of pandemic-related restrictions saw out-of-home advertising regain its previous momentum.

Other factors are having a positive impact on this potential:

- Germany is witnessing ever greater levels of travel (source: RAAI 2021, Placense Ltd). The more that people travel, the larger the audience is for out-of-home advertising, which grew by more than 15% on average in 2022 compared with 2020.
- Out-of-home advertising does not interrupt what people are listening to or watching.

Another key aspect that the 'OOH plus' strategy takes into account is the increasing automation of out-of-home advertising. With planning cycles becoming ever shorter due to the combination of an economic downturn and advances in digitalization, demand for automation has shifted up another gear. This is opening up new (programmatic) sales channels, allowing better use of inventories (available at short notice, granular, can be packaged dynamically), and offering better technical possibilities, including for dynamic advertising formats (e.g. the integration of up-to-date information such as sports results or weather forecasts, warnings, share prices, etc.).

In recent years, programmatic advertising has become established in automated marketing worldwide. Programmatic inventories are traded automatically – with great speed and flexibility and at short notice. The additional use of target group (movement) data also enables further customer potential to be unlocked. The mechanism was developed in online marketing and involves automated marketplaces employing algorithms to match supply-side platforms (SSPs) with demand-side platforms (DSPs).

For the programmatic marketing of its digital out-of-home advertising inventory, Ströer can rely on the expertise of the Ströer Digital Group, one of Germany's leading online marketers, as ranked by the German Association of Online Research (agof). Over the past seven years, since it began to market programmatic digital out-home-advertising, Ströer believes it has gleaned a wealth of experience in this field. Its digital indoor infrastructure, built up over the past ten years or so, features around 7,036 public video screens in train stations, shopping malls, premium indoor locations, and local public transport systems (figure as at December 31, 2022). This infrastructure is used and marketed not only as conventional digital out-of-home advertising but also increasingly as programmatic inventory. The rapidly growing inventory of digital out-of-home advertising space on the street is now also being marketed programmatically, and, thanks to the installations made over the past three years, now has the critical mass in many major cities to also be relevant for national customers. Without the expertise in programmatic advertising marketing, Ströer would not have been able to establish its functioning programmatic OOH infrastructure and market it successfully so quickly. In our opinion, the resulting product combines the best of both worlds: the visibility and reach of OOH advertising with the flexibility and granularity of programmatic online advertising.

We believe digital OOH advertising technology capitalizes on the strategic opportunities seized by Ströer in the past:

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

Ströer's portfolio resulting from its 'OOH plus' strategy is also creating broader and deeper relationships with its national, regional, and local customers from a wide variety of different sectors and industries, making the business resilient even in times of crisis.

Advertising is sold both through a national sales organization that serves customers and their agencies centrally from all major cities and through a regional and local sales organization that is able to provide a personal service, either in person or remotely, to even the smallest customers. The latest sales-support, CRM, and bidding systems facilitate the work of all sales segments and enable resources and inventory to be managed on a centralized basis.

Business model

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

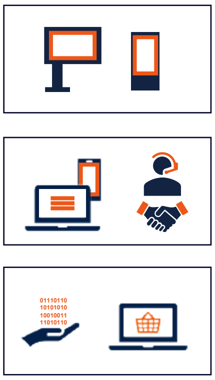
Segments and organizational structure

General

In 2022, the Ströer Group's reporting segments were Out-of-Home Media, Digital & Dialog Media, and DaaS & E-Commerce.

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

Ströer reporting segments since 2021



OOH Media
(incl. Public Video)

Digital & Dialog Media

DaaS & E-Commerce

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

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

Out-of-Home Media

The Out-of-Home Media segment incorporates all of Ströer's analog out-of-home advertising spaces (OOH) and all of its digital out-of-home advertising spaces (DOOH). Ströer uses the generic term 'public video' to describe all digital advertising spaces that are at least $2m^2$ in size.

Basis of the out-of-home advertising business

Ströer's out-of-home advertising business has an attractive portfolio of contracts with private and public-sector owners of land and buildings that give Ströer advertising concessions for high-traffic sites. Of major importance are contracts with municipalities, for which Ströer – in its capacity as a systems provider – develops smart and bespoke communications solutions that can enhance the cityscape or enable additional services to be provided. However, contracts with private individuals and contracts with commercial enterprises also play a role in its balanced portfolio of rights. Ströer provides direct points of contact for local infrastructure partners – municipalities, companies, and private lessors of areas for advertising installations.

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

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

As in previous years, municipal and private advertising concessions were expanded in 2022. Ströer won the digital tender in Stuttgart, the advertising rights in Dresden (18/1, City Light Pillars) were retained with an additional digitalization option. Comprehensive digitalization (18/1, City Light Posters) was added to the existing advertising rights in Hannover; a new digital medium was introduced in Hamburg in the shape of the digital pillar. Additional advertising rights were won in Bonn (transport advertising) and Leipzig (shopping malls at Leipzig main station). The shopping malls at Leipzig main station also underwent extensive digitalization. And we did not lose any significant municipal concession contracts.

Digitalization

The use of digital technologies at existing and new advertising locations was again a focus with regard to both old and new advertising concessions. Ströer is involved with the German Federal Association for City and Town Marketing (BCSD) and various other associations in order to play its part in the digitalization of towns and cities. The objective is to use Ströer's infrastructure and capabilities to simplify communication in public spaces and provide smart municipal services to help people go about their increasingly digitalized daily lives. It is particularly important that municipalities can inform and warn large numbers of people quickly. This is precisely where digital municipal information systems come in, and they have therefore played a key role not only in managing unforeseen events (weather, bomb disposals, etc.) but also in fighting the pandemic by providing guidance and information. Ströer's advertising installations are included in federal and regional government plans for dealing with emergencies and are generally used in test exercises.

Ströer engages in intensive dialogue with many German municipalities about the future and the development of Germany's towns and cities. In 2020, Bonn was selected as a model smart city and various joint initiatives were developed in order to provide long-term support for environmental action, community dialogue, and the arts in Bonn through the intelligent use of cutting-edge installations. We were also involved in a wealth of prototypes and new solutions for a number of other cities. These included the 'Stadtsignale' semantic content management with the city of Hamburg and the greening of infrastructure in Frankfurt, Munich, Duisburg, and Essen.

Every year, Ströer supports charitable organizations, such as Unicef (the United Nations Children's Fund)[1], by donating free advertising space. In 2022, advertising space was also made available to help Ukraine, for providing welcome information for refugees arriving at train stations and for aid organisations in Ukraine. The gross advertising value of these pro bono services came to over EUR 28m.

Research and development

Ströer has its own research and development department with offices in Cologne and Shanghai. The department maintains and enhances product lines and comes up with innovations, with recent examples including digital pillars and sustainability-focused solutions – such as the integration of 'bee hotels', living roofs on advertising installations, and the bus and tram shelter of the future. At the 2022 Greentech Festival in Berlin, Ströer unveiled a new bus and tram shelter that has a living roof, a rear wall incorporating fine particulate filters, and an e-ink display.

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

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

The DOOH business is divided into three categories:

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

[1] https://blog.stroeer.de/nachhaltigkeit/unicef-bedankt-sich-bei-stroeer-fuer-die-hilfe-in-2022/ (unaudited)

Digital & Dialog Media

Ströer Digital Media

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

Thanks to its huge reach[2], Ströer Digital Media GmbH is ranked the number one digital marketer in Germany by the German Association of Online Research (agof), making it one of the most important display and mobile marketers in the German advertising market.

In the area of display and mobile marketing, Ströer Digital Media has a large number of direct customers, its own websites, and an automated technology platform (for both the demand and the supply side).[3]

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

Ströer X (Avedo/Ranger)

The Avedo Group and the Ranger Group were acquired by Ströer back in 2017. The Avedo Group's call center business focuses on customer experience and sales. It has expertise in a wide range of sectors, in particular telecommunications, energy, IT, tourism, multimedia, and e-commerce. The acquisition of the Ranger Group, which operates in performance-based direct sales (door to door), creates an additional channel alongside the Avedo Group's performance marketing business.

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

Highlights in 2022 (Avedo):

- Three nearshore locations established comprising 1 EU location (Plovdiv, Bulgaria) and 2 non-EU locations (Tirana, Albania, and Pristina, Kosovo).
- New customers acquired in strategic growth industries: distance selling/e-commerce, power utilities, financial services, pharmaceuticals/medical technology

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

Ranger took a huge hit from the energy crisis. In 2022, it had to virtually cease marketing electricity and gas products in France and Italy entirely as there were no marketable products available. However, we shifted our sights to the telecommunications industry in every country and on the marketing of fiber-optic broadband in particular.

1. Fiber-optic drove growth in 2022 and is expected to continue to do so. The rate of fiber-optic expansion (FTTH[4]) in the countries where Ranger operates is lower than the EU average for FTTH. We therefore anticipate high demand from private and business customers for several years to come. FTTH sales account for at least 50% of traditional door-to-door business. We therefore see huge potential for long-term growth.

2. Ranger continues to expand its sales to business customers, which is giving it an even bigger share of the huge market for direct marketing to business customers. We will continue to invest additional resources in 2023 in order to maintain our exceptional levels of growth.

3. Ranger continues to invest in innovation and digital transformation. As one of the strongest market players in Europe, we will continue to offer our customers state-of-the-art processes and optimal performance. And to do so we will make increasing use of AI and big data.

[2] agof daily digital facts, Nov 2022, 16+
[3] Demand-side platforms (DSPs) and supply-side platforms (SSPs)
[4] Fiber to the home

DaaS & E-Commerce

Statista

Statista can once again look back on a very successful year. Its revenue grew by more than 30% to around EUR 136m. This was testimony to the resilience of the company's business model that enabled it to pursue its growth strategy in spite of the economic crisis.

The increasingly international business model played a key part in Statista's success in 2022. The expansion of business in the US saw it become the company's biggest sales market. To promote growth, Statista opened offices in India and Australia.

In 2022, it also focused on expanding its product range and improving its services. At the heart of this was the launch of *Business Suite*, which combines all of Statista's products, e.g. all statistics, reports, and other products. The latter include the *Insights* products, which is the umbrella name Statista has given to its *Market Insights*, *Company Insights*, and *Consumer Insights* offerings. This new portfolio structure with its uniform product names is intended to grow average revenue per customer.

Statista R's media partnerships in the US were also successful with new partnerships established with The Wall Street Journal, Fortune, and USA Today. These partnerships are intended to increase revenue in the US and boost the visibility and standing of the Statista brand.

The expansion of video business is driven by a similar aim and was also a focus in 2022. The expansion of Statista Studios and a heightened focus on social media channels brought considerable reach. The company notched up more than 12 million video views across all of its channels, with one YouTube video alone accounting for more than a million views.

AsamBeauty

The BHI Group (Beauty and Health Investment Group GmbH) enjoyed another successful year in 2022, again surpassing the prior year's record level of revenue by EUR 18m or 13% to reach EUR 158m.

The main drivers of growth are as follows:

- Strong and well-known brands whose attractive products cover all relevant segments in the beauty sector. The well-known product lines are M.Asam (personal care and fragrance), Magic Finish (cosmetics), Youthlift (skincare), FloraMare (personal care and fragrance), and the ahuhu brand (hair products). These brands and product families cover all customer segments.
- Unique product innovations based on the brand's own research. A total of 60 years of inhouse research give AsamBeauty a wealth of knowledge and innovative capabilities to draw on. For example, this research has led to advances in the use of grape seed extract (OPC) and resveratrol in the personal care segment and hyaluron and collagen in hair products.
- Inhouse production in Germany at the factories in Beilngries and Steinach meet the highest standards of quality, efficiency, and flexibility. The brand's dependence on international supply chains is very low for the industry.
- AsamBeauty products are available through a broad range of channels, an omnichannel marketing approach that encompasses its own online store, home shopping and live stream shopping, and traditional physical retail.

In 2021, AsamBeauty began to internationalize its sales activities and, in 2022, also sold its range in the US and China, which are important growth markets for beauty products.

Strategic environment

Ströer focuses on segments in the core 'OOH plus' business (OOH Media and Digital & Dialog Media) that can be developed proactively using its own resources, primarily in Germany, and that offer clear medium and long-term opportunities for growth and excellent opportunities for value creation. These segments have an inventory, both OOH and online, with a highly diversified portfolio of rights and are particularly demanding in terms of operational excellence. They are also segments in which a high level of local market knowledge is required of managers and product developers. Mostly they are not globally scalable as there are major differences between countries, particularly in OOH, in terms of market structure, language, culture, and regulatory requirements.

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

Under its 'OOH plus' strategy, Ströer's traditional core segment, Out-of-Home Media, is seeing sustained growth impetus from the development of the digital business in connection with German content (Digital & Dialog Media). Traditional OOH products can be offered on a more granular, flexible, and fast-paced basis and are available through new automated channels thanks to programmatic advertising.

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

From the perspective of the Board of Management of the general partner, the main reasons for the success of Ströer's core segments are:

Broad and in-depth proprietary knowledge, meaning detailed knowledge of the very different local conditions, e.g. each individual advertising location, each individual website, or each individual call center.

Individual quality in management and execution, meaning the wish to ensure maximum precision, down to regional and local level, and not to work with standard solutions that are not geared to specific requirements; consequently, Ströer sells over 210 different product variants in the out-of-home media business alone, with the digital solutions also sold locally through specialist agents.

Proprietary solutions tailored to the customer, with the objective of maximizing customer satisfaction in even the smallest segments.

Direct access to all customers at all levels, meaning the continual expansion of all sales resources to ensure customer contact with the maximum breadth and depth in the market; this includes the small and medium-sized enterprise (SME) sector, for which other providers cannot provide a comprehensive range of services.

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

In organizational terms, this calls for considerable elasticity and scope, centrally supported by the new CRM and ERP systems, as well as a continual process of optimization thanks to artificial intelligence. This can range from the needs of large national advertisers and their agency partners, which are increasingly looking for automated, programmatic, and data-driven solutions with a high degree of flexibility, to the needs of small and medium-sized regional customers, for whom Ströer can act as a single source to provide local, direct advice on every aspect of the offering thanks to its growing local sales organization. These are customers who typically require solutions that are scalable in organizational rather than technical terms.

In the opinion of the Board of Management of the general partner, Ströer is therefore very well placed to be able to continue operating successfully in the German advertising market over the long term.

Advertising market

For our long-term analysis on a like-for-like basis, the above-the-line (ATL) advertising market does not include direct mail, in contrast with many other industry analyses. It should also be taken into account that many online advertising formats, such as search engines and social media, are only included in advertising market analysis to a limited extent and are thus underrepresented.

Under this narrower definition, the gross advertising market (i.e. before discounts) came to EUR 35.54b in 2021 and to EUR 34.15b in 2022, which was a contraction of around 4%. Broken down by season, the second half of 2022 was marked by declines against 2021, which were very likely induced by inflation and the energy crisis.

The market volume for out-of-home advertising came to around EUR 2.55b in 2021 and around EUR 2.61b in 2022, which equated to growth of 2.1%.

This meant that the out-of-home market performed considerably better than the advertising market as a whole.

The segment with the largest decline was TV, down from EUR 18.14b in 2021 to EUR 17.15b in 2022, a fall of around EUR 1b or 5.5%. Radio held steady at around EUR 1.92b and with a smaller volume than out-of-home. Popular magazines recorded a fall of 2.5%, from EUR 2.90b in 2021 to EUR 2.82b in 2022. Daily newspapers declined by 4.5%, with volume down from EUR 5.31b in 2021 to approximately EUR 5.07b in 2022. The online segment shrank from EUR 4.67b to EUR 4.49b, equating to a decline of 3.9%.

By this market definition, the market share of out-of-home grew from 7.2% in 2021 to 7.6% in 2022, i.e. by 0.4 percentage points according to Nielsen Market Research.

In 2022, a number of new providers entered the advertising market with their first offerings. The popular streaming service Netflix offered advertising customers options to advertise to subscribers who have chosen the plan that comes with adverts. Disney+ also launched an advertising model. Paramount started a new streaming service. Social media platforms, particularly TikTok, are also garnering a huge amount of attention from advertising customers. Linear TV offerings will likely remain under pressure. Many social media platforms make intensive use of digital out-of-home advertising to increase the visibility of their offerings and grow their customer base.

Product development

A key part of the strategy is based on the Group's continuously evolving technology position, which enables it to operate at local and regional level and in direct marketing. Technologies for the precise targeting of campaigns and the professional management of anonymized data are becoming increasingly critical to success. They enable the seamless integration of brand marketing and performance marketing into strategies that together make optimum use of various media channels. In addition to the development of special applications and software solutions for digital advertising, the Ströer Group is also focusing on the development of the next generation of OOH advertising media. Ströer's proprietary development center in Cologne is responsible for product innovations in advertising media, working in close collaboration with our office in Shanghai and other partners. This enables us to tailor products to the specific circumstances of our local and regional partners and to fully account for the features of the wider Germany market. In 2022, a brand new advertising medium was created, the Public Video City Tower. Public video is Ströer's generic term for premium digital OOH advertising media. The City Tower is a digital pillar with extremely sophisticated technical specifications due to its rounded outer surface. Ströer's Public Video City Tower contains up to three screens each with a display area of 3.25m², which means that messages can be easily seen from a distance. Sensors adjust the brightness to the ambient conditions, the 2.8mm pixel pitch provides excellent quality, and the Tower is of course energy efficient. In 2022, more than 300 screens were installed in Hamburg; in 2023, we plan to erect another 110 installations, primarily in Stuttgart. The City Towers run on a fully programmatic basis and are linked to a number of content and warning systems, making them a key part of communication with the public.

In 2022, our multi-functional bus and tram shelters were also enhanced and erected for the first time in selected test cities. These shelters offer a host of additional service features, are modular, and have extremely low emissions. The shelters are equipped with living roofs and solar technology meaning that they can also be run independently.

A capitalization rate of 74.2% was achieved in 2022 (prior year: 53.6%) and there were write-downs amounting to EUR 6.8m (prior year: EUR 4.5m).

Value-based management

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

Revenue growth is one of the key indicators for measuring the growth of the Group and is therefore an important metric for managing the Ströer Group's segments. As part of the budgeting and medium-term planning process, growth expectations and revenue targets broken down to the relevant segment level are set for the individual segments; progress toward these targets is continuously monitored throughout the year. Both organic revenue growth and nominal revenue growth are monitored to determine whether it is likely that the relevant targets will be attained or if there will be a shortfall.

→For further information on the calculation of organic revenue growth, see page 22.

At the start of 2022, the Ströer Group changed the way it calculates ← organic revenue growth. Additional revenue from newly acquired companies is now only included in the calculation of organic revenue growth after one year. Disposals are treated in the same way. In addition, adjustments are made for exchange rate effects in the calculation of organic revenue growth. Under the new method, organic revenue growth in the Ströer Group came to 9.3% in 2022 (prior year: 13.2%).

→For further information on the calculation of EBITDA (adjusted) and adjusted consolidated profit or loss for the period, see page 23.

EBITDA (adjusted) – consolidated profit or loss for the period before interest, taxes, depreciation, amortization, and impairment, and adjusted for exceptional items (e.g. capital structure measures, restructuring measures, and other exceptional items) – is another key performance indicator ← and gives an insight into the Group's long-term earnings performance. Furthermore, EBITDA (adjusted) is a key input for determining the leverage ratio to be reported to the lending banks on a quarterly basis. EBITDA (adjusted) is a standard capital market metric for determining enterprise value using a multiples-based method.

→For further information on net debt, see page 35.

Adjusted consolidated profit or loss for the period is one of the main indicators for determining the dividend to be proposed to the shareholder meeting. In line with its shareholder value-based approach to corporate management, Ströer strives to adopt a dividend policy, to the extent permitted under German commercial law, under which 50% to 75% of the adjusted consolidated profit for the period is paid to its shareholders as a dividend.

→For further information on free cash flows before M&A transactions, see page 35.

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

One of the main aims of the Ströer Group is to increase the return on capital employed (ROCE) on a sustained basis. To achieve this and monitor target achievement on an ongoing basis, Ströer has developed a management and financial control system.

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

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

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

Reconciliation: organic revenue growth

The following table presents the reconciliation to organic revenue growth. The method of calculating organic revenue growth was changed as at January 1, 2022; the comparative prior-year figure was restated accordingly. For 2022, it shows that the increase in revenue (excluding foreign exchange rate effects) of EUR 150.8m and adjusted revenue for the prior year of EUR 1,617.3m gives rise to organic growth of 9.3%.

EUR k	2022	2021
Revenue for prior year (reported)	**1,627,323**	**1,442,159**
Entities sold	–10,050	–9,043
Revenue for prior year (adjusted)	**1,617,273**	**1,433,115**
Foreign exchange rate effects	–51	–7,842
Organic revenue growth	150,804	188,860
Revenue for current year (adjusted)	**1,768,026**	**1,614,133**
Acquisitions	3,916	13,189
Revenue for current year (reported)	**1,771,942**	**1,627,323**

Reconciliation: EBITDA (adjusted)

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

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

EUR k	2022	2021
Expenses and income from changes in the investment portfolio	2,257	–886
Expenses and income from capital structure measures	–113	–1
Reorganization and restructuring expenses	–4,928	–4,547
Other exceptional items	3,597	–490
Total	**813**	**–5,923**

In 2022, expenses and income from changes in the investment portfolio principally reflected the provisional proceeds of EUR 4,079k from the sale of SEM Internet Reklam Hizmetleri ve Danismanlik A.S.

The reorganization and restructuring expenses in 2022 mainly related to new restructuring measures by various group companies, including the Asam Group (EUR 614k), the Statista Group (EUR 576k), and Ströer Digital Publishing GmbH (EUR 502k). In the prior year, expenses of EUR 1,292k had comprised salary and severance payments under the voluntary redundancy scheme of Ströer Digital Publishing GmbH.

Other exceptional items represented income of EUR 3,597k in 2022 (prior year: expense of EUR 490k). The change was chiefly due to income under the stock option plan of EUR 9,285k (prior year: allocation of EUR 5,227k). This was mainly the result of stock options for which the conditions of exercise were no longer met. An impairment loss of EUR 5,810k on the equity-accounted investment tricontes360 GmbH had the opposite effect on this item (prior year: reversal of an impairment loss of EUR 7,060k).

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

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

EUR k	2022	2021
EBITDA (adjusted) – total segment earnings	**571,490**	**545,278**
Reconciliation items	–30,090	–32,005
EBITDA (adjusted)	**541,401**	**513,272**
Adjustments	813	–5,923
EBITDA	**542,214**	**507,349**
Depreciation (right-of-use assets under leases (IFRS 16))	–197,040	–193,885
Amortization and depreciation (other non-current assets)	–102,505	–102,152
Impairment losses (including goodwill impairment)	–3,962	–14,029
Net finance income/costs	–27,894	–28,576
Profit or loss before taxes	**210,813**	**168,706**

Reconciliation of the consolidated income statement to the management accounting figures

EUR m	Income statement in accordance with IFRS 2022	Reclassification of amortization, depreciation, and impairment	Reclassification of exceptional items	Income statement for management accounting purposes
Revenue	**1,771.9**			**1,771.9**
Cost of sales	–1,015.5	256.1	1.1	–758.3
Selling expenses	–315.4			
Administrative expenses	–227.1			
Total selling and administrative expenses	–542.5	47.4	10.2	–484.9
Other operating income	43.0			
Other operating expenses	–19.8			
Total other operating income and other operating expenses	23.2		–17.9	5.4
Share of the profit or loss of investees accounted for using the equity method	1.5		5.8	7.3
EBITDA (adjusted)				**541.4**
Amortization, depreciation, and impairment		–303.5		–303.5
EBIT (adjusted)				**237.9**
Exceptional items[1]			0.8	0.8
Net finance income/costs	–27.9			–27.9
Income taxes	–59.0			–59.0
Consolidated profit or loss for the period	**151.8**	**0.0**	**0.0**	**151.8**

[1] For further information on exceptional items, please refer to the section 'Reconciliation: EBITDA (adjusted)' on page 23.

Amortization and depreciation from purchase price allocations	Exchange rate effects from intragroup loans	Tax normalization	Elimination of exceptional items and impairment losses	Adjusted income statement 2022	Adjusted income statement 2021
				1,771.9	**1,627.3**
				–758.3	–714.3
				–484.9	–439.6
				5.4	27.3
				7.3	12.5
				541.4	**513.3**
23.3			4.0	–276.2	–264.1
23.3			**4.0**	**265.2**	**249.1**
			–0.8	0.0	0.0
	–0.2		–2.1	–30.2	–28.2
		–4.4		–63.4	–50.8
23.3	**–0.2**	**–4.4**	**1.0**	**171.5**	**170.2**

Management and control

As at December 31, 2022, the Board of Management of the general partner, Ströer Management SE, Düsseldorf, comprised three members: Mr. Udo Müller (Co-CEO), Mr. Christian Schmalzl (Co-CEO), and Henning Gieseke (CFO). The following overview shows the responsibilities of each member of the Board of Management in the Group:

Name	Appointed until	Responsibilities
Udo Müller	July 2025	Co-CEO Corporate strategy M&A Public affairs & government relations Internal/external corporate communications OOH infrastructure development & inventory management OOH R&D
Christian Schmalzl	July 2025	Co-CEO OOH marketing, national OOH marketing, regional/local OOH foreign equity investments Digital marketing & digital services Digital publishing Direct & Dialog Media Data as a Service & E-Commerce Human resources
Henning Gieseke	May 2024	Chief Financial Officer (CFO) Group purchasing Corporate IT Group accounting & treasury Shared service center & tax Group financial planning and reporting Investor relations & ESG Governance, risk & compliance Legal

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

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

The term of appointment of the following Supervisory Board members ended with the annual shareholder meeting of the Company on June 22, 2022: Angela Barzen, Petra Loubek, Rachel Marquardt, Dr. Thomas Müller, Nadine Reichel, and Christian Sardiña-Gellesch. At the annual shareholder meeting on June 22, 2022, Ms. Elisabeth Lepique was elected as a new shareholder representative on the Supervisory Board for a term of three years. Andreas Güth, Christian Kascha, Simone Kollmann-Göbels, Tobias Schleich, and Stephan Somberg were elected as employee representatives. Their five-year term of office began on June 22, 2022.

The Supervisory Board of Ströer SE & Co. KGaA comprises 16 members in accordance with section 278 (3) and section 95 et seq. of the German Stock Corporation Act (AktG) in conjunction with article 10 (1) of the articles of association of Ströer SE & Co. KGaA. The Supervisory Board consists of the eight shareholder representatives Mr. Christoph Vilanek (chairman), Mr. Ulrich Voigt (deputy chairman), Dr. Karl-Georg Altenburg, Ms. Elisabeth Lepique, Mr. Martin Diederichs, Ms. Barbara Liese-Bloch, Dr. Kai Sauermann, and Ms. Petra Sontheimer, and the eight employee representatives Mr. Andreas Huster, Ms. Sabine Hüttinger, Mr. Andreas Güth, Mr. Christian Kascha, Ms. Simone Kollmann-Göbels, Mr. Tobias Meuser, Mr. Tobias Schleich, and Mr. Stephan Somberg.

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

For 2022, Ströer SE & Co. KGaA will once again prepare a Group non-financial report pursuant to section 315b HGB, a remuneration report, and a sustainability report. They will be available from March 30, 2023 on our website **https://ir.stroeer.com/investor-relations/financial-reports/**.

Markets and factors

The Ströer Group's business model means that it operates in the markets for out-of-home advertising and online and mobile marketing and in the dialogue marketing, e-commerce, and data-driven services segments. In out-of-home advertising, the Group's economic situation is naturally affected by the advertising markets that it serves, which in turn are highly sensitive to macroeconomic developments and changes in the behavior of consumers and advertisers. A distinction should be made between the behavior of national (often also international) advertisers and the behavior of regional or local advertisers. International advertisers' advertising spend often responds to global economic conditions, in some cases – such as during the pandemic – in a countercyclical way. National, regional, and local advertisers are guided primarily by their domestic economy, making these customers' advertising budgets significantly less volatile. One of the aims of Ströer's product and sales strategy is to increase the proportion of national, regional, and local customers. In 2022, Ströer recorded a sharp increase in demand from ministries and institutions, which are increasingly using out-of-home and online advertising as well as dialogue services to disseminate information on healthcare and public-interest matters, and to communicate warnings and disease prevention messages.

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

In the out-of-home advertising industry, customers are increasingly placing bookings with shorter lead times. Thanks to the advancing digitalization of its out-of-home inventory, Ströer is increasingly able to offer its products on a more granular basis and at much shorter notice. Order intake reflects the seasonal fluctuations seen in the broader media market. There is generally a concentration of out-of-home activities in the second and fourth quarters, around Easter and Christmas. However, sports events, such as the soccer world cup, rarely tend to stimulate out-of-home advertising. On the cost side, changes in lease payments, personnel expenses, and other overheads (including electricity, building, and maintenance costs) are a key factor. The microprocessor shortage and the disruption to global supply chains had little effect on the speed and costs of installations in the DOOH network in 2022. Ströer achieved its installation targets by taking proactive measures in its warehousing.

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

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

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

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

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

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

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

ECONOMIC REPORT[1]

Business environment

Macroeconomic developments in 2022

Under the 'OOH plus' strategy, Ströer focuses on its home market of Germany, which is of key importance as around 90% of the Company's revenue is generated there. Aside from this, the Ströer Group has out-of-home activities in Poland and international activities through Statista and Asam. Overall, however, the international business carries much less significance.

After two years of COVID-19, the German economy started the year in a good position and strong growth was expected to offset the impact of the pandemic. However, these expectations did not come to fruition as Russia attacked Ukraine on February 24, 2022. The German economy had to contend with persistently difficult conditions from then on. In the third quarter of 2022[2] did gross domestic product (GDP) return to the pre-pandemic level of the fourth quarter of 2019 for the first time again.[3] Against the backdrop of the war in Ukraine with its repercussions for the international economy and the rise in inflation over the course of the year, the much hoped-for rebound failed to materialize for Germany. In 2022 as a whole, GDP only rose by 2.0%[4] having risen by 2.8%[5] in the prior year.

These developments also affected business sentiment in Germany. After peaking at 98.8 points[6] in February 2022, the ifo Business Climate Index fell seven times in a row after the start of the war before bottoming out at 84.3 points[7] in September 2022. However, the mood of the German economy picked up again slightly at the end of the year with the index rising to 88.6 points.[8]

The average inflation rate in 2022 was 7.9%[9]. This significantly higher rate was due to the leap in prices, particularly for energy and food, since the outbreak of the war. By contrast, the debt ratio as a percentage of nominal GDP fell slightly as the pandemic receded, from 68.7% in 2021 to 67.1% in 2022.[10]

As already described, the German economy is under immense strain. However, the country's labor market remained relatively stable despite the fallout from Russia's war against Ukraine. Average unemployment for the year was actually down in real terms, with a rise in the number of people in employment.[11] However, the nominal rate of unemployment edged up at the end of December due to Ukrainian refugees being included in the figures. This pushed the rate of unemployment up to 5.4%[12] at the end of 2022 (prior year: 5.1%)[13].

The number of people in employment and earning sufficiently to pay social insurance contributions has swelled by contrast and demand for new staff remains high. In 2022, the average number of people in employment in Germany stood at around 45.6 million.[14] This figure was the highest it had been since German reunification in 1990. Based on preliminary estimates by the Federal Statistical Office (Destatis), the average number of people in employment rose steeply by 589,000 (up by 1.3%) in 2022. This figure was 292,000 people, or 0.6%, higher than at its last peak in 2019 (45.3 million people).

Disposable income in Germany (up by approximately 3.1%[15]) lagged well behind inflation in 2022.

[1] By contrast with the figures for the financial year, the disclosures for the quarters contain unaudited information.
[2] German Federal Statistical Office – press release no. 563, December 27, 2022.
[3] German Federal Statistical Office – press release no. 563, December 27, 2022.
[4] German Federal Statistical Office – press release no. 20, January 13, 2023 (GDP price- and calendar-adjusted).
[5] German Federal Statistical Office – press release no. 39, January 28, 2022 (GDP price- and calendar-adjusted).
[6] ifo Institute – ifo business survey, December 2022.
[7] ifo Institute – ifo business survey, December 2022.
[8] ifo Institute – ifo business survey, December 2022.
[9] German Federal Statistical Office – press release no. 22, January 17, 2023.
[10] Kiel Institute for the World Economy 2022 winter forecast, December 15, 2022.
[11] German federal government – December figures, January 3, 2023.
[12] German federal government – December figures, January 3, 2023.
[13] German Federal Employment Agency, Monthly report on the labor and training market, January 4, 2022.
[14] German Federal Statistical Office – press release no. 1, January 2, 2023.
[15] BMF – Disposable income per employee (single, no children) in Germany between 1960 and 2022, May 2, 2022.

Performance of the out-of-home and online advertising industry in 2022[16]

As a result of the challenges in the wider market, gross advertising spend fell in 2022. According to data collected by Nielsen, gross advertising expenditure in Germany dipped by 3.4% year on year in 2022. There were considerable differences, however, between the various advertising categories. Of the four major advertising categories, print, TV, online, and out-of-home advertising, all except the latter were down, with TV seeing the largest reduction of 5.5%. In prior years, online advertising spend had been an engine of growth but it also stalled in 2022 with Nielsen reporting a decline of around 3.9% in this category. Advertising spend in the print segment fell by 3.6% overall in the reporting year. Out-of-home advertising, by contrast, outperformed the overall advertising market with growth of 2.1% and gained market share.

Market growth of top four advertising categories in 2022 vs. 2021[17]

Total	OOH	TV	Print	Online
–3.4%	2.1%	–5.5%	–3.6%	–3.9%

In our view, however, the gross advertising data provided by Nielsen only indicates trends and can only be used to a limited extent to draw conclusions about net figures due to differing definitions and market territories.

Exchange rates in 2022

In spite of Statista and Asam's international business activities, the effects of exchange rates on the Ströer Group's business were negligible because the Group is primarily focused on its core German market.

Financial performance of the Group

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

Given the challenges triggered by the war in Ukraine and the resulting economic downturn, the Board of Management believes that 2022 as a whole was a successful year for the Ströer Group nonetheless. The Ströer Group benefited from strong organic growth as reflected first and foremost in its key performance indicators of revenue and EBITDA (adjusted). Ströer grew its revenue by EUR 144.6m in 2022 to EUR 1,771.9m, which was a new record. EBITDA (adjusted) also rose by EUR 28.1m year on year to EUR 541.4m (prior year: EUR 513.3m).

From the perspective of the Board of Management, the Group continued to enjoy a solid and well-balanced financial position in 2022 in terms of its net assets and capital structure. In terms of external financing, in December 2022, the Group entered into a new loan facility for a further five years to ensure that it has access to a comprehensive pool of liquidity at all times. This was complemented by its strong cash flows from operating activities, demonstrating once again the strength of Ströer's internal financing capability. Despite extensive investment in growth, the distribution of a dividend, considerable tax backpayments, and a share buyback, the leverage ratio increased only marginally and thus remained at a comfortable level. This positive overall picture was rounded off, in the view of the Board of Management, by the Group's equity ratio, which remained at a stable level.

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

Comparison of forecast and actual business performance

The forecasts we made for 2022 were based on a cautiously optimistic assessment of economic conditions going forward. However, annual forecasts are naturally subject to major uncertainties, and particularly so during the COVID-19 pandemic and the war in Ukraine. Although the economic climate became considerably more subdued over the course of the year as a result of the war, many of the targets originally set for 2022 were almost achieved.

[16] Nielsen gross advertising spend in 2022.
[17] Nielsen gross advertising spend in 2022.

	Projected results for 2022	Actual results in 2022
Organic revenue growth	Growth between 10% and 14% (prior year: 13.2%)	9.3%
EBITDA (adjusted)	Percentage growth largely in line with revenue (prior year: EUR 513.3m)	EUR 541.4m (+5.5%)
ROCE	Comparable with prior year (prior year: 20.0%)	20.0%
Adjusted consolidated profit or loss for the period	Growth comparable with that of EBITDA (adjusted) (prior year: EUR 170.2m)	EUR 171.5m (+0.8%)
Free cash flow before M&A transactions (incl. IFRS 16 payments for the principal portion of lease liabilities)	Growth in line with EBITDA (adjusted) (prior year: EUR 147.0m)	EUR 50.4m
Leverage ratio	In line with or slightly below the prior year (notwithstanding an increase in dividends and M&A transactions) (prior year: 2.0)	2.2

Financial performance of the Group

Consolidated income statement

EUR m	2022	2021
Revenue	1,771.9	1,627.3
EBITDA	542.2	507.3
EBITDA (adjusted)	541.4	513.3
EBIT	238.7	197.3
Net finance income/costs	–27.9	–28.6
Profit or loss before taxes	210.8	168.7
Income taxes	–59.0	–38.5
Consolidated profit or loss for the period	151.8	130.3

For 2022 as a whole, the Group’s **revenue** stood at EUR 1,771.9m, representing an increase of EUR 144.6m on 2021 (prior year: EUR 1,627.3m). Ströer generated especially strong year-on-year growth in the first two quarters, while the progressive slowdown in the economy had a particularly negative impact on some of the Group’s businesses in the fourth quarter. Compared with the prior year, full-year revenue growth came to 9.3% (organic) and 8.9% (nominal).

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

EUR m	2022	2021
Out-of-Home Media	741.1	658.1
Digital & Dialog Media	736.6	727.4
DaaS & E-Commerce	294.2	241.8
Total	**1,771.9**	**1,627.3**

The geographical breakdown of consolidated revenue did not change materially in structural terms in 2022. Revenue in Germany rose from EUR 1,453.5m to EUR 1,589.9m. Revenue outside Germany also increased year on year, climbing by EUR 8.1m to EUR 182.0m (prior year: EUR 173.9m). A total of 10.3% of revenue was therefore generated outside Germany (prior year: 10.7%).

The Ströer Group's revenue is subject to considerable seasonal fluctuations, as is revenue in the rest of the overall media industry. This impacts the level of revenue and earnings for the Group over the course of the year. While the fourth quarter is generally characterized by significantly higher revenue and earnings contributions, the first quarter in particular tends to be somewhat weaker. And things were no different in 2022, although the slowing economy toward year-end dampened the positive fourth-quarter effect somewhat.

In line with the increase in revenue, the Group's **cost of sales** increased by EUR 37.1m to EUR 1,015.5m (prior year: EUR 978.3m). Besides higher running costs and revenue-based lease payments in out-of-home advertising, this item was also significantly impacted by higher revenue-based fees in dialogue marketing (door to door). Overall, **gross profit** climbed by EUR 107.5m to EUR 756.5m (prior year: EUR 649.0m).

Selling and administrative expenses in the Group also increased, rising by EUR 51.6m to EUR 542.5m (prior year: EUR 491.0m). This was the result of higher investments in growth in some areas of the business compared with the prior year and the continued increase in operating business. Selling and administrative expenses as a percentage of revenue were thus marginally higher than in the prior year at 30.6% (prior year: 30.2%). **Other operating income** also increased slightly year on year, standing at EUR 43.0m for the year (prior year: EUR 41.0m). Whereas in the prior year this item had been positively impacted by the reversal of the loss allowance for trade receivables that had originally been recognized due to the COVID-19 pandemic, in 2022, the gain on the sale of a Turkish subsidiary increased this item. This contrasted with **other operating expenses** which were slightly lower year on year at EUR 19.8m (prior year: EUR 21.1m). The Group's **share of the profit or loss of investees accounted for using the equity method** was considerably lower in 2022 than in 2021 at EUR 1.5m (prior year: EUR 19.3m). Essentially, the 2022 figure was adversely affected by an impairment loss on the dialogue marketing business, whereas in 2021, this figure had been boosted by reversals of impairment losses.

In terms of operating business in 2022, the Ströer Group – despite a confluence of challenges towards the end of the year – notched up tangible growth with **EBIT** of EUR 238.7m crossing the EUR 200.0m mark for the first time (prior year: EUR 197.3m). **EBITDA (adjusted)** also increased significantly, up by EUR 28.1m year on year to EUR 541.4m (prior year: EUR 513.3m). At 20.0%, the return on capital employed **(ROCE)** remained at a high level (prior year: 20.0%).

The Group achieved a small improvement in its **net finance costs**, which amounted to EUR 27.9m (prior year: EUR 28.6m). Besides general funding costs for existing liabilities to banks, this figure has primarily consisted of expenses from unwinding the discount on lease liabilities since the introduction of IFRS 16. Overall, the adverse impact on net finance costs of increased interest rates in 2022 was more than offset by the payments received in respect of receivables that had previously been fully written down.

The Ströer Group's much improved financial performance led to a corresponding increase in the tax base, as a result of which the **tax expense** for 2022 of EUR 59.0m was much higher than in 2021 (prior year: EUR 38.5m).

All in all, despite the macroeconomic challenges, the Ströer Group achieved **consolidated profit for the period** of EUR 151.8m in 2022, which was EUR 21.6m higher than the prior-year figure of EUR 130.3m, which was itself a record. **Adjusted consolidated profit for the period** was up EUR 1.4m year on year to EUR 171.5m (prior year: EUR 170.2m).

Net assets and financial position

Overall assessment of the net assets and financial position

The Board of Management believes that the Ströer Group remains in a strong position – even in light of uncertainties such as the war in Ukraine and the COVID-19 pandemic – thanks to its good balance of assets and liabilities and solid financial footing. The cornerstone of this sound financial structure is robust external financing in the form of long-term commitments providing a comfortable level of liquidity. By entering into a new loan facility agreement with a volume of EUR 650m in December 2022 – ahead of schedule – Ströer ensured that it has access to this pool of liquidity at all times for a further five years. These long-term credit facilities, together with the cash balance, meant that funds totaling EUR 301.5m were freely available as at the reporting date (prior year: EUR 365.4m). This robust external financing was complemented by the Group's internal financing strength, which was proven once again with substantial cash flows from operating activities of EUR 410.9m (prior year: EUR 426.5m). The leverage ratio (defined as the ratio of net debt to EBITDA (adjusted)) of 2.20 (prior year: 1.97) remains very sound in the Board of Management's opinion. The Group's equity ratio, which remains at a stable level, completes the overall picture.

Main features of the financing strategy

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

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

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

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

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

The external financing at our disposal and our financial flexibility are mainly based on two instruments. The first instrument comprises several note loans that Ströer SE & Co. KGaA placed on the capital markets in June 2016, October 2017, and June 2022 and which amounted to EUR 18.0m, EUR 113.0m, and EUR 203.0m respectively as at December 31, 2022. These loans consist of several tranches with terms of three, five, or seven years maturing between June 2023 and June 2029. An amount of EUR 178.5m is subject to fixed interest rates ranging between 127bp and 277bp; the floating rates on the loans range between 70bp and 110bp plus Euribor. Thanks to the large number of banks involved in these note loans, our investor base is highly diversified.

The second instrument is a new credit facility of EUR 650.0m that was arranged with a banking syndicate in December 2022 and may be extended by a further EUR 100.0m if required. This new facility replaced the previous credit facility dating from 2016. The facility's variable interest rate is in line with the market at Euribor plus a margin that ranges between 80bp and 175bp depending on the leverage ratio. The documentation also reflects the Ströer Group's investment-grade status. The facility has been committed for a fixed term ending in December 2027 with the option to be extended by a maximum of two years. The total volume of EUR 650.0m is structured as a flexible revolving facility including bilateral credit lines, giving the Ströer Group enormous financial flexibility.

For both financing instruments, the loans were granted without collateral. The financial covenants relate to the leverage ratio, which was comfortably met as at the end of the year. The costs incurred in connection with setting up the two financing instruments will be amortized over the term of the respective agreements. Overall, this provides the Ströer Group with very flexible and stable long-term financing in our opinion. As at December 31, 2022, the Group had available funding at its disposal of EUR 301.5m (prior year: EUR 365.4m) from unutilized credit lines under the credit facility, including a cash balance of EUR 79.9m.

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

Our cash management is focused on managing our liquidity and optimizing the cash flows within the Group. The financing requirements of subsidiaries, if they cannot be covered from their own internal funds, are primarily met by intercompany loans as part of the automated cash pooling process. In exceptional circumstances, credit lines are also agreed with local banks in order to meet legal, tax, or operational requirements. In accordance with these guiding principles, the subsidiaries were once again mainly financed via the Group holding company in 2022. Where legally possible, any liquidity surpluses in the individual entities are pooled at Group level. Through the Group holding company, we ensure that the financing requirements of the individual Group entities are adequately covered at all times.

The Ströer Group's leverage ratio increased only slightly to 2.20 in the reporting year (prior year: 1.97) despite extensive investment in growth and the challenging economic conditions created by the war in Ukraine. In 2022, Ströer SE & Co. KGaA and its Group entities complied with all loan covenants and obligations under financing agreements.

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

Financial position

Liquidity and investment analysis

The Ströer Group's cash flows in the reporting period are presented below:

EUR m	2022	2021
Cash flows from operating activities	**410.9**	**426.5**
Cash received from the disposal of intangible assets and property, plant, and equipment	1.1	5.2
Cash paid for investments in intangible assets and property, plant, and equipment	–163.6	–106.5
Cash received and cash paid in relation to investees accounted for using the equity method and to financial assets	6.3	2.5
Cash received from and cash paid for the sale and acquisition of consolidated entities	7.8	–0.4
Cash flows from investing activities	**–148.4**	**–99.3**
Cash flows from financing activities	**–246.0**	**–349.2**
Change in cash	16.5	–22.1
Cash at the end of the period	**79.9**	**63.4**
Free cash flow before M&A transactions (incl. IFRS 16 payments for the principal portion of lease liabilities)	50.4	147.0
Free cash flow before M&A transactions	**248.3**	**325.1**

Whereas the Ströer Group's cash flows from operating activities were considerably higher year on year in the first half of 2022, this positive trend faltered slightly toward the end of 2022 due to the downturn in the wider economy and the fact that the fourth quarter of 2021 had been strong. Given that operating activities picked up significantly over the course of the year as a whole, which was evident in the tangibly improved EBITDA (EUR +34.9m), it was mainly higher tax backpayments for prior years and adverse effects on provisions and working capital with an impact on cash that were responsible for the overall decline in cash flows from operating activities. Ultimately, at EUR 410.9m, **cash flows from operating activities** only reflected the tangible overall improvement in operating activities in 2022 to a very limited extent (prior year: EUR 426.5m).

On the back of its encouraging business performance across the year as a whole, the Ströer Group pushed ahead with its investment in organic growth – particularly in digitalizing its core business. Other investments included the Group's headquarters in Cologne, which Ströer acquired for around EUR 11.2m in the third quarter. In terms of M&A activities, by contrast, we sold the Turkish Group entity SEM Internet Reklam Hizmetleri ve Danismanlik A.S., Istanbul, Turkey, in 2022. Overall, **cash flows from investing activities** amounted to a net outflow of EUR –148.4m as at the reporting date, which was substantially higher than in the prior year (prior year: net outflow of EUR –99.3m). The aforementioned tax backpayments, together with investments in growth, were particularly significant factors in a corresponding decline in **free cash flow before M&A transactions** to EUR 248.3m (prior year: EUR 325.1m). Including IFRS 16 payments for the principal portion of lease liabilities, free cash flow before M&A transactions totaled EUR 50.4m (prior year: EUR 147.0m).

In light of the effects described above and the increase in cash, **cash flows from financing activities** declined by EUR 103.2m to a net outflow of EUR –246.0m (prior year: net outflow of EUR –349.2m). As in the prior year, cash flows from financing activities were heavily influenced by the payment of a dividend to the shareholders of Ströer SE & Co. KGaA as well as payments for the principal portion of lease liabilities in connection with IFRS 16. For the first time, payments under the share buyback program also played their part. The program was launched at the start of October 2022 and had reached half of its target volume by year-end. Furthermore, the early repayment and replacement of the credit facility dating from 2016 with a new one that was disbursed in December 2022 also led to a corresponding increase in borrowing and loan repayments. Cash paid for the acquisition of shares not involving a change in control also declined in line with the scaling back of M&A activities over the past few years. The net result of all these changes was that the Ströer Group had **cash** of EUR 79.9m at the end of 2022 (prior year: EUR 63.4m).

Financial structure analysis

The Ströer Group's **financial liabilities** came to EUR 1,701.7m as at December 31, 2022 (prior year: EUR 1,648.4m). This rise of EUR 53.4m was mainly due to increased investments in digital advertising media, the acquisition of the headquarters in Cologne, the increase in working capital, and the launch of the share buyback program in October 2022. The Group's lease liabilities (IFRS 16) declined by contrast. Within financial liabilities, there was a shift from current to non-current liabilities, primarily due to the repayment of maturing note loans of EUR 219.0m in 2022. These repayments were funded by drawing on long-term credit lines under the facility agreement.

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

EUR m		Dec. 31, 2022	Dec. 31, 2021
(1)	Lease liabilities (IFRS 16)	876.6	945.1
(2)	Liabilities from the facility agreement	414.1	280.6
(3)	Liabilities from note loans	333.3	349.8
(4)	Liabilities to purchase own equity instruments	27.3	27.5
(5)	Liabilities from dividends to be paid to non-controlling interests	2.5	4.9
(6)	Other financial liabilities	48.0	40.4
(1)+(2)+(3) +(4)+(5)+(6)	Total financial liabilities	1,701.7	1,648.4
(2)+(3)+(5)+(6)	Total financial liabilities excluding lease liabilities (IFRS 16) and liabilities to purchase own equity instruments	797.8	675.7
(7)	Cash	79.9	63.4
(2)+(3)+(5)+(6)-(7)	**Net debt**	**718.0**	**612.3**
Leverage ratio		**2.2**	**2.0**

The Ströer Group's net debt went up by EUR 105.6m to EUR 718.0m in 2022. The rise is attributable in particular to increased investment in digital advertising media, tax backpayments, the acquisition of the headquarters in Cologne, the increase in working capital, and the launch of a share buyback program in October 2022. This means that despite an increase in EBITDA (adjusted), the leverage ratio (defined as the ratio of net debt to EBITDA (adjusted)) has risen slightly year on year but remains at a comfortable level of 2.20 (prior year: 1.97).

Current and non-current **other liabilities** (EUR 128.8m; prior year: EUR 128.9m) were virtually unchanged year on year. Current and non-current **trade payables** (EUR 218.1m; prior year: EUR 227.9m) decreased slightly compared with the prior year. The changes in current and non-current **other provisions** were also marginal (EUR 119.5m; prior year: EUR 114.3m). The Group's **pension provisions** by contrast were significantly lower in 2022, falling by EUR 12.5m to EUR 31.0m (prior year: EUR 43.4m), mainly as a result of the considerable increase in the underlying discount rate. **Deferred tax liabilities** – in line with deferred tax assets – increased moderately year on year (EUR 38.8m, prior year: EUR 22.3m).

In the prior year, the EUR 7.1m recognized on the statement of financial position for **liabilities associated with assets held for sale** related to the Turkish subsidiary SEM Internet Reklam Hizmetleri ve Danismanlik A.S., Istanbul, Turkey. This company was sold on June 30, 2022.

Ultimately, the Ströer Group closed 2022 with **equity** of EUR 473.7m, which was slightly lower than the figure for 2021 (prior year: EUR 483.9m). The distribution of a dividend to the shareholders of Ströer SE & Co. KGaA and the share buyback had initially led to a decline in equity, but this effect was almost entirely offset over the year as a whole by the Ströer Group's substantial profit for the period of EUR 151.8m. The equity ratio fell marginally from 17.8% as at December 31, 2021 to 17.2% as at December 31, 2022. Adjusted for the lease liabilities accounted for in accordance with IFRS 16, the equity ratio was 25.2% as at the reporting date (prior year: 27.3%).

Capital costs

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

Net assets

Consolidated statement of financial position

EUR m	Dec. 31, 2022	Dec. 31, 2021
Assets		
Non-current assets	2,359.9	2,360.9
Current assets	396.2	347.8
Held for sale[1]	0.0	9.0
Total assets	**2,756.2**	**2,717.7**
Equity and liabilities		
Equity	473.7	483.9
Non-current liabilities	1,583.1	1,307.6
Current liabilities	699.3	919.1
Held for sale[1]	0.0	7.1
Total equity and liabilities	**2,756.2**	**2,717.7**

[1] The item ‘Held for sale’ includes assets classified as held for sale and the associated liabilities.

Analysis of the asset structure

The Group’s **non-current assets** only decreased marginally overall in 2022, from EUR 2,360.9m to EUR 2,359.9m. Within non-current assets, the carrying amount of equity investments accounted for using the equity method declined, which in turn was due to profit distributions from those companies to their shareholders during the year and to a write-down on one of the investments. This contrasted in particular with an increase in deferred tax assets. There was only a small change in intangible assets and property, plant, and equipment, as the considerable investment in advertising media under property, plant, and equipment was almost entirely offset by depreciation of IFRS 16 right-of-use assets.

Current assets increased by EUR 48.4m to EUR 396.2m in the same period. However, the only notable changes within current assets affected cash and trade receivables, and those changes were within their usual ranges in both cases.

The sum of EUR 9.0m reported under **assets classified as held for sale** in the prior-year statement of financial position related to the Turkish subsidiary SEM Internet Reklam Hizmetleri ve Danismanlik A.S., Istanbul, Turkey. This company was sold on June 30, 2022.

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

Financial performance of the segments

Out-of-Home Media

EUR m	2022	2021	Change	
Segment revenue, thereof	**790.9**	**700.8**	**90.1**	**12.9%**
Classic OOH	497.9	473.7	24.2	5.1%
Digital OOH	233.7	173.8	59.9	34.4%
OOH Services	59.3	53.3	6.0	11.4%
EBITDA (adjusted)	**373.0**	**335.9**	**37.1**	**11.1%**
EBITDA margin (adjusted)	**47.2%**	**47.9%**	**–0.8 percentage points**	

The OOH Media segment saw another considerable year-on-year improvement in **revenue** in 2022, to EUR 790.9m (prior year: EUR 700.8m). This is equivalent to a rise of EUR 90.1m or 12.9%. Out-of-home advertising, with its attractive portfolio of advertising media and strong sales performance, fared well in a market that became increasingly challenging over the course of the year, although its growth tailed off slightly as the year progressed, particularly in respect of national campaign customers. Revenue was nevertheless higher year on year across all product groups.

The **Classic OOH** product group offers traditional out-of-home advertising products to our customers. Its revenue of EUR 497.9m in the reporting period represented a significant year-on-year increase (prior year: EUR 473.7m). The **Digital OOH** product group, which consists of our digital out-of-home products (particularly public video and roadside screens), grew its revenue by a very considerable 34.4% to EUR 233.7m in the reporting period. Our attractive network of digital advertising media saw notably strong year-on-year growth on the back of the ongoing expansion of our roadside screen portfolio. Ever more customers are opting for programmatic placement of advertising using our digital advertising media. Revenue in the **OOH Services** product group was also much higher year on year at EUR 59.3m (prior year: EUR 53.3m). This product group includes the local marketing of digital products to small and medium-sized customers as well as smaller, complementary activities that are a good fit with the customer-centric offering in the out-of-home advertising business.

The very healthy business performance had a noticeable positive impact on earnings, especially in the first half of 2022. For the year as a whole, the segment was able to significantly exceed the level of earnings reported a year earlier, with its **EBITDA (adjusted)** rising by EUR 37.1m to EUR 373.0m in the reporting period (prior year: EUR 335.9m). The fact that government subsidy programs (short-time working) were still being used in the prior-year period makes this increase particularly encouraging. Against a backdrop of challenging market conditions marked by general price increases, the **EBITDA margin (adjusted)** was roughly on a par with the prior year at 47.2% (prior year: 47.9%).

Digital & Dialog Media

EUR m	2022	2021	Change	
Segment revenue, thereof	**743.7**	**733.9**	**9.9**	**1.3%**
Digital	387.6	429.5	–41.9	–9.8%
Dialog	356.1	304.3	51.8	17.0%
EBITDA (adjusted)	**177.8**	**187.4**	**–9.6**	**–5.1%**
EBITDA margin (adjusted)	**23.9%**	**25.5%**	**–1.6 percentage points**	

Revenue in the Digital & Dialog Media segment rose by EUR 9.9m overall to EUR 743.7m in 2022. The **Digital** product group, which encompasses our online marketing activities, reported revenue of EUR 387.6m in the reporting period, which was significantly down on the prior-year figure of EUR 429.5m. In our publisher portfolio, our own special interest portals managed to escape the general market pressure and generated a considerable year-on-year increase in revenue. However, the darkening economic outlook coupled with the challenging news environment increasingly took their toll on our performance over the course of the reporting period. Some of the decline in revenue – a low double-digit million figure – is due to our peripheral digital activities in Turkey, which we sold mid-year. For this reason, the figures are not entirely comparable with those of the prior year. The **Dialog** product group comprises our call center activities and direct sales activities (door to door). Its revenue rose sharply again in 2022, jumping by EUR 51.8m to EUR 356.1m. This reflected the tremendous success of our door-to-door sales business in selling telecommunications products, which more than made up for the difficulties in selling products in the energy sector and the only moderate development in the call center business.

The challenging market environment in both product groups was reflected in earnings. Overall, the segment generated **EBITDA (adjusted)** of EUR 177.8m in the reporting period (prior year: EUR 187.4m) and an **EBITDA margin (adjusted)** of 23.9% (prior year: 25.5%).

DaaS & E-Commerce

EUR m	2022	2021	Change	
Segment revenue, thereof	**294.4**	**241.9**	**52.5**	**21.7%**
Data as a Service	136.2	101.8	34.3	33.7%
E-Commerce	158.2	140.1	18.1	13.0%
EBITDA (adjusted)	**20.7**	**22.1**	**–1.3**	**–6.1%**
EBITDA margin (adjusted)	**7.0%**	**9.1%**	**–2.1 percentage points**	

In 2022, the DaaS & E-Commerce segment recorded a further significant increase in **revenue**, which was up by EUR 52.5m, or 21.7%, to EUR 294.4m, despite the general uncertainty[18] prevailing in the market. The **Data as a Service** product group saw its revenue rise sharply by EUR 34.3m to EUR 136.2m thanks to Statista's ongoing expansion strategy both in Germany and internationally. The product group's revenue in the first nine months alone virtually equaled that for the entire prior year. The **E-Commerce** product group, which encompasses AsamBeauty's business, also generated a further substantial EUR 18.1m increase in revenue to EUR 158.2m. The e-commerce and retail sales channels delivered the biggest contributions to this positive trend.

Overall, the segment delivered **EBITDA (adjusted)** of EUR 20.7m in 2022 (prior year: EUR 22.1m). With regard to costs, a high ongoing level of investment in the dynamic expansion of the platforms coupled with general increases in the prices of procured items in the e-commerce business had a negative impact. All in all, the **EBITDA margin (adjusted)** stood at 7.0% (prior year: 9.1%).

[18] ifo Institute – ifo business survey, December 2022.

INFORMATION ON STRÖER SE & CO. KGAA

The management report of Ströer SE & Co. KGaA and the group management report for 2022 have been combined pursuant to section 315 (5) HGB in conjunction with section 298 (2) HGB. The separate financial statements and the combined management report of the Company and the Group are published at the same time in the electronic German Federal Gazette.

Description of the Company

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

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

Financial performance

After an initially good start to the year in the first six months of 2022 and achieving considerable growth on the prior year (which had been adversely affected by the COVID-19 pandemic), operating business weakened noticeably in the fourth quarter as a result of the macroeconomic challenges. Nonetheless, the Group reported a significant increase in both revenue and earnings for the year as a whole. Ströer SE & Co. KGaA's profit for the period grew significantly on the back of this upward trend, not least due to a renewed rise in intragroup profit transfers, resulting in a further year-on-year increase to EUR 156.5m (prior year: EUR 135.0m).

Our prior-year forecast for 2022 was based on Ströer SE & Co. KGaA generating a significantly higher profit for the period. Ströer delivered a profit for 2022 of EUR 156.5m, equating to a rise of EUR 21.5m or 15.9% (prior year: EUR 135.0m). The forecast can therefore be considered to have been met.

EUR k	2022	2021
Revenue	33,139	28,709
Other operating income	24,821	8,373
Cost of materials	–9,187	–8,528
Personnel expenses	–23,907	–21,913
Amortization, depreciation, and impairment of intangible assets and property, plant, and equipment	–8,356	–6,426
Other operating expenses	–52,468	–48,153
Income from equity investments	3,300	0
Income from profit transfer agreements	247,631	215,966
Income from other securities and loans classified as non-current financial assets	2,395	2,058
Other interest and similar income	5,091	46
Impairment of financial assets	–10	0
Other interest and similar expenses	–14,955	–9,837
Income taxes	–51,084	–25,223
Post-tax profit or loss	**156,409**	**135,072**
Other taxes	48	–113
Profit for the period	**156,457**	**134,959**
Profit carryforward from the prior year	125,000	120,000
Accumulated profit	**281,457**	**254,959**

In its capacity as Group holding company, Ströer SE & Co. KGaA undertakes the procurement and administration of office space and company vehicles and provides other intragroup services for many of its Group companies. In 2022, the **revenue** generated from these intragroup services totaled EUR 33.1m and was EUR 4.4m higher than in the prior year (prior year: EUR 28.7m), which was due mainly to the services provided in respect of company vehicles. **Other operating income** swelled to EUR 24.8m in 2022, representing an increase of EUR 16.4m on the EUR 8.4m generated by the Group holding company in the prior year. Of particular note in this context is the gain on the disposal of the Turkish subsidiary SEM Internet Reklam Hizmetleri ve Danismanlik A.S., Istanbul, Turkey, which came to EUR 9.5m. Income from the reversal of provisions and income from payments received in respect of written-down receivables also contributed to this increase.

The **cost of materials**, which almost exclusively comprised rental expenses in 2022, was only slightly higher than in the prior year at EUR 9.2m (prior year: EUR 8.5m). At just over EUR 23.9m, **personnel expenses** were roughly EUR 2.0m higher year on year (prior year: EUR 21.9m) due to the rise in headcount and moderately higher general salary growth.

Amortization, depreciation, and impairment of intangible assets and property, plant, and equipment came to EUR 8.4m at the reporting date (prior year: EUR 6.4m), which was within the usual range. There was also no significant change in the Company's **other operating expenses** at EUR 52.5m, compared with EUR 48.2m in the prior year. Only higher fleet costs were of note in this item but they were largely offset by lower maintenance expenses.

Income from equity investments of EUR 3.3m comprises a dividend payment by a subsidiary of Ströer SE & Co. KGaA in the Czech Republic (prior year: EUR 0.0m). In terms of intragroup **income from profit transfer agreements**, the holding company recorded a further year-on-year increase of EUR 31.7m to EUR 247.6m (prior year: EUR 216.0m) that was due in particular to the overall improvement in the Group's operating business. **Income from other securities and loans classified as non-current financial assets** was only marginally higher than in the prior year at EUR 2.4m (prior year: EUR 2.1m).

Other interest and similar income (EUR 5.1m; prior year: EUR 0.0m) and **other interest and similar expenses** (EUR 15.0m; prior year: EUR 9.8m) reflected the sharp rise in interest rates.

The further improvement in the operating business increased the tax base for the tax group. An excess of deferred tax liabilities over deferred tax assets also arose due to temporary differences in respect of equity investments and due to the implementation of the German Corporate Income Tax Modernization Act (KöMoG). These effects pushed up **income taxes** by EUR 25.9m to EUR 51.1m (prior year: EUR 25.2m).

Overall, thanks mainly to higher other operating income and an increase in intragroup profit transfers, Ströer SE & Co. KGaA grew its **profit for the period** to EUR 156.5m in 2022 (prior year: EUR 135.0m).

Net assets and financial position

In 2022, the net assets and financial position of Ströer SE & Co. KGaA remained sound in spite of the challenging macroeconomic conditions created by the war. Whereas non-current assets grew slightly, primarily in connection with the acquisition of the Group's headquarters in Cologne, current assets (EUR 1,566.2m) rose by EUR 95.5m due mainly to an increase in receivables and other assets. On the liabilities side of the statement of financial position, liabilities to banks rose to EUR 753.9m, a considerable increase of EUR 122.0m year on year that was attributable to the Ströer Group's extensive investment in growth. Liabilities to affiliates by contrast were down by EUR 35.9m on the prior year. Ströer SE & Co. KGaA's equity went up by EUR 3.1m to EUR 1,352.0m in 2022 (prior year: EUR 1,349.0m). The distribution of a dividend to the Company's shareholders and payments made under the share buyback program were more than offset by the profit for the period generated in 2022. With a healthy equity ratio of 57.1% (prior year: 59.9%), the Company continued to enjoy a solid and well-balanced financial position as at the reporting date.

EUR k	2022	2021
Assets		
Non-current assets		
Intangible assets and property, plant, and equipment	27,461	17,572
Financial assets	756,127	759,384
	783,589	**776,957**
Current assets		
Receivables and other assets	1,566,235	1,470,723
Cash on hand and bank balances	13,305	192
	1,579,540	**1,470,915**
Prepaid expenses	**4,979**	**2,687**
Total assets	**2,368,108**	**2,250,559**
Equity and liabilities		
Equity	**1,352,018**	**1,348,962**
Provisions		
Tax provisions	28,666	18,947
Other provisions	26,348	26,136
	55,013	**45,082**
Liabilities		
Liabilities to banks	753,853	631,841
Trade payables and other liabilities	5,936	6,319
Liabilities to affiliates	182,467	218,354
	942,256	**856,514**
Deferred tax liabilities	**18,821**	**0**
Total equity and liabilities	**2,368,108**	**2,250,559**

Analysis of the asset structure

Ströer SE & Co. KGaA's **intangible assets and property, plant, and equipment** increased by EUR 9.9m in total to EUR 27.5m in 2022 (prior year: EUR 17.6m), which was mainly related to the acquisition of the Ströer Group's headquarters in Cologne in August 2022 for a purchase price of EUR 11.2m. All other additions to intangible assets and property, plant, and equipment were largely offset by amortization, depreciation, and impairment. The Company's **financial assets** were virtually unchanged with a decrease of just EUR 3.3m to EUR 756.1m (prior year: EUR 759.4m). The only item of particular note in this context was the disposal of the Turkish subsidiary SEM Internet Reklam Hizmetleri ve Danismanlik A.S., Istanbul, Turkey, for which the carrying amount on disposal was EUR 2.1m.

Receivables and other assets came to EUR 1,566.2m as at December 31, 2022, an increase of EUR 95.5m on the prior year-figure of EUR 1,470.7m. This reflected a considerable rise in receivables from intragroup profit transfers in 2022 and the investment in growth made by some Group companies. At the end of the reporting year, **bank balances** stood at EUR 13.3m (prior year: EUR 0.2m) and **prepaid expenses** stood at EUR 5.0m (prior year: EUR 2.7m). The latter comprise borrowing costs for the new credit facility agreed in December 2022. These costs have been deferred and are being recognized pro rata over the term of the financing.

Financial structure analysis

At the end of 2022, Ströer SE & Co. KGaA's equity came to EUR 1,352.0m, which was slightly higher than the prior-year figure of EUR 1,349.0m. Both the distribution of a dividend of EUR 127.6m to the Company's shareholders and the cash payments of EUR 25.8m made under the share buyback program were comfortably offset by the profit for the period of EUR 156.5m. At 57.1%, the equity ratio remained at a very comfortable level (prior year: 59.9%).

The Company's **provisions** edged up by EUR 9.9m to EUR 55.0m in the reporting period (prior year: EUR 45.1m). This was almost exclusively due to higher tax provisions; other provisions were virtually unchanged year on year. At EUR 753.9m, **liabilities to banks** increased markedly on the figure of EUR 631.8m for the prior year. This reflects in particular the Ströer Group's heightened liquidity requirements (e.g. for investment in growth, increased working capital, tax backpayments for prior years, acquisition of the Group headquarters). By contrast,

trade payables and other liabilities were marginally down on their prior-year level year at EUR 5.9m (prior year: EUR 6.3m). The Company's **liabilities to affiliates** decreased by EUR 35.9m to EUR 182.5m. This was mainly due to a decrease in liabilities resulting from the transfer during the year of liquidity surpluses earned by individual subsidiaries to the Group's holding company. Conversely, **deferred tax liabilities** of EUR 18.8m (prior year: EUR 0.0m) were mainly attributable to temporary differences in respect of equity investments and to the implementation of KöMoG.

Liquidity analysis

In December 2022, Ströer SE & Co. KGaA repaid its credit facility of EUR 600.0m dating from 2016 ahead of schedule and replaced it with a new credit facility with a volume of EUR 650.0m, with the option to extend the volume by a further EUR 100.0m if required. The full volume of the credit lines is structured as a flexible revolving facility and has been committed until December 2027. There is also an option to extend the term by up to two years in total. As at December 31, 2022, a total of EUR 221.7m of these credit lines was freely available (prior year: EUR 302.0m).

The Company's net financial assets amounted to EUR 732.6m as at December 31, 2022 (prior year: EUR 714.2m). The following overview shows the composition of the net financial assets of Ströer SE & Co. KGaA as at the reporting date:

EUR m	Dec. 31, 2022	Dec. 31, 2021
(1) Receivables from affiliates	1,555.2	1,462.7
(2) Loans to affiliates	100.4	101.5
(3) Cash on hand and bank balances	13.3	0.2
(1)+(2)+(3) Total financial assets	**1,668.9**	**1,564.4**
(4) Liabilities to banks	753.9	631.8
(5) Liabilities to affiliates	182.5	218.4
(4)+(5) Total financial liabilities	**936.3**	**850.2**
(1)+(2)+(3)–(4)–(5) Net financial assets	**732.6**	**714.2**
Equity ratio (%)	**57.1%**	**59.9%**

Because it is the holding company, Ströer SE & Co. KGaA's performance is closely linked to that of the entire Ströer Group. In view of the positive level of net financial assets, comfortable equity ratio, and the expectation that the results of the subsidiaries will improve once the economic challenges created by the war in Ukraine have been overcome, we are confident that the Company, like the Group as a whole, is extremely well positioned to meet future challenges. The opportunities and risks for the Company are largely the same as the opportunities and risks for the Ströer Group.

Anticipated performance of the Company

Due to its role as group parent, Ströer SE & Co. KGaA's anticipated performance depends on that of the Group as a whole. The performance of the Group as a whole will in turn be influenced heavily by the economic challenges triggered by the war in Ukraine. Based on the Group's expected financial performance in 2023, as presented in the 'Forecast', we expect the subsidiaries as a whole to deliver largely similar earnings contributions in 2023 as in 2022, depending on how the economy fares. We therefore anticipate that Ströer SE & Co. KGaA's profit for the period will be on a par with 2022.

Report on relationships with affiliated entities

Ströer SE & Co. KGaA submitted a voluntary report to the Supervisory Board and the independent auditors in accordance with section 312 AktG. The report closes with the following declaration by Ströer SE & Co. KGaA, represented by the Board of Management of Ströer Management SE:

'Our Company, Ströer SE & Co. KGaA, received appropriate consideration for each of the legal transactions stated in the report on relationships with affiliated entities. This assessment is based on the circumstances known to us at the time of the reportable transactions. No measures on which we would have to report were taken or omitted.'

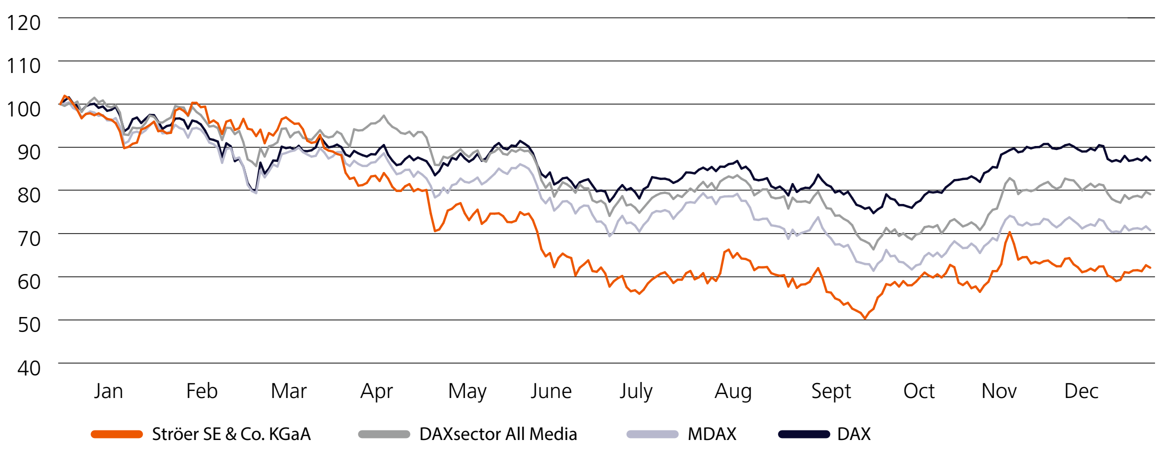
SHARE INFORMATION[1]

There were two distinct phases of trading in 2022, influenced primarily by the fallout from Russia's war of aggression on Ukraine with the pandemic having run its course. With the DAX at 16,285 points at the start of the year, just below its peak of 16,290 points in 2021, it nosedived when the war broke out. According to analysis by the World Federation of Exchanges, world stock market capitalization fell by USD 18 trillion. At mid-year, the DAX bottomed out at 11,863 points, having lost around 27% of its value compared with its peak. It rallied in classic bear market style from September 2022, with the DAX even briefly reaching more than 14,600 points. At the end of the year, the leading German index closed at 13,924 points, just beneath the 14,000 points marker. The DAX thus only lost around 12.3% over the course of 2022 (prior year: up by 15.8%). The MDAX, the index in which the shares of Ströer SE & Co. KGaA are listed, fell more sharply than the DAX in the same period (down by 28.5%; prior year: up by 14.1%).

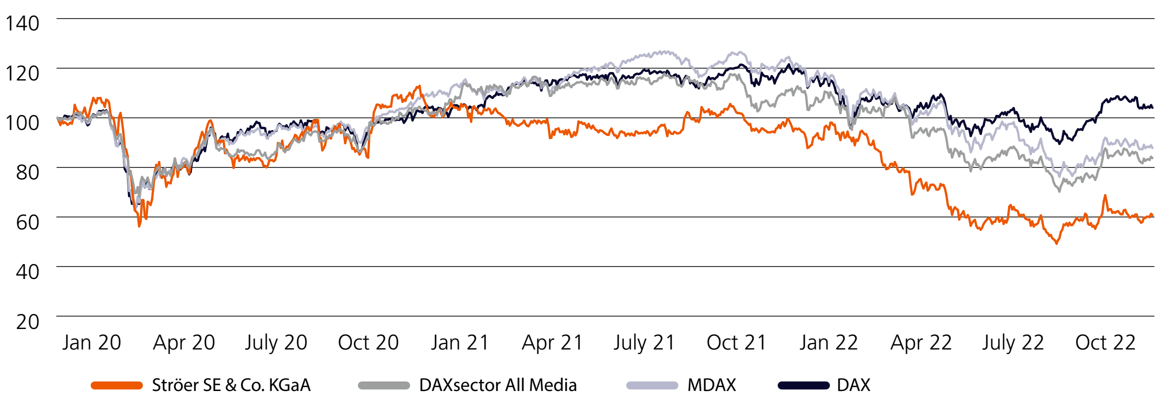
The DAXsector All Media index was also weak and closed at 287 points, which was down by 19.4% (prior year: up by 7.1%) on the figure as at December 31, 2021 (357 points).

Amid a deteriorating economic outlook, rising interest-rate expectations, and tense equity markets, the shares of Ströer SE & Co. KGaA put in a lackluster performance overall. Until mid-May of the reporting year, Ströer shares marginally outperformed the DAX and MDAX overall, with the paper peaking at EUR 72.35 in January. In mid-2022, however, the share price fell due to conditions in the market and wider economy, reaching its low of EUR 34.44 in September but going on to recover. In the weeks following the announcement of the share buy-back program until the Q3 figures were published, Ströer's shares outperformed the MDAX. As at December 31, 2022, the price for one of the Company's shares stood at EUR 43.56, which was roughly 37.1% lower than the closing price in 2021. Taking into account the dividend of EUR 2.25 paid in June 2022, the total return improved slightly by around 3 percentage points.

Relative performance of Ströer shares in 2022 (indexed, in percent)



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



Source: Factset

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

Over a three-year period, the total return on Ströer shares was unable to match its good performance of the prior year and was down by around 21% and 37% respectively against the MDAX and DAX.

Ströer's dialogue with the capital markets

Active, open, and ongoing communication with investors and analysts is the most important task and focal point of investor relations work for Ströer SE & Co. KGaA. And it is all the more important in challenging years such as 2022. Direct contact, video conferences, the website, and the email distribution list are all equally significant channels for presenting the Company and explaining its strategy and potential. In 2022, traditional in-person roadshows took place again after the two-year hiatus caused by the pandemic. Besides European centers of trade such as Frankfurt, Paris, and London, destinations in North America were also a focus. The Board of Management and the investor relations team also took part in a multitude of virtual roadshows and virtual investor conferences.

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

Annual shareholder meeting

Because of the COVID-19 pandemic and related restrictions on contact with others, the shareholder meeting was again held as a virtual event to help keep shareholders safe and took place on June 22, 2022. In total, around 48 million no-par-value shares were represented, equivalent to around 85% of the share capital. Matters voted on included the distribution of a dividend of EUR 2.25 per dividend-bearing no-par-value share.

Stock exchange listing, market capitalization, and trading volume

Ströer SE & Co. KGaA shares are listed in the Prime Standard of the Frankfurt Stock Exchange and are included in the MDAX. Based on the closing share price on December 31, 2022, market capitalization came to around EUR 2.5b (prior year: EUR 3.9b). The average daily volume of Ströer shares traded on Xetra was approximately 72,000 shares in 2022 (prior year: 63,400 shares).

Share buyback program

On September 28, 2022, Ströer Management SE, the general partner of Ströer SE & Co. KGaA, decided to add a share buyback element to the capital allocation strategy of Ströer SE & Co. KGaA and to carry out an initial share buyback program with a total repurchase volume of up to EUR 50m. The volume of EUR 50m represents the likely maximum number of shares that can be acquired over the subsequent six months within the regulatory limits. The program was launched on October 3, 2022. A total of 610,331 treasury shares had been repurchased by December 31, 2022.

Analysts' coverage

Ströer SE & Co. KGaA is currently analyzed by 13 German and international banks, of which five give a recommendation of 'buy', six give a recommendation of 'hold', and two recommend 'sell' in their most recent assessments.

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

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

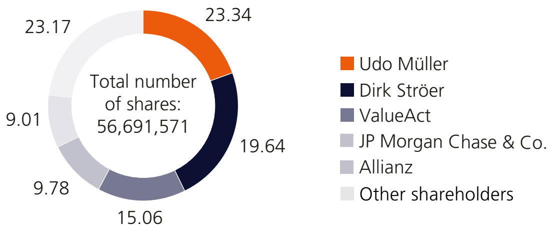
Investment bank	Recommendation
Warburg Research	Buy
Hauck & Aufhäuser	Buy
Deutsche Bank	Hold
LBBW	Buy
UBS	Buy
Kepler Cheuvreux	Buy
Oddo BHF	Hold
Barclays	Hold
Citi	Hold
HSBC	Hold
Goldman Sachs	Sell
J.P. Morgan	Hold
Exane BNP Paribas	Sell

Shareholder structure

As at the end of 2022, Udo Müller, founder and Co-Chief Executive Officer, directly held 7.35% of the limited partner's shares in Ströer SE & Co. KGaA and held 15.99% indirectly through interposed subsidiaries (23.34% in total). Dirk Ströer indirectly held 19.64% through interposed subsidiaries while Christian Schmalzl, Co-Chief Executive Officer, held around 0.05% of the shares in Ströer SE & Co. KGaA. Udo Müller and Dirk Ströer are parties to a voting and pooling agreement. The free float came to around 43.4%[2] as at December 31, 2022. Based on the notifications received by the Company by December 31, 2022, Ströer was aware of the following parties that hold more than 3% of the voting rights in Ströer SE & Co. KGaA: ValueAct Holdings GP, LLC 15.06%, JPMorgan Chase & Co. 9.78%, Allianz Global Investors GmbH 9.01%, DWS Investment 4.92%, and Credit Suisse 3.44%. Ströer had repurchased 610,331 shares under the aforementioned share buyback program as at the reporting date, corresponding to around 1.1% of the shares outstanding.

Shareholder structure of Ströer SE & Co. KGaA

As of Dec. 31, 2022 in %



Dividend policy

In the reporting year, Ströer SE & Co. KGaA paid a dividend of EUR 2.25 per dividend-bearing no-par-value share. Owing to the solid financial position of the Group and the expected positive trends in its business going forward, this distribution went beyond the range of between 50% and 75% of adjusted consolidated profit that is set out in the Company's dividend policy.

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

Key data for Ströer SE & Co. KGaA shares as at December 31, 2022

Share capital	EUR 56,691,571
Number of shares	56,691,571
Class	No-par-value bearer shares (each no-par-value share has a notional value of EUR 1.00 of the share capital)
First listing	July 15, 2010
ISIN (International Securities Identification Number)	DE0007493991
WKN (securities identification number)	749399
Stock exchange symbol	SAX
Reuters ticker symbol	SAXG.DE
Bloomberg ticker symbol	SAX/DE
Market segment	Prime Standard
Index	MDAX
2022 opening price[1]	EUR 69.45
2022 closing price[1]	EUR 43.56
Highest price in 2022[1]	EUR 72.35
Lowest price in 2022[1]	EUR 34.44

[1] XETRA price in EUR.

[2] Free float as defined by Deutsche Börse.

EMPLOYEES

The digital transformation of the media industry continues to place high demands on our employees and on how we collaborate with each other and with our customers in terms of technical know-how, creativity, and new ways of working. Ströer wants to live up to its ambition of playing a pioneering role in actively shaping these changes. The collaborative and agile ways of working that were already in use at Ströer, combined with flexible remote working, enabled it to switch to (in some cases entirely) virtual work processes very quickly.

In preparation, managers and employees were provided with digital online training entitled 'Meeting over Distance' and 'Lead over Distance'. This gave rise to many new innovative approaches, including 'Chatty'. Chatty has now become a permanent tool for answering specific HR, facilities, or procurement questions at any time of the day. Digitalized processes, for example the salary review process or target agreement process, are tangibly easing workloads.

The Ströer Group received a six-figure number of job applications in 2022. Our digital recommendations program, in which recommendations can also be forwarded online, proved to be a success again in 2022. Establishing a recruitment team has especially proven its worth, and the team has been able to appoint people even to hard-to-fill staff and leadership positions, including in IT.

Since 2022, a monthly onboarding day has been held in order to give new colleagues a rapid and efficient induction and help them to get to know the Company better. During this induction day, the Company as a whole is presented and interactive sessions are held to promote networking. The board of Management and HR also meet with the new hires.

Ströer offers lots of benefits and innovative structures for new and established employees, such as attractive modern offices, flexible working time models, company childcare facilities in Cologne, and the Jobbike and Joblunch salary-sacrifice schemes. Our IT benefit shop was also established.

In 2022, an election for the employee representatives on the Supervisory Board of Ströer SE & Co. KGaA was held. The new members have been in office since the annual shareholder meeting on June 22, 2022.

Workforce information[1]

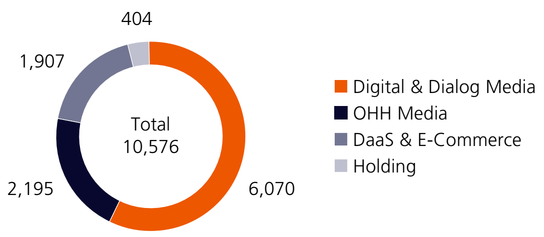
Headcount

At the end of 2022, the Ströer Group had 10,576 full-time and part-time employees (prior year: 10,079). The increase was a result of organic growth.

[1] This section contains unaudited information.

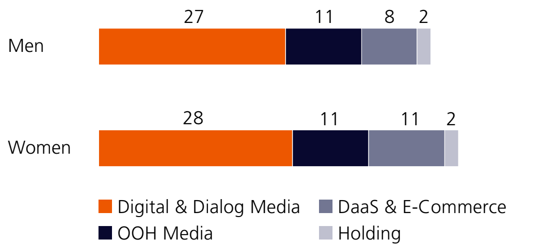
Employees by segment

As of Dec. 31, 2022



Gender structure by segment

2022 in %



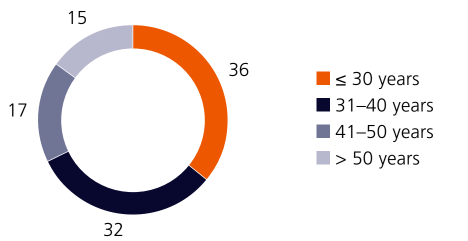
Length of service and age structure

As at the reporting date, employees had been working for the Ströer Group for an average of 4.8 years (prior year: 4.7 years).

Ströer had a well-balanced age structure overall. It aims to retain young employees through targeted training programs and to sustain their enthusiasm for the Company in the long term. Team members with extensive professional experience support them in their careers. This also enables us to connect the generations.

Age structure in the Group

2022 in %



Gender structure

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

← Ströer continued to have a well-balanced gender ratio in 2022. The proportion of female employees in the Group increased during the year. As at the end of 2022, 48% of the Ströer Group's employees were male and 52% were female, which was a slight change compared with the prior year when 49% were male and 51% were female. The gender balance is due in no small part to the attractive working time models and hybrid working arrangements that help staff reconcile work and family life, for example, and that make Ströer a modern company.

Values and social principles[2]

Ströer published the Ströer Social Charter in July. The values and social principles – 'how we work' – provide a framework of ethics for the entire Ströer Group with regard to its responsibilities as an international group of companies. We are acting in the knowledge that we must conduct our business responsibly and sustainably in order to protect our current and future living and working conditions. That also includes our respect for the cultural, ethical, social, political, and legal diversity of the countries and societies in which the Group operates. All employees must observe the Ströer Social Charter. Initial communications and training have taken place and will be enhanced on specific topics in 2023.

Diversity was and remains a key pillar for collaboration within the Group. Ströer supports all aspects of diversity and promotes a culture of respect and fairness. In 2022, the Ströer LGBTQ+ network, LOUT, was set up. During the tenth German Diversity Day, we informed staff of our support as straight allies for the Welcoming Out initiative, of which we are a patron (the official launch of our sponsorship took place in Hamburg on June 16, 2022). The Diversity Day included various keynote speeches on everyday discrimination, unconscious gender bias training, and panel discussions on gender equality led by the EmpowHer network. Other topics were addressed using interactive formats and social media posts to raise awareness and visibility for diversity issues.

Training and development[3]

Vocational training and degree courses

In 2022, Ströer provided vocational training to a total of 161 talented young people throughout Germany. Ströer once again received an excellent rating from the business magazine Capital in its 2022 survey of training providers, which confirmed Ströer as one of Germany's best training providers. Besides traditional vocational training, the

[2] This section contains unaudited information.
[3] This section contains unaudited information.

survey also covered degree apprenticeship programs, for which Ströer was also very highly rated in the survey. Our degree apprenticeship program, which combines work with study, includes bachelor's degrees and, since 2018, master's degrees.

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

Continuing professional development and skills training

Ströer offers its employees opportunities to achieve their professional goals within the Ströer Group.

In previous years, the trainee programs were continuously expanded so as to offer a wide variety of training and orientation opportunities to those starting out in their careers. Entry as a trainee is now possible in the following three areas: general management, HR, and sales.

In 2022, prompted by ongoing digitalization and the proliferation of agile working approaches, Ströer enhanced and rolled out its online training program on digital leadership to many more areas of the Company.

With the launch of a new learning management system, JUMP'n'train has been given a facelift coupled with more options for booking training sessions. It is much easier to use, and the content has been significantly enhanced. The culture of learning and the thirst for knowledge that prevail at Ströer were enhanced by the addition of getAbstract in 2022. getAbstract allows summarized versions of business books to be accessed at any time, and areas of learning can also be explored interactively.

Participants in the talent program made tremendous progress in their development, and many have taken their career to the next level within the Ströer Group. In the third round of JUMP'n'grow, a program that was launched in 2019, Ströer ran some of the modules digitally and put others on hold due to the pandemic. Regular book discussions and online courses continued to take place, and the outstanding modules were carried out in 2022. This meant that the baton was able to be passed to the fourth group of talented employees in September. Employees were able to apply for the program in May 2022, and applicants were selected by the executive committee – the highest management level below the Board of Management of the general partner – on the basis of the documents submitted. The program includes workshops, training, informal discussions with members of the Board of Management, and collaborative projects for the duration of the program. The talented employees are mentored by senior managers who play the role of sparring partners.

Concept for digital leadership workshop

April 2020 start	**Module '0'**	**Module 1**	**Module 2**	**Module 3**	**Module 4**	Mindset change program (from April 2022)
Focus areas	Lead & Meet over Distance	Authenticity	Being an enabler Challenge & nurture	Appreciation Communication Setting goals	Delegating Trusting Allowing mistakes No micromanagement	**Leader's Mindset:** Trust in Leadership Robustness Human-Centricity Entrepreneurial Responsibility
	1 x 2hr module	1 x 4hr module	2 x 4hr modules	2 x 4hr modules	open	6 months
	Sharing information & expertise	Handouts, collaborative tools, breakouts	Web training in advance, Handouts, collaborative tools, breakouts	Handouts, collaborative tools, breakouts	open	Keynotes Leadership Sessions Learning platform One-on-one coaching
	Leadership Basics					**Leader's Mindset**

OPPORTUNITIES AND RISKS

Opportunity and risk management system

We understand the term risk to mean any deviations from the budget triggered by the uncertainty of the future, which may constitute both a threat and an opportunity for the company and, if they occur, may have a potential impact on the achievement of the company's goals and the going concern of the company.This also includes sustainability-related aspects arising from the areas of the environment, social matters and corporate governance (ESG).

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

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

Risk strategy

Our risk strategy is not centered on strictly avoiding risks but on ensuring that the business decisions we make are based on careful consideration of the opportunities and risks. At the same time, it is important to identify in good time risks that could jeopardize the continuation of the Company as a going concern so that prompt action can be taken to avoid or limit any such risks. Dealing openly and responsibly with risks is essential to our risk culture and is an approach which the Board of Management proactively communicates and puts into practice.

Risk-bearing capacity

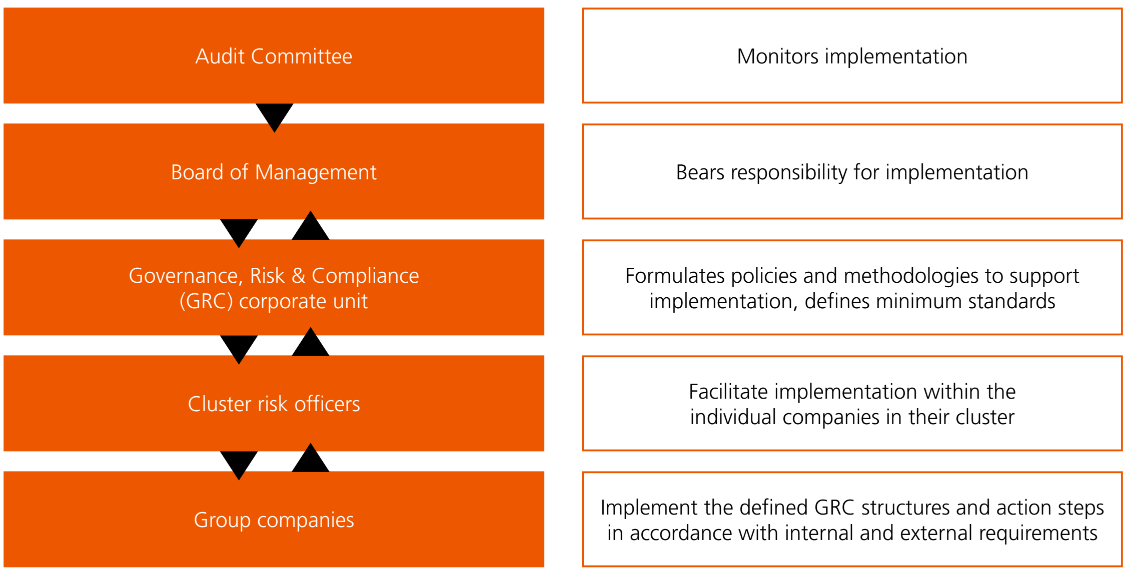
A key indicator of the Ströer Group's risk-bearing capacity is the net debt ratio, as it is directly related to the company's liquidity and is used as a relevant indicator for assessing creditworthiness and thus the company's ability to obtain further financing. A Monte Carlo simulation is therefore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

Risk management organization

Risk management is embedded in the Group from an organizational perspective through the Governance, Risk & Compliance (GRC) organization.

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

Governance, Risk & Compliance organization



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

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

Below the level of Group segments, multiple Group companies were amalgamated as clusters within the corporate governance structures and the role of cluster risk officer was created to facilitate implementation in the individual Group companies. The cluster risk officers manage the risk management process and the risk situation within their area of responsibility. Specifically, they monitor how risks are identified and analyzed within the relevant subsidiaries and how the risk-mitigation measures are being implemented.

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

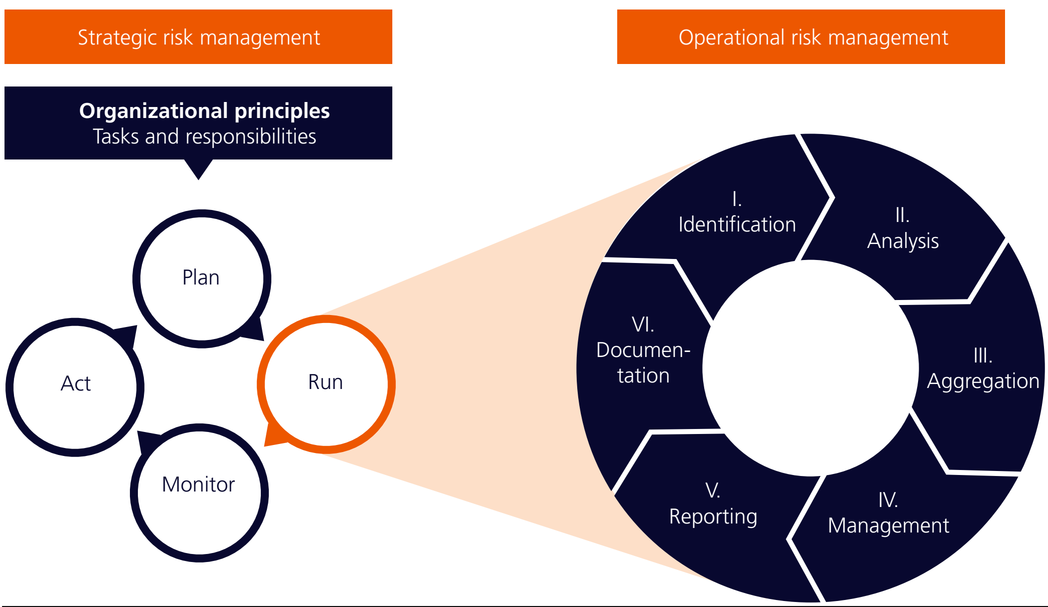
Risk management process

Ströer SE & Co. KGaA operates a comprehensive risk management system that comprises, as is customary, a strategic and an operational risk management process.

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

The operational risk management process, meanwhile, is carried out on a semi-annual basis at cluster and Group company level. Its efficiency and effectiveness are ensured by the consistent application of the groupwide risk management methodology, which is codified in the relevant guidelines and policies issued by the GRC corporate unit,

Risk management process



and by the use of standardized tools for documenting and analyzing risk. The risk management process is regularly reviewed in relation to current and future legal requirements and is enhanced on an ongoing basis, particularly in the areas of risk identification and analysis.

Identification

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

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

Analysis

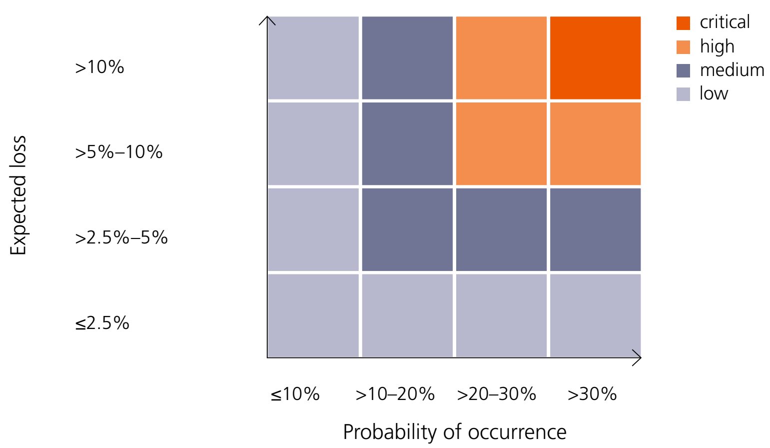
Risks are analyzed in a two-stage process. In the first stage, the potential severity of the loss and its probability of occurrence are used to calculate an expected loss value, which serves as a starting point for categorizing the individual risks as critical, high, moderate, or low. This analysis is carried out on the basis of the net risk, i.e. the level of risk when the measures that are in place to avoid or minimize the risk are taken into account. The Group's average EBITDA[1] over four quarters is the metric used to assess and categorize the risk (see 'Risk matrix, expected loss value' chart below). In the second stage of the process, the risks are aggregated and modeled in simulations with reference to the risk-bearing capacity of Ströer SE & Co. KGaA.

Aggregation, simulation, and assessment of risk-bearing capacity

Once the companies have identified individual risks, the cluster risk officers aggregate them and check for potential interdependencies.

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

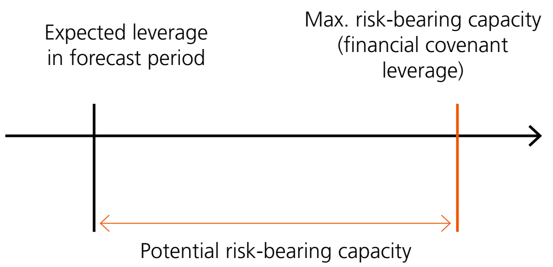
Risk matrix based on expected loss value (analysis of individual risks)



[1] EBITDA as defined in the financial statements, before the impact of IFRS 16, IFRS 11, and other exceptional items.

In the Monte Carlo simulation, a sensitivity analysis – that goes beyond simply calculating the expected loss values – is carried out to identify any additional material individual risks. Here, the analysis no longer focuses on the relationships between risk factors in a variety of potential outcomes. Instead, it focuses on the impact of an individual risk on the overall outcome of the risk simulation when the other risk parameters remain constant.

Assessment of sensitivity



Risk sensitivity
Potential risk-bearing capacity
high > 15%
medium > 10–15%
low ≤ 10%

Management
If the identification and analysis of the risks pertaining to the Ströer Group bring to light material individual risks, further steps are taken to reduce the probability of occurrence or the expected severity of the loss. These steps are usually triggered when the results of the risk sensitivity analysis for individual risks exceed 15% of the aggregate potential risk-bearing capacity. If the 15% threshold is not reached, the risk is generally accepted on the basis of the most recent risk assessment and no further action is taken. However, the risk is still monitored to ensure that defined risk tolerances are not exceeded in the future.

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

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

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

The appropriateness and effectiveness of the risk management system is reviewed on a regular basis by the internal audit function and is adapted if necessary.

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

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

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

Internal control system

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

Furthermore, the internal control system is intended to help the reporting system to convey a true and fair view of the net assets, financial position, and financial performance of the Ströer Group. The internal control system, however, is designed to go beyond controls in the financial reporting process and covers all material business processes, including those related to sustainability and non-financial reporting.

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

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

The Chief Financial Officer (CFO) is responsible for the internal control system with regard to the consolidated financial reporting process. All fully consolidated entities included in the consolidated financial statements are integrated into this process via a defined management and reporting system. In 2022, the decentralized internal control system organization, which is anchored in the GRC corporate unit, was expanded significantly and the underlying processes underwent further standardization. On the basis of audit standard IDW PS 982, the internal control system was also audited in the reporting period by an external auditor with regard to the appropriateness of the core accounting processes that are directly relevant to financial reporting.

Employees entrusted with accounting and financial reporting are already assessed for the necessary qualifications when they are recruited and also provided with regular training. The support of external partners may be called on for complex specialist areas, such as pension obligations.

The accounting policies used for the financial statements of Ströer SE & Co. KGaA and its subsidiaries are documented in an accounting manual. The policies comply with German commercial law and any additional pertinent requirements. The local subsidiaries are supported and monitored in the preparation of their own separate financial statements by the Group accounting function.

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

Consolidation of the subgroups and separate financial statements into the consolidated financial statements is carried out centrally and with the aid of a standardized consolidation system. Our accounting policies and the requirements of the International Financial Reporting Standards (IFRS) together ensure that certain accounting principles are applied consistently with regard to the German and international entities included in the consolidated financial statements of Ströer SE & Co. KGaA.

The consolidation work, reconciliations, and monitoring of compliance with deadlines and processes is carried out by suitably qualified employees of Ströer SE & Co. KGaA. Standardized processes and checklists ensure consistency in the consolidation process. There is also a binding financial statements calendar. In addition to the validation checks and other controls embedded within the systems, manual checks are also carried out both by the companies included in the scope of consolidation and by the Group accounting function to ensure the completeness and accuracy of the information. Everything is always verified by a second person. There are also controls in the form of comparisons between actual and expected outcomes and analysis of the composition of and changes in key line items. The internal audit function of Ströer SE & Co. KGaA plays its part in the monitoring system by performing process-independent audit tasks in selected areas of the

Company. It checks whether legal requirements and internal Group policies for the internal control system and risk management system are being complied with. If necessary, it will initiate additional measures in conjunction with the relevant unit. The Audit Committee, in accordance with section 107 (3) AktG, is primarily focused on the audit of the annual financial statements, the monitoring of the accounting process, and the effectiveness of the internal control and risk management system.

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

The internal control system for the financial reporting process cannot, however, provide absolute assurance that material misstatements will be avoided.

Internal audit system

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

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

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

Our aim is for Ströer SE & Co. KGaA's internal audit function to regularly undergo an external quality assessment. The last review by an external auditor on the basis of the IDW PS 983 was carried out in 2022.

Statement on the appropriateness and effectiveness of the internal control and risk management system[1]

The Board of Management is not aware of any material circumstances that would indicate that the internal control and risk management system is not appropriate and effective. The Board of Management's assessment is based on reports from the GRC corporate unit, its personal dealings with the internal control and risk management system, and the independent reports from the internal audit function.

In a comprehensive GRC declaration, the clusters also confirm the appropriate and effective implementation of the internal control and risk management system in all key units within their areas of responsibility. This declaration includes statements on fulfillment of statutory and company-specific requirements regarding the compliance management system, data protection, German accepted accounting principles (GAAP), and German principles for the proper management and storage of books, records, and documents in electronic form and for data access (GoBD).

In 2022, the following external audits were performed to assess appropriateness and effectiveness:

- Audit of the appropriateness and effectiveness of the internal audit function based on audit standard IDW PS 983
- Audit based on IDW PS 982 of the appropriateness of selected parts of the accounting-related internal control system that are directly relevant to financial reporting

[1] This statement by the Board of Management is made in accordance with the German Corporate Governance Code (GCGC) 2022 and, as a voluntary disclosure, is not part of the audit.

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

The risk management system of the Ströer Group that is described above forms the basis for the comprehensive risk assessment by the general partner's Board of Management. The system of risk analysis and aggregation contributes to efficient risk portfolio management at Group level, thereby making risk management transparent and systematic. In addition, it facilitates a timely reaction and risk control through the linkage with the planning processes in Controlling and the resulting close integration with the Company's risk management processes. As at the publication date of this report, we believe that the risks currently identified and described below are manageable. There are no anticipated individual risks that could jeopardize the Company's ability to continue as a going concern or materially compromise its risk-bearing capacity.

The existing uncertainties in the global economic and geopolitical environment – driven by the war in Ukraine, the resulting effects on the price of gas and electricity, inflation and the associated expected economic slowdown, coupled with rising interest rates in Europe and our core market Germany – could potentially have a material impact on our business objectives in the coming months. However, the Board of Management of the general partner is confident that the strategic and structural measures in place are effective and enable the Ströer Group to control risk and use opportunities to advance its business on a sustainable and long-term basis.

In the event of a worse scenario occuring, the Ströer Group can react promptly and, as already demonstrated in the past, make use of internal measures to make the necessary adjustments to investment and cost budgets. At the same time, we are convinced that Ströer is strategically and financially very well positioned to take advantage of competitive opportunities as they arise in 2023.

The financing round carried out in 2022 provides a very robust basis for the future growth of the Ströer Group over the long term and ensures the financial stability of the Group for five more years, with the option to extend the financing by a maximum of two further years if needed. Including bank balances, the Group's available funding as of December 31, 2022, amounted to EUR 301.5m at its disposal (prior year: EUR 365.4m).

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

Risk situation

Category	Subcategory	Trend	Expct. loss	Sensitivity
Strategic risk				
	Sales market	rising	medium	high
	Procurement market	stable	low	low
	Regulatory risk	stable	medium	high
Operational risk				
	Operations	stable	medium	high
Financial risk				
	Financing risk	stable	low	low
	Tax risk	stable	low	medium
	Impairment risk	stable	medium	low
	Currency risk	stable	low	low
	Interest-rate risk	stable	low	low
IT risk				
	IT security risk	rising	medium	high
	Phishing attacks	stable	medium	high
Legal risk				
	Compliance risk	stable	low	low
	Data protection risk	stable	low	medium
ESG risk				
	Environmental risk	stable	low	low
	Social risk	stable	low	low
	Governance risk	stable	low	low

Strategic risk

Sales market: The challenging macroeconomic environment – driven by the war in Ukraine, persistently high inflation, and supply chain difficulties – could lead to a further decline in advertising spend in our core markets, particularly in the face of a pending recession with a resulting fall in consumer spending. Uncertainty surrounding the COVID-19 pandemic, especially in terms of new variants or renewed lockdown measures, continues to pose a not inconsiderable risk for our core markets.

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

During the years affected by the pandemic, our 'OOH plus' strategy and diversified business model have proven to be appropriate for responding to and managing risk. In particular, we have a highly diversified customer portfolio of small, medium, and large companies across a wide range of industries. Where necessary, we will provide our customers flexible offers and also focus our sales activities on industries that would be less affected by a potential further crisis. In the case of the OOH segment, major digital companies had already been shifting their advertising budgets from traditional OOH to DOOH over recent years and this is set to continue in 2023. In the advertising category battle, we are also increasingly acquiring regional and local customers for out-of-home advertising through our DOOH products. This has a stabilizing effect on revenue for the portfolio as a whole, as we also saw during the pandemic.

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

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

In the OOH segment, the current global situation on the procurement markets, partly due to the ongoing COVID-19 pandemic and other macroeconomic influencing factors, results in a high degree of uncertainty with regard to delivery dates for electrotechnical and electronic components and assemblies.

The same applies to raw materials in the area of steel and aluminium as well as glass, which are also essential for the construction of our advertising media. This can lead to possible price increases or a delay in the implementation of new advertising spaces and campaigns. To prevent such delays, we are engaging in proactive procurement and working to build up adequate inventories. In order to identify when items need to be procured at short notice, we continually analyze our procurement plans on the basis of what needs to be purchased in the medium term to manage our product portfolio. We also continue to work in close collaboration with our suppliers, standardize components and services across products and regions, and pursue a multi-source procurement strategy.

Regulatory risk: We are continuing to closely watch the ongoing debate in politics and society surrounding data privacy. Further restrictions in this area present a risk for us, particularly in segments where our business model relies on the processing of personal data.

As a rule, user consent must now be actively solicited in order for the use of cookies and other identification data to be in compliance with the law. The February 2022 decision by the Belgian data protection authority on the Transparency and Consent Framework 2.0 (TCF 2.0) potentially steps up the requirements for obtaining consent (fundamental questions have been submitted to the European Court of Justice for clarification) and could therefore increase the risk of further legal rules and requirements in the future. If the rate at which people give their consent drops, this could reduce website traffic and thus the volume of marketable inventories. Currently, it is still uncertain as to whether and to what extent such regulations will have a negative effect on usage patterns and marketability beyond the impact we have already assumed in the forecast.

We continuously develop the technical requirements necessary to comply with rules and regulations and thereby also ways of reducing the negative impact on the marketability of our existing offering. Targeted measures are implemented on an ongoing basis to systematically obtain user consent across the board in order to stabilize the increase in the consent rate, the associated website traffic, and the volume of marketable inventories. Moreover, we are continually working on implementing new technologies that would allow us to dispense with cookies entirely in some cases. These technologies are also giving rise to potential new applications and products. Through the expansion of our tracking and ad-free subscription options, we are offering users an alternative to free platforms that are funded by advertising (PUR models). However, these tracking and ad-free subscription options are also increasingly subject to heightened data protection requirements. To mitigate the related risks, we continuously adjust our offers and maintain open and transparent communication with the relevant authorities.

Operational risk

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

Dialogue business is heavily influenced by staff turnover and the recruitment of new staff. Constant and structured recruitment activity as well as the expansion of our nearshoring activities will ensure that the current rate of attrition is brought down and that we recruit sufficient additional staff. The ongoing effects of the COVID-19 pandemic and an increased sickness rate driven by waves of other illnesses could also negatively impact on the achievement of growth targets for 2023.

Operational production risks mainly exist in e-commerce, where a combination of unfavorable individual risks (e.g. in the supply chain) or the occurrence of extreme events (e.g. fire, natural disaster) could interrupt business. Besides remedying the damage and the associated cost, there is also a risk that contractual obligations to customers will not be able to be met due to potential production outages. Routine maintenance and servicing measures help us to continually minimize such risk. We also periodically analyze and adjust the scope of our insurance cover in order to transfer risk to external service providers.

Financial risk

Financing risk: Ströer's current level of debt presents a general financing risk. The significance of this risk is dependent on satisfying the covenants set out in the loan agreements with our banks as well as duties to provide information and obtain authorization. However, this risk is low because of the sound liquidity position at the end of the reporting year and the much improved cash flow performance in 2021 and 2022 compared with crisis-hit 2020. Even considering the current uncertainty surrounding macroeconomic developments, the ongoing COVID-19 pandemic, and whether restrictions will be needed, we believe that we have sufficient financial leeway to comply with the agreed covenants.

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

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

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

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

Interest-rate risk: The Ströer Group is mainly exposed to general interest-rate risk in connection with non-current floating-rate financial liabilities and its holdings of cash and cash equivalents. Due to current efforts to tackle inflation, key interest rates have risen and with them the interest expense risk. We anticipate a material impact on the Ströer Group in the forecast period but have fully considered this in our planning assumptions.

IT risk

Information security risk: Our business processes and communications are highly dependent on information technology. Information security is therefore a critical factor and the various aspects of this security, such as data integrity, confidentiality of information, authenticity, and availability, must be taken into account. If one or more systems are disrupted, or fail entirely, this could lead to a loss of data and have a detrimental impact on business processes that rely on IT. The risks pertain only to individual parts of the Group at any one time because many of Ströer's core IT systems are operated separately from one another in terms of content, technology, and physical location. IT processes are nonetheless subject to continuing improvement measures aimed at reducing the above risks. The general risk to businesses of cyberattacks remains high overall. To adequately counter this risk, we continuously analyze the general threat level and potential security gaps in a structured manner across all areas of the business and initiate immediate countermeasures where required. Through comprehensive cybersecurity initiatives, we raise our employees' awareness of such risks and continually improve our technical and organizational mechanisms.

Depending on its severity, a cyberattack in the content, DaaS, and e-commerce businesses, which are heavily reliant on digital business models, could lead to a temporary outage of IT systems and therefore interrupt business activity. This is particularly relevant for the systems used in e-commerce as customers expect a consistently high level of availability. Due to the significance of the B2C business model, there is also an increased risk of the loss of data or the misuse of data by unauthorized third parties.

Across the entire Ströer Group, we deem the risk from the higher general threat level and the increasingly digital nature of our business models to be medium.

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

Legal risk

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

Data protection risk: The increasingly digital nature of our business models and business processes means that we collect and process personal data from employees, customers, suppliers, and other third parties. The Ströer Group complies with the relevant data protection laws when handling such data. Failure to comply with the EU General Data Protection Regulation, in particular, may result in legal action and thus considerable fines as well as damage to the Company's reputation. To minimize risks related to the handling of personal data in a manner that contravenes the law, the Ströer Group has created a decentralized data protection organization. This decentralized organization enables data protection processes and data protection management to be adapted to the specific business model and for appropriate action to be taken in respect of the data protection risks. The provision of a central data protection IT system and groupwide standards means that data protection processes within the Ströer Group are carried out efficiently and effectively. The decentralized data protection organization and processes are continuously refined.

Environment, social, and corporate governance (ESG) risks

Environmental risk: As the Ströer Group only has limited production activities, we consider production-related environmental risks to be very low. Where we rely on third-party products, our careful selection of and close collaboration with suppliers ensure that potential environmental risks, where they exist, are minimized, identified as swiftly as possible, and the necessary action taken promptly.

Social risk: Due to the sheer number of advertising spaces, advertising campaigns, and advertisements, there is a fundamental risk that unlawful advertisements may not be identified by the checks in place or that legally compliant advertisements are considered by the public to be offensive or unacceptable based on the current mood in society or the business climate. Negative public perception could have an adverse impact on the achievement of our business objectives. We reduce this risk to a minimum by applying our principles of ethical advertising and by using artificial intelligence to help to check the compliance of advertisements.

Such risk also exists in relation to our journalistic services and special-interest information portals. Our journalistic principles, in which we expressly pledge our commitment to independent and critical journalism, are specifically aimed at countering such risk. The strict segregation of fact and opinion, combined with careful research and fact-checking of publications, ensures accuracy and independence and thereby mitigates against potential reputational risk.

The Ströer Group is also exposed to communication risks that could ultimately lead to reputational risk. However, with our Group Communications and Investor Relations departments, we have two important functions at our disposal to provide relevant information to the respective recipients in good time, enabling us to take appropriate action.

By periodically checking our wage and salary models, we ensure that we pay our employees appropriately and fairly. We also check the relevant remuneration and working conditions of our subcontractors in the areas in which we use them.

Governance risk: The regulatory and statutory requirements for a company's own operations, as well as those in its supply chain, have been defined in more detail and tightened, particularly as a result of the German Supply Chain Due Diligence Act (LkSG) coming into force in January 2023. Non-compliance can possibly lead to fines, legal action, and reputational damage. In order to avoid this, the Ströer Group has already dealt intensively with the implementation of the Supply Chain Act in 2022, carrying out a risk analysis, and initiating measures to implement the regulatory requirements. Some of the measures have already been implemented.

Our code of conduct for suppliers, which we revised in 2022, is intended to actively ensure that our suppliers comply with the regulatory requirements. Thanks to our whistleblowing system, potential infringements within our supply chain can be reported to us anonymously and corrective measures taken where necessary.

More information on medium and long-term sustainability risks and on our actions to mitigate risk are set out in our sustainability report.

Opportunities

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

A particular macroeconomic opportunity would arise in 2023 if the economy were to fare better and business sentiment were more positive than assumed in our baseline forecasts. In these forecasts, we have anticipated a recession in Germany for the first half of 2023 – leading to uncertainty among our advertising customers – and potential supply chain problems, and we are thus prepared for cautious booking behavior. A more positive development, based on improved economic forecasts, could lead to higher revenue and, in conjunction with cost-cutting measures, improved profitability.

The longer-term structural change in the advertising industry, which is reflected in particular by changing media consumption and by the continuing digitalization of media offerings, has the potential to accelerate beyond expectations in 2023. For years we have been observing a migration of advertising business away from print media and a decline in advertising revenue from traditional linear television advertising. This trend has been to the benefit of digital media and conventional and digital out-of-home advertising products. Revenue from these products only slumped briefly in 2020 and 2021 as a result of the COVID-19 pandemic and has since normalized again. In our opinion, the general upward trend was only temporarily eclipsed by the fallout from the pandemic. If the positive impact on our business from long-term structural change happens sooner than assumed in our baseline forecasts, then advertising budgets may be redeployed to out-of-home and/or online advertising more quickly than anticipated.

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

The quality of the analog and digital advertising media portfolio is a key factor in successfully capitalizing on opportunities arising in the marketing of advertising. Ongoing digitalization of our out-of-home media, which has been further stepped up in our planning for 2023, will also support these sales opportunities. Our close partnership with cities and train station operators in the area of out-of-home advertising and with publishers in the online segment could enable us to leverage additional potential at both national and international level. Acquiring new advertising media locations and winning the business of new publishers also present opportunities. The new offerings in our own publishing activities could enable us to tap into customer groups that we have not previously reached, for example by expanding the finance, health, and sustainability sections or the regional news pages. A change in the algorithms used by search engines could improve reach and thereby increase the monetization of our offerings. Using accepted search engine optimization measures, adjusted to the algorithms used by search engines, and keeping websites up to date from a technological perspective could be more successful than assumed in our baseline forecasts.

The continuing optimization of the Group's out-of-home and online portfolio and the further improvement of its technology position could result in positive synergy effects – between digital and analog offerings and between out-of-home and online offerings – that are not included in baseline forecasts. With our fully integrated business model, we are confident that we can compete even better with the large publisher-based marketers and TV offerings and that we can gain market share. Ströer is increasing its relevance to advertising customers thanks to the ongoing expansion of and investment in its infrastructure at national and local level and because it is the sole provider of national networks. The economies of scale that arise may be larger than expected. As market leader, Ströer benefits disproportionately from the structural growth of out-of-home advertising.

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

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

Additional opportunities exist generally in the procurement market and in the cost structure. In the procurement market, price rises may have less of an adverse effect than expected. In our baseline forecasts, we have anticipated considerable price hikes and rising interest rates as a result of the war in Ukraine and the uncertainty regarding global economic and geopolitical conditions. There was an additional effect relating to energy prices because it is difficult to assess whether contracts with utility companies will be extended and whether governments will intervene with regulatory countermeasures. If, however, the general rate of inflation, gas and electricity prices, or interest rates do not rise as much as expected, our results and profitability will improve.

In terms of costs, it may be possible to monetize fixed rentals to a greater extent in certain circumstances. Our efforts aimed at digitalizing and automating internal processes could give rise to additional, previously unidentified potential for cost optimization.

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

FORECAST

Overall assessment of the Group's expected performance in 2023 by the Board of Management of the general partner

Structural changes will continue to shape the media market in 2023. The ongoing expansion of data networks and their increasing bandwidth and availability are key factors in the ever growing use of mobile devices, and, as a result, the consumption of the available content. The use of linear media is becoming less and less relevant as digital media content becomes available everywhere, at all times. Out-of-home advertising is also available at all times, but is distinct from other media formats in that it cannot be clicked or swiped away. The websites commercialized by Ströer are generally based on editorial content and the Ströer Group's dialogue products are directly aimed at specific audiences. As such, the Ströer Group's future-proof offerings are well positioned for the growing changes in media consumption.

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

Consequently, the local and regional sales organization in Germany will continue to be expanded in 2023. Ströer will also dedicate a great deal of energy to retaining and continuing to selectively expand its marketable inventory in all areas of growth. As in the prior year, a key focus here will remain on the aforementioned accelerated expansion of Ströer's digital roadside advertising media. The medium-term plan is to expand the digital roadside network by around 500 to 750 additional digital advertising media annually, in essence replacing traditional analog advertising media with digital screens. Further key areas of the Ströer Group's growth are the continuing internationalization of Statista, the data-as-a-service statistics portal, consolidation of the latter's position as global leader, and a continuation of Asam's strong growth trajectory.

The most important financial key performance indicators for the management of the Ströer Group are organic revenue growth and EBITDA (adjusted). Other key performance indicators are adjusted consolidated profit or loss for the period, free cash flow (before M&A transactions), return on capital employed (ROCE), and the leverage ratio. For 2023, Russia's war of aggression against Ukraine and its repercussions for national and international markets, coupled with the inflationary trend, severely limits the Group's ability to forecast organic revenue growth and EBITDA (adjusted). Although the Group does not conduct any business activities in Russia or Ukraine, the possibility of the conflict affecting the business performance of major customers of the Ströer Group cannot be ruled out. However, this does not form part of our forecast.

As usual, the annual projection is based on the most likely scenario for the German economy under the given conditions. In light of the present circumstances, however, the forecast entails a high level of uncertainty. The situation would be less favorable if risks were to materialize such as renewed hikes in the price of gas or other commodities, another round of tightening measures by central banks, or another global or regional outbreak of COVID-19 with adverse consequences for global demand and production chains. A more favorable development is also conceivable, however, if energy prices fall by more than expected on the back of successful energy-saving measures and mild weather, if the global economic downturn is less steep than anticipated, or if there is a let up in geopolitical headwinds.

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

The Board of Management of the general partner forecasts that the Group as a whole will generate moderate organic revenue growth in 2023. It is not possible to meaningfully quantify the growth forecast given the currently high level of uncertainty as to future economic conditions.

The same uncertainty applies to anticipated EBITDA (adjusted), which the Board of Management of the general partner expects to remain largely stable given the rising costs.

Moreover, in view of increased interest rates, the Board of Management of the general partner anticipates a slight year-on-year decline in adjusted consolidated profit.

The Group plans to publish a revenue and earnings forecast for the current quarter with each quarterly statement that it publishes.

The leverage ratio (ratio of net debt to EBITDA (adjusted)[1] is likely to be at the same or a slightly higher level than in 2022 (2.2). The Board of Management predicts that the change in free cash flow (taking account of payments for the principal portion of lease liabilities in connection with IFRS 16) will largely reflect the change in EBITDA (adjusted). The return on capital employed (ROCE) should be close to the 20.0% achieved in 2022.

Forward-looking statements

The statements on future business performance reflect only the significant factors that were known at the time the financial statements were prepared and that could influence our activities and business performance in 2023. The Ströer Group's revenue and earnings may be influenced by macroeconomic conditions, particularly in Germany, by developments in the advertising market, by a new outbreak of COVID-19, or by the Ukraine conflict. Business performance is also influenced by the share of the overall advertising market attributable to digital and out-of-home media. However, it is not possible to derive a revenue forecast directly from these factors as the correlation between them and revenue can vary from year to year. Unforeseen circumstances and pressures can also arise over the course of the year, which can result in discrepancies between actual and forecast revenue and earnings.

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

Fluctuations in external market parameters, such as interest rates, also limit the Company's ability to precisely forecast consolidated profit or loss for the period. Furthermore, uncertainties relating to these parameters can impact on non-cash items under net finance income/costs.

Future macroeconomic conditions

The German government predicts that GDP will rise by 0.2% in real terms in 2023.[2] In 2024, once the macroeconomic challenges created by the war in Ukraine have ceased, or at least significantly diminished, growth is expected to normalize again, rising to 1.8%.[3] However, it is particularly difficult to predict how the economy will fare in 2023 due to Russia's war of aggression, and the forecast for GDP is especially tentative. The forecast for 2023 therefore ranges widely between –1.9% (DZ Bank) and 0.3% (IfW Kiel).[4] The Federation of German Industries (BDI) is more pessimistic than the German government and expects GDP to contract by 0.3% as growth in German exports lags behind the growth in global trade, which it predicts will rise by around 1.5%.[5] The Macroeconomic Policy Institute (IMK) anticipates an equally weak 2023 with a 0.3% fall in GDP.[6] These estimates are based on the anticipated impact, for example, of energy prices remaining very high compared with other regions of the world. The high cost of energy is not only putting a heavy burden on energy-intensive companies, it is also having a noticeable impact across entire value chains in industry.[7] Lower rates of inflation and consumer spending are being bought with huge government deficits. The caps on electricity and gas prices mean that goods are being increasingly subsidized on a massive scale. The additional spending will weigh heavily on the public coffers at EUR 87b in 2023 followed by EUR 17b in 2024. Supply shortages, on the other hand, are set to gradually ease.[8] Overall, consumer spending is forecast to rise further, with growth of 5.3% anticipated in 2023 and 3.8% in 2024.[9]

The labor market is stagnating at a low level with the rate of unemployment likely to settle at around 5.5%. The IfW Kiel is forecasting the number of people in employment at around 45.6 million in 2023 and 45.5 million in 2024.[10]

[1] Net assets and financial position/Financial structure analysis.
[2] Federal Ministry for Economic Affairs and Climate Action (BMWK) Annual Economic Report 2023, January 25, 2023.
[3] Federal Ministry for Economic Affairs and Climate Action (BMWK) Annual Economic Report 2023, January 25, 2023.
[4] Business Insider – Economic Forecast, January 21, 2023.
[5] BDI – press release – January 17, 2023.
[6] IMK – audio commentary by Peter Hohlfeld, IMK, national accounts.
[7] BDI – press release – January 17, 2023.
[8] IfW Kiel – Kiel Economic Outlook no. 98 (2022/Q4).
[9] Federal Ministry for Economic Affairs and Climate Action (BMWK) – Annual Economic Report 2023, January 25, 2023.

Germany's current account surplus is predicted to fall to 2.5% of economic output in 2023 and then to 3.3% in 2024.[11]

The IfW is expecting the government debt ratio as a percentage of nominal GDP in Germany to climb to 68.8% in 2023 (from 67.1% in 2022) and then to fall slightly to 67.7% of GDP in 2024.[12]

Against the backdrop of the continuing conflict in Ukraine, however, there remains considerable uncertainty about how the economy will actually perform over the course of the year.

Future industry performance

Performance of the German advertising market

Nielsen predicts that gross advertising revenue will rise by 1.6%[13] in 2023 and PricewaterhouseCoopers GmbH ('PwC') predicts that the German advertising market will grow by 4.7% in 2023[14]. According to a survey by the German Advertisers Association (OWM), its members are expecting the economic outlook to cloud over. Of the member companies surveyed, the overwhelming majority (97%) believe the economy will be weaker than in 2022. The members considered risk to be high or very high in the following areas: consumer sentiment, power supply, inflation, and supply chains. The economic environment is difficult for OWM members: 56% expect their earnings to be down and only 20% expect their earnings to improve in the coming year. Where advertising budgets for 2023 are concerned, however, 70% of member firms are hoping that they will remain stable; in 2022 this figure was 37%, with 32% expecting advertising budgets to rise. All of the survey participants were in agreement about one point: advertising is what drives brand success (100%). Many members also agreed with the following statements, demonstrating the importance that members continue to attach to advertising: advertising promotes competition (90%) and advertising creates growth (89%).[15]

According to PwC, advertising revenue in the OOH segment will increase by an average of 2.4%[16] a year between 2023 and 2026. The main drivers of this growth are innovative technologies such as programmatic DOOH and the ongoing digitalization of advertising inventory. PwC expects net revenue from digital out-of-home advertising to rise by 10.3% a year on average to around EUR 514m[17] by 2026. According to estimates by PwC, revenue from analog advertising formats will decline by around 1.0%[18] a year between 2023 and 2026.

The online business delivered robust growth during 2020 and 2021, the pandemic years, and PwC expects it to grow at a much more modest rate going forward. PwC predicts that revenue from online advertising will increase by 8.2%[19] in 2023.

For mobile online advertising, PwC expects revenue to grow by 12.0%[20] in 2023. According to the sum of experts' predictions, mobile online advertising is set to rise by an annual average of 7.0%[21] over the period 2023 to 2026.

PwC expects the German market for contact centers and CRM services to see sustained growth despite – and to some extent because of – the COVID-19 crisis and the war in Ukraine. PwC predicts that the market for contact centers and CRM services will have grown at a compound annual growth rate of 4.6% in the period 2019 to 2024 and could be generating revenue of around EUR 14b (inhouse and outsourced) in 2023.[22]

Anticipated revenue and earnings

Ströer Group

As already mentioned, Ströer forecasts that the Group as a whole will generate moderate organic revenue growth in 2023. It is not possible to meaningfully quantify the growth forecast given the currently high level of uncertainty as to future economic conditions.

The same uncertainty applies to anticipated EBITDA (adjusted), which depends on levels of revenue and the

[10] IfW Kiel – Kiel Economic Outlook no. 98 (2022/Q4).
[11] IfW Kiel – Kiel Economic Outlook no. 98 (2022/Q4).
[12] IfW Kiel – Kiel Economic Outlook no. 98 (2022/Q4).
[13] Nielsen – Forecast for Germany – 1/2023.
[14] PwC – German Entertainment & Media Outlook 2022–2026.
[15] OWM – OWM survey 2022, Nov. 2022.
[16] PwC – German Entertainment and Media Outlook 2022 –2026.
[17] PwC – German Entertainment and Media Outlook 2022–2026.
[18] PwC – German Entertainment and Media Outlook 2022–2026.
[19] PwC – German Entertainment and Media Outlook 2022–2026.
[20] PwC – German Entertainment and Media Outlook 2022–2026.
[21] PwC – German Entertainment and Media Outlook 2022–2026.
[22] PwC – Customer Service & Engagement, PwC Market Model.

extent to which the huge increase in factor costs can be recouped.

Ströer expects direct costs to increase sharply compared with revenue in 2023. Overheads are expected to go up due to inflation-related increases in salaries and other costs, the continued expansion of local and regional sales structures, the further internationalization of Statista, and the increase in business volume in the Group.

As already described, the forecasts for 2023 by economic research institutes and the German government are particularly tentative at the time of preparing this report. However, uncertainties such as the COVID-19 pandemic flaring up again or the war in Ukraine spreading are unlikely to have a material impact on advertising budgets and thus the performance of the Company's business, and if they do, it will probably only be comparatively short-lived. At the time of publication, the availability and distribution of actual advertising budgets and the level of discounts were impossible to reliably predict. The main reasons for this include radical changes in the media landscape, such as the increase in online advertising, and the increasing diversity of advertising offerings, especially in digital media channels. The growing importance of social networks to the advertising industry is also changing the allocation of advertising budgets. In this market environment, Ströer expects its unrivaled German portfolio of attractive out-of-home and digital media to enable it to continue to successfully maintain its market position over the long term.

Planned capital expenditure

In 2023, capital expenditure in the OOH Media segment will focus on continuing to expand the digital out-of-home advertising inventory (public video roadside advertising media). In 2023 and thereafter, around 500 new screens a year will be added to this portfolio, following the addition of more than 700 digital out-of-home advertising media in 2022. Money will also be spent on upgrading and expanding the public video inventory. In the Digital & Dialog Media segment, Ströer plans to focus its capital expenditure on the IT infrastructure and on an increase in call center capacity as part of a nearshoring exercise. For the DaaS & E-Commerce segment, for both Statista and AsamBeauty, the main priorities for 2023 are investment in the business infrastructure.

For the Ströer Group, the Board of Management of the general partner anticipates that capital expenditure in 2023 will be considerably lower than in 2022 (EUR 163m). As a considerable proportion of this capital expenditure is not backed by binding investment commitments, the capital expenditure can be scaled back if market conditions or the Company's situation so require.

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

Expected financial position

The return on capital employed (ROCE) in 2023 should be on a par with the level achieved in the prior year (2022: 20.0%).

The Ströer Group's current credit financing under the credit facility is secured until the end of 2027. Ströer enhanced its financing structure with a revolving credit facility of EUR 650m in 2022. It also issued new note loans with a total volume of EUR 203m on attractive terms. The covenants are designed to provide sufficient headroom even in the face of economic or seasonal fluctuations. The leverage ratio of 2.2 at the end of the reporting year means that the Company remains in a comfortable zone. Ströer expects the leverage ratio to remain steady in 2023, potentially increasing slightly.

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

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

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

Composition of subscribed capital

Subscribed capital of EUR 55,282,499.00 existing at the time of the Company's conversion into a German partnership limited by shares (KGaA) on March 1, 2016 was contributed by way of a change in legal form of the previous legal entity, Ströer SE, which has its registered office in Cologne (HRB no. 82548).

In the subsequent financial years, the Company's subscribed capital increased further as a result of stock options being exercised. The number of shares did not change in 2022. As at December 31, 2022, the subscribed capital was thus divided into 56,691,571 no-par-value bearer shares. They have a nominal value of EUR 1 each and are fully paid up. Issued capital of EUR 56,081,240.00 corresponds to subscribed capital of EUR 56,691,571.00 less the nominal value of the repurchased shares of EUR 610,331.00.

Shareholdings exceeding 10% of voting rights

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

Mr. Udo Müller (directly and indirectly) holds a total of 23.34% of the total number of shares and Mr. Dirk Ströer (directly and indirectly) holds a total of 19.64%. Based on the notifications pursuant to the German Securities Trading Act (WpHG) that had been received as at the reporting date, the Board of Management is aware that ValueAct Holdings GP, LLC, Wilmington/Delaware, USA, holds a total of 15.06% of the shares. As at December 31, 2022, the Board of Management had not received any notifications pursuant to WpHG of other shareholdings exceeding 10% of the voting rights.

Restrictions concerning voting rights or the transfer of shares

A voting and pooling agreement is in place between Mr. Udo Müller and Mr. Dirk Ströer as well as other parties. Of the parties to the agreement, Mr. Udo Müller (directly/indirectly) holds 23.34% and Mr. Dirk Ströer (directly/indirectly) 19.64% of the shares in Ströer SE & Co. KGaA. As far as the Board of Management is aware, the other parties to the agreement do not hold any shares in Ströer SE & Co. KGaA.

Shares with special rights granting control authority

There are no shares with special rights granting control authority.

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

Article 8 of the articles of association of Ströer SE & Co. KGaA sets forth details concerning any potential exit by the general partner and the continuation of Ströer SE & Co. KGaA. In accordance with section 119 (1) no. 6 AktG, the shareholder meeting decides on changes to the articles of association. More information on the procedural rules can be found in section 181 AktG in conjunction with article 9 of the articles of association of Ströer SE & Co. KGaA.

Authorization of the general partner to issue or repurchase shares

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

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

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

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

In accordance with the resolution passed by the shareholder meeting on November 4, 2020, the Company is authorized, in the period up to and including November 3, 2025, to purchase treasury shares for any permissible purpose in an amount equivalent to no more than 10% of the Company's share capital at the time of adoption of the resolution or – if this figure is lower – at the time the authorization is exercised. The shares purchased on the basis of this authorization, together with other shares of the Company that the Company has already purchased and still owns, or that are attributable to the Company pursuant to sections 71a et seq. AktG, must not exceed 10% of the share capital at any time. The authorization must not be used for the purpose of trading in treasury shares. In each instance, the general partner decides whether the purchase is to be made through the stock exchange, by way of a public purchase offer to all shareholders, by way of a public invitation to the Company's shareholders to tender their shares, or by another means that is in compliance with the principle of equal treatment (section 53a AktG).

Based on the authorization from the annual shareholder meeting on November 4, 2020, Ströer SE & Co. KGaA decided on September 28, 2022 to carry out a share buyback program with a total maximum repurchase volume of EUR 50,000,000.00. The volume of EUR 50,000,000.00 represents the likely maximum number of shares that can be acquired over the subsequent six months within the regulatory limits. The Company launched the share buyback program on October 3, 2022 and by December 31, 2022, a total of 610,331 no-par-value shares had been repurchased under the program.

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

Facility agreement/note loans

A facility agreement is in place between Ströer SE & Co. KGaA and a syndicate of various banks and financial institutions, on the basis of which the syndicate granted the Company a credit line of EUR 650m. This facility agreement entered into in 2022 replaced a previous facility agreement dating from 2016. Ströer SE & Co. KGaA also placed a note loan with a volume of EUR 203m on the capital markets in 2022. Its volume was unchanged at the reporting date. Ströer SE & Co. KGaA had placed a note loan with a volume of EUR 145m on the capital markets in 2016 and a further note loan with a volume of EUR 350m in 2017. As at the reporting date, the note loan from 2016 still existed in an amount of EUR 18m while the note loan from 2017 amounted to EUR 113m.

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

EUR k	Note	2022	2021[1]
Revenue	(9)	1,771,942	1,627,323
Cost of sales	(10)	–1,015,459	–978,318
Gross profit		**756,483**	**649,005**
Selling expenses	(11)	–315,362	–272,996
Administrative expenses	(12)	–227,147	–217,962
Other operating income	(13)	42,996	41,011
Other operating expenses	(14)	–19,774	–21,119
Share of the profit or loss of investees accounted for using the equity method	(5)	1,510	19,343
Finance income	(15)	4,672	1,673
Finance costs	(15)	–32,565	–30,249
Profit or loss before taxes		**210,813**	**168,706**
Income taxes	(16)	–58,996	–38,452
Consolidated profit or loss for the period		**151,817**	**130,254**
Thereof attributable to:			
Owners of the parent		143,258	122,134
Non-controlling interests		8,559	8,120
		151,817	**130,254**
Earnings per share			
Basic earnings per share (EUR)		2.53	2.16
Diluted earnings per share (EUR)		2.53	2.14

[1] Restated due to a change in accounting policy under which income from the reversal of provisions is allocated to the same functions within the business for which the underlying provisions were originally recognized on the basis of the function-of-expense method.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR k	Note	2022	2021
Consolidated profit or loss for the period		**151,817**	**130,254**
Other comprehensive income			
Amounts that will not be reclassified to profit or loss in future periods			
Actuarial gains and losses	(27, 28)	12,369	1,134
Changes in the fair value of equity instruments measured at fair value through other comprehensive income		–428	–569
Income taxes	(16)	–3,751	–460
		8,190	**105**
Amounts that could be reclassified to profit or loss in future periods			
Exchange differences on translating foreign operations	(8)	2,801	139
Income taxes	(16)	0	0
		2,801	**139**
Other comprehensive income, net of income taxes		**10,991**	**244**
Total comprehensive income, net of income taxes		**162,808**	**130,498**
Thereof attributable to:			
Owners of the parent		154,111	122,257
Non-controlling interests		8,697	8,240
		162,808	**130,498**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets (EUR k)	Note	Dec. 31, 2022	Dec. 31, 2021
Non-current assets			
Intangible assets	(19)	1,062,823	1,067,273
Property, plant, and equipment	(20)	1,220,081	1,214,044
Investments in investees accounted for using the equity method	(5)	22,684	35,000
Financial assets		3,182	3,413
Other financial assets	(22)	628	558
Other non-financial assets	(22)	8,868	10,597
Deferred tax assets	(16)	41,673	30,007
Total non-current assets		**2,359,940**	**2,360,892**
Current assets			
Inventories	(23)	30,932	24,388
Trade receivables	(21)	216,207	200,724
Other financial assets	(22)	13,271	13,778
Other non-financial assets	(22)	44,760	39,047
Current tax assets		11,186	6,481
Cash	(24)	79,873	63,382
Total current assets		**396,229**	**347,799**
Assets classified as held for sale	(25)	0	9,040
Total assets		**2,756,169**	**2,717,732**

Equity and liabilities (EUR k)	Note	Dec. 31, 2022	Dec. 31, 2021
Equity	(26)		
Issued capital		56,081	56,692
Capital reserves		753,057	762,342
Retained earnings		–340,047	–336,837
Accumulated other comprehensive income/loss		–4,857	–7,689
		464,234	**474,507**
Non-controlling interests		9,467	9,351
Total equity		**473,701**	**483,859**
Non-current liabilities			
Provisions for pensions and similar obligations	(27)	30,994	43,445
Other provisions	(28)	29,030	22,972
Financial liabilities	(29)	1,482,812	1,216,179
Trade payables	(30)	0	1,443
Other liabilities	(31)	1,506	1,302
Deferred tax liabilities	(16)	38,795	22,301
Total non-current liabilities		**1,583,136**	**1,307,641**
Current liabilities			
Other provisions	(28)	90,439	91,283
Financial liabilities	(29)	218,903	432,181
Trade payables	(30)	218,067	226,463
Other liabilities	(31)	127,270	127,584
Current income tax liabilities		44,653	41,578
Total current liabilities		**699,332**	**919,089**
Liabilities associated with assets held for sale	(25)	0	7,142
Total equity and liabilities		**2,756,169**	**2,717,732**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR k	2022	2021
Cash flows from operating activities		
Profit or loss for the period	151,817	130,254
Expenses (+)/income (–) from net finance income/costs and net tax income/expense	86,890	67,029
Amortization, depreciation, and impairment (+) on non-current assets	106,467	116,182
Depreciation and impairment (+) on right-of-use assets under leases (IFRS 16)	197,040	193,885
Share of the profit or loss of investees accounted for using the equity method	–1,510	–19,343
Cash received from profit distributions of investees accounted for using the equity method	7,968	4,742
Interest paid (–) in connection with leases (IFRS 16)	–17,001	–17,643
Interest paid (–) in connection with other financial liabilities	–10,338	–8,742
Interest received (+)	49	47
Income taxes paid (–)/received (+)	–55,546	–32,964
Increase (+)/decrease (–) in provisions	–8,834	22,345
Other non-cash expenses (+)/income (–)	–13,231	–6,737
Gain (–)/loss (+) on disposal of non-current assets	72	–1,070
Increase (–)/decrease (+) in inventories, trade receivables, and other assets	–25,811	–56,234
Increase (+)/decrease (–) in trade payables and other liabilities	–7,138	34,708
Cash flows from operating activities	**410,894**	**426,458**
Cash flows from investing activities		
Cash received (+) from the disposal of intangible assets and property, plant, and equipment	1,055	5,167
Cash paid (–) for investments in intangible assets and property, plant, and equipment	–163,622	–106,548
Cash received (+)/cash paid (–) in relation to investees accounted for using the equity method and to financial assets	6,337	2,491
Cash received (+) from/cash paid (–) for the sale of consolidated entities	10,440	530
Cash received (+) from/cash paid (–) for the acquisition of consolidated entities	–2,639	–974
Cash flows from investing activities	**–148,429**	**–99,334**

EUR k	2022	2021
Cash flows from financing activities		
Cash received (+) from equity contributions	0	2,309
Dividend distributions (–)	–137,061	–125,955
Cash paid (–) for the acquisition of treasury shares	–25,845	0
Cash paid (–) for the acquisition of shares not involving a change of control	–4,108	–17,132
Cash paid (–) for transaction costs in connection with borrowings	–3,431	0
Cash received (+) from borrowings	798,866	308,020
Cash repayments (–) of borrowings	–676,517	–338,371
Cash payments (–) for the principal portion of lease liabilities (IFRS 16)	–197,878	–178,081
Cash flows from financing activities	**–245,974**	**–349,210**
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents	16,491	–22,087
Cash and cash equivalents at the beginning of the period	63,382	85,469
Cash and cash equivalents at the end of the period	**79,873**	**63,382**
Composition of cash and cash equivalents		
Cash	79,873	63,382
Cash and cash equivalents at the end of the period	**79,873**	**63,382**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR k	Issued capital
Jan. 1, 2021	**56,647**
Consolidated profit or loss for the period	
Other comprehensive income	
Total comprehensive income	
Changes in the basis of consolidation	
Acquisition of treasury shares	
Share-based payment	45
Effects from changes in ownership interests in subsidiaries without loss of control	
Obligation to purchase own equity instruments	
Dividends	
Dec. 31, 2021/Jan. 1, 2022	**56,692**
Consolidated profit or loss for the period	
Other comprehensive income	
Total comprehensive income	
Changes in the basis of consolidation	
Acquisition of treasury shares	–610
Share-based payment	
Effects from changes in ownership interests in subsidiaries without loss of control	
Obligation to purchase own equity instruments	
Dividends	
Dec. 31, 2022	**56,081**

		Accumulated other consolidated profit or loss for the period			
Capital reserves	**Retained earnings**	**Exchange differences on translating foreign operations**	**Total**	**Non-controlling interests**	**Total equity**
754,877	**–333,304**	**–7,722**	**470,498**	**8,552**	**479,049**
	122,134		122,134	8,120	130,254
	90	33	124	120	244
	122,224	33	122,257	8,240	130,498
				–762	–762
7,465			7,510		7,510
	–11,506		–11,506	–1,473	–12,979
	–909		–909	3,186	2,277
	–113,343		–113,343	–8,391	–121,734
762,342	**–336,837**	**–7,689**	**474,507**	**9,351**	**483,859**
	143,258		143,258	8,559	151,817
	8,021	2,832	10,853	138	10,991
	151,279	2,832	154,111	8,697	162,808
				126	126
	–25,296		–25,906		–25,906
–9,285			–9,285		–9,285
	–3,546		–3,546	–805	–4,351
	1,909		1,909	–1,704	205
	–127,556		–127,556	–6,198	–133,754
753,057	**–340,047**	**–4,857**	**464,234**	**9,467**	**473,701**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS EXPLANATORY DISCLOSURES

Basis of presentation

1 General

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

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

The consolidated financial statements of Ströer SE & Co. KGaA for 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) applicable as at the reporting date and as adopted by the European Union (EU); the additional requirements of German commercial law were also applied pursuant to section 315e (1) of the German Commercial Code (HGB).

These consolidated financial statements cover the period January 1, 2022 to December 31, 2022. The Board of Management of Ströer Management SE, Düsseldorf, the general partner of Ströer SE & Co. KGaA, approved the consolidated financial statements on March 17, 2023 for issue to the Supervisory Board of Ströer SE & Co. KGaA. The Supervisory Board has the task of reviewing the consolidated financial statements and declaring whether it approves them.

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

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

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

2 Assumptions, accounting estimates, and the use of judgment

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

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

Revenue

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

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

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

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

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

Leasing

In addition to the determination of an appropriate discount rate, the measurement of lease liabilities and the associated right-of-use assets requires assumptions to be made about additional parameters related to their probability and timing. In particular, this includes assumptions about any purchase, extension, or termination options. Assessing whether subsequent changes to lease payments qualify as lease modifications or as modifications to the scope of the lease can also involve the use of judgment. This can give rise to a revised discount rate being used with material effects on the statement of financial position and income statement. The use of judgment is also required in assessing whether a contract actually satisfies the criteria of IFRS 16, and thus has to be accounted for as a lease.

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

Impairment of goodwill

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

Fair value in acquisitions

Assumptions about the recognition and measurement of assets and liabilities are required for purchase price allocations in the context of acquisitions. In particular, this affects the measurement of the fair value of the assets and liabilities and the applicable useful lives at the time of acquisition. The fair value of these assets and liabilities is measured on the basis of an estimate of future cash flows and an appropriate discount rate. The actual cash flows may differ significantly from the cash flows assumed in the measurement of fair value. The same applies for the measurement of contingent purchase price payments, which generally depend on the future achievement of certain metrics (e.g. EBITDA, EBIT) and thus represent uncertain future cash outflows in terms of substance and/or amount.

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

Internally generated intangible assets

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

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

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

Effects of the war in Ukraine and the COVID-19 pandemic
Wider macroeconomic developments in the Ströer Group's main sales markets have a significant bearing on the Group's performance. The Ströer Group is not directly affected by the war in Ukraine but the economic fallout from the war does impact on the Group. In 2022, the indirect effects were seen in the fourth quarter in particular when demand from our major national advertisers dipped. In terms of expenses, increased funding and energy costs also played their part.

Against the current backdrop of geopolitical and economic turmoil, the future of the sales markets of relevance to Ströer is tinged by considerable uncertainty as things stand. High energy costs may keep the rate of inflation high, which could in turn dampen the willingness of consumers and businesses to spend and invest. This could lead to further interest rate hikes by central banks. The end of China's zero-COVID strategy could also drive up energy and raw material prices as demand recovers.

In order to accurately reflect the potential impact of the Ukraine conflict on the wider economy in the Ströer Group's consolidated financial statements, assumptions and estimates have been incorporated into the medium-term planning, providing a basis with which to review carrying amounts by way of impairment tests. Overall, however, the war in Ukraine has not had any material direct effect on the recognition and measurement of assets and liabilities.

Effects of climate change
The national conversation surrounding the need for climate action has intensified in recent years. Because of its business model, the Ströer Group is not directly affected by climate mitigation measures. However, an energy shortage or rising energy prices due to a large-scale switch away from fossil fuels and corresponding legislative changes could adversely impact the Ströer Group. Ströer nonetheless sees it as its duty to play an active part in climate change mitigation and has already switched to renewable energy for the bulk of the electricity it uses to run its advertising media. In terms of the estimates and assumptions made in these consolidated financial statements regarding the future development of the Ströer Group, we consider the level of uncertainty in connection with the impact of climate change to be manageable.

3 Significant accounting policies

Revenue and expense recognition

Revenue is mainly generated from the marketing of advertising space in the out-of-home business, from the marketing of online advertising space, from the subscription and e-commerce business, and from dialogue marketing. In the **Out-of-Home segment**, the Ströer Group mainly generates its revenue from the marketing of traditional OOH advertising products (Classic OOH: analog OOH advertising products from traditional poster media to advertisements at bus and tram shelters and on public transport) and digital OOH advertising products (Digital OOH: public video and roadside screens).

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

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

Advertising media owned by third parties is marketed in addition to the Group's own media. Revenue earned using the Group's own advertising media is reported on the basis of the total consideration that is received in exchange for the service (acting as principal). Insofar as the Ströer Group has control over the advertising inventory of a third party prior to providing the advertising service (e.g. by way of exclusive marketing rights), has the right to instruct a third party to provide the advertising service on its behalf (e.g. by way of the Ströer Group having the right to determine on which of the third party's advertising spaces the advertising is delivered), or provides a significant integration service (e.g. by way of integrating media services and billposting services), the Ströer Group is considered to be acting as principal. If the criteria for classification as principal are not met, the Ströer Group is acting as agent. Consequently, only the agreed sales commission is disclosed on a net basis under revenue (acting as agent). Based on the assessment of senior management, the Ströer Group is generally to be viewed as acting as principal.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Goodwill and other intangible assets

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

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

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

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

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

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

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

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

Property, plant, and equipment

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

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

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

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

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

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

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

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

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

Impairment testing

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

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

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

Leasing

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

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

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

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

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

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

The lease payments are discounted at incremental borrowing rates that are consistent with the term of the lease. These rates are determined on the basis of the incremental borrowing costs that Ströer would have had to pay over a similar period to borrow the funds necessary to purchase the underlying asset. The practical expedients are exercised such that a single incremental borrowing rate is used for each class of lease. Separate incremental borrowing rates were determined for the OOH business in Poland because of the significant IFRS 16 effects there.

The interest-rate curve used at the date of initial recognition of a lease is not adjusted in line with changes in the capital markets during the term of the lease. This also applies if lease payments are modified during the lease term and the modification – that is unaffected by external factors – was defined in detail (timing and amount) in the original contract (stepped rent). Different treatment applies for contracts that are modified in renegotiations during the lease term (lease modifications) where the modification is not based on a separate, additional lease agreement. Such contract modifications generally give rise to remeasurement of the lease using the revised discount rate.

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

Investments in investees accounted for using the equity method

Equity investments in joint ventures and associates that are accounted for in the consolidated financial statements using the equity method are recognized at the cost of acquisition. If the acquisition cost is higher than the fair value of the Ströer Group's interest in the identifiable net assets of an acquiree, this excess is recognized as goodwill in the carrying amount of the equity investment. The carrying amount of the equity-accounted investment is tested for impairment if there are indications that it may be impaired. If the carrying amount of the equity investment is greater than its recoverable amount, the difference is recognized as an impairment loss. If the recoverable amount subsequently increases, the difference between the carrying amount and the recoverable amount is recognized as a reversal of an impairment loss but subject to a limit that the carrying amount is no higher than the proportionate equity interest in the equity investment. The recoverable amount of the equity investment is deemed to be the higher of its fair value less costs to sell and its value in use.

Financial instruments

a) Recognition and initial measurement

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

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

b) Classification and subsequent measurement

I) FINANCIAL ASSETS

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

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

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

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

- It is held as part of a business model whose aim is to hold financial assets in order to collect the contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

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

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

Subsequent measurement and gains and losses – financial assets measured at FVTPL – These assets are subsequently measured at fair value. Net gains and losses, including any interest income or dividend income, are recognized in profit or loss. **Financial assets measured at amortized cost** – These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment charges. Interest income, exchange rate gains and losses, and impairment are recognized in profit or loss. A gain or loss on derecognition is recognized in profit or loss. **Equity investments measured at FVOCI** These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

II) FINANCIAL LIABILITIES

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

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

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

c) Derecognition

I) FINANCIAL ASSETS

The Group derecognizes a financial asset when:

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

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

II) FINANCIAL LIABILITIES

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

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

d) Offsetting

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

e) Impairment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Presentation of loss allowances for expected credit losses in the statement of financial position – Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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

Inventories

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

Deferred taxes

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

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

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

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

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

Non-current assets and liabilities held for sale

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

Pension provisions

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

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

Provisions for defined benefit and similar obligations are measured using an actuarial technique, the projected unit credit method. This method takes into account the pensions known and entitlements earned as at the reporting date as well as increases in pensions and salaries expected in the future. Pension obligations are calculated on the basis of actuarial reports. Actuarial gains and losses are recognized in equity through other comprehensive income. For information on the assumptions and estimates used in the measurement of pension provisions, please refer to note 2.

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

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

Other provisions

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

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

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

Other non-financial assets and liabilities

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

Contingent liabilities

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

Share-based payment

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

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

Treasury shares

If Ströer SE & Co. KGaA acquires treasury shares on the stock exchange under a share buyback program, the shares are recognized at the purchase price paid including any incidental acquisition costs by debiting subscribed capital (in the amount of the par value of the shares) and retained earnings (in the amount of the residual cost). Subscribed capital less the par value of the repurchased shares is equal to issued capital.

Put options

Put options written on shares held by non-controlling interests are presented as a notional acquisition on the reporting date in cases where Ströer is not the beneficial owner (present owner). The adjustment item for these interests recognized in equity is derecognized and a liability in the amount of a notional purchase price liability is recognized instead. The cumulative difference between the derecognized adjustment item and the notional purchase price liability is offset directly against retained earnings. The value of the notional purchase price liability and details on its calculation are presented in note 34. The equity attributable to non-controlling interests was decreased by EUR 1,704k in 2022 and had been increased by EUR 3,186k in 2021 in connection with the put options granted to non-controlling interests of subsidiaries.

Purchases of shares by non-controlling interests

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

Overview of selected measurement methods

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

4 Changes in financial reporting standards and methods

All new and amended standards and interpretations published by the IASB and the IFRS Interpretations Committee that are effective for financial years beginning on January 1, 2022 and are required to be applied in the EU were applied in preparing the consolidated financial statements.

Changes in accounting policies and accounting estimates

In 2022, the Ströer Group changed how it accounts for income from the reversal of provisions to reflect the fact that since January 1, 2022, income has been allocated to the same functions within the business for which the underlying provisions were originally recognized on the basis of the function-of-expense method. Until December 31, 2021 this income had always been reported as other operating income. The prior-year figures for 2021 have been restated in this report. This brings the Ströer Group's reporting in line with customary reporting practice but the effects were immaterial. There were no material changes in accounting policies or accounting estimates in 2022.

Standards and pronouncements adopted that have an effect on the Group's financial reporting

The following standards and pronouncements of the IASB became effective or were applied for the first time in 2022. The specific nature of all of the amendments to the standards meant that they had no, or no significant, effect on the Group's financial reporting:

- Amendments to **IFRS 3, IAS 16, and IAS 37** and improvements to **IFRS 1, IFRS 9, IAS 41, and IFRS 16** (Annual Improvements to IFRS Standards 2018–2020) – effective for financial years beginning on or after January 1, 2022 (endorsed by the European Commission on June 28, 2021)

Standards and pronouncements that are not yet effective

The following standards issued or amended by the IASB/IFRS Interpretations Committee were not yet effective in the reporting period and have not been applied by the Group to date. The Group currently has no plans for the early adoption of these standards on a voluntary basis. Initial application of these standards is not expected to have any significant effects on the net assets, financial position, or financial performance of the Group:

- **IFRS 17** Insurance Contracts – effective for financial years beginning on or after January 1, 2023 (endorsed by the European Commission on November 19, 2021)
- Initial Application of **IFRS 17** Insurance Contracts and IFRS 9—Comparative Information (Amendment to IFRS 17) – effective for financial years beginning on or after January 1, 2023 (endorsed by the European Commission on September 8, 2022)
- Presentation of Financial Statements (Amendments to **IAS 1** and IFRS Practice Statement 2) – effective for financial years beginning on or after January 1, 2023 (endorsed by the European Commission on March 2, 2022)
- Definition of Accounting Estimates (Amendments to **IAS 8** Accounting Policies, Changes in Accounting Estimates and Errors) – effective for financial years beginning on or after January 1, 2023 (endorsed by the European Commission on March 2, 2022)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to **IAS 12** Income Taxes) effective for financial years beginning on or after January 1, 2023 (endorsed by the European Commission on August 11, 2022)
- Classification of Liabilities as Current or Non-Current (Amendments to **IAS 1** Presentation of Financial Statements) – provisionally effective for financial years beginning on or after January 1, 2024 (not yet endorsed by the European Commission)
- Lease Liability in a Sale and Leaseback (Amendments to **IFRS 16**) – provisionally effective for financial years beginning on or after January 1, 2024 (not yet endorsed by the European Commission)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to **IFRS 10** and **IAS 28**) – the effective date has been deferred indefinitely (not yet endorsed by the European Commission)

5 Basis of consolidation

The consolidated financial statements include the financial statements of all significant entities that Ströer SE & Co. KGaA directly or indirectly controls. In addition to Ströer SE & Co. KGaA, a further 85 German and 41 foreign subsidiaries were consolidated as at December 31, 2022 on the basis of full consolidation and five German joint ventures and five associates were included in the consolidated financial statements using the equity method.

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

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

Fully consolidated entities

			Equity interest (%)	
Name	Registered office	Country	Dec. 31, 2022	Dec. 31, 2021
4EVER YOUNG GmbH	Munich	Germany	100.0	100.0
Adscale Laboratories Ltd.	Christchurch	New Zealand	100.0	100.0
ahuhu GmbH	Unterföhring	Germany	80.0	80.0
Ambient-TV Sales & Services GmbH	Hamburg	Germany	70.0	70.0
andré media West GmbH (formerly: Super M&N GmbH, Cologne)	Cologne	Germany	60.0	80.0
Asam Betriebs-GmbH	Beilngries	Germany	100.0	100.0
ASAMBEAUTY GmbH	Unterföhring	Germany	100.0	100.0
ASAMBEAUTY TRADING (SHANGHAI) CO., LTD.	Shanghai	China	100.0	100.0
ASAMBEAUTY US INC.	Hollywood	USA	100.0	100.0
Avedo Albania SHPK	Tirana	Albania	100.0	–
Avedo Bulgaria EOOD	Plovdiv	Bulgaria	100.0	–
AVEDO Essen GmbH	Essen	Germany	100.0	100.0
AVEDO Gelsenkirchen GmbH	Gelsenkirchen	Germany	100.0	100.0
Avedo Hellas M.A.E.	Thessaloniki	Greece	100.0	100.0
Avedo II GmbH	Pforzheim	Germany	100.0	100.0
Avedo Kosovo L.L.C.	Pristina	Kosovo	100.0	–
Avedo Köln GmbH	Cologne	Germany	100.0	100.0
Avedo Leipzig GmbH	Leipzig	Germany	100.0	100.0
AVEDO Leipzig West GmbH	Leipzig	Germany	100.0	100.0

Name	Registered office	Country	Equity interest (%) Dec. 31, 2022	Dec. 31, 2021
Avedo München GmbH	Munich	Germany	100.0	100.0
Avedo Palma S.A.U.	Palma de Mallorca	Spain	100.0	100.0
Avedo Rostock GmbH	Rostock	Germany	100.0	100.0
BHI Beauty & Health Investment Group Management GmbH	Unterföhring	Germany	51.0	51.0
blowUP media Belgium BVBA	Antwerp	Belgium	100.0	80.0
blowUP media Benelux B.V.	Amsterdam	Netherlands	100.0	100.0
blowUP media GmbH[1]	Cologne	Germany	100.0	100.0
blowUP media U.K. Ltd.	London	UK	100.0	100.0
Business Advertising GmbH	Düsseldorf	Germany	65.7	65.7
Business Power GmbH	Düsseldorf	Germany	100.0	100.0
Contacter Sarl	Tunis	Tunisia	100.0	100.0
Content Fleet GmbH	Hamburg	Germany	100.0	90.0
Courtier en Economie d'Energie S.A.S.U.	Metz	France	100.0	100.0
Dea Holding S.r.l.	Bergamo	Italy	51.0	51.0
Dea S.r.l.	Bergamo	Italy	100.0	100.0
Delta Concept S.A.S.	Metz	France	–	55.0
DERG Vertriebs GmbH	Cologne	Germany	100.0	100.0
Diciotto Plus S.r.l.	Bergamo	Italy	100.0	100.0
Dieci S.c.a.r.l.	Bergamo	Italy	100.0	100.0
Diler Power Italia S.r.l.	Bergamo	Italy	100.0	100.0
DSA Schuldisplay GmbH	Hamburg	Germany	51.0	51.0
DSM Deutsche Städte Medien GmbH	Frankfurt am Main	Germany	100.0	100.0
DSM Krefeld Außenwerbung GmbH	Krefeld	Germany	51.0	51.0
DSM Rechtegesellschaft mbH	Cologne	Germany	100.0	100.0
DSM Werbeträger GmbH & Co. KG	Cologne	Germany	100.0	100.0
DSM Zeit und Werbung GmbH	Cologne	Germany	100.0	100.0
ECE flatmedia GmbH	Hamburg	Germany	75.1	75.1
Edgar Ambient Media Group GmbH	Hamburg	Germany	82.4	82.4
FA Business Solutions GmbH	Hamburg	Germany	50.0	50.0
Fahrgastfernsehen Hamburg GmbH	Hamburg	Germany	100.0	100.0
grapevine marketing GmbH	Munich	Germany	62.2	62.2
Hamburger Verkehrsmittel-Werbung GmbH	Hamburg	Germany	75.1	75.1
HanXX Media GmbH	Cologne	Germany	51.0	51.0
iBillBoard Internet Reklam Hizmetleri ve Bilisim Teknolojileri A.S.	Istanbul	Turkey	96.0	96.0
iBillBoard Poland Sp. z.o.o.	Warsaw	Poland	100.0	100.0
Immoclassic S.A.	Luxembourg City	Luxembourg	–	100.0
INFOSCREEN GmbH	Cologne	Germany	100.0	100.0
InnoBeauty GmbH	Unterföhring	Germany	100.0	100.0
Interactive Media CCSP GmbH	Cologne	Germany	94.2	94.2
Internet BillBoard a.s.[1]	Ostrava	Czech Republic	100.0	100.0
ITwo S.r.l.	Bergamo	Italy	100.0	100.0
Klassenfreunde.ch GmbH	Alpnach	Switzerland	100.0	100.0

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

Name	Registered office	Country	Equity interest (%) Dec. 31, 2022	Dec. 31, 2021
Klassträffen Sweden AB	Karlskoga	Sweden	100.0	100.0
KWS Verkehrsmittelwerbung GmbH	Stuttgart	Germany	100.0	–
Liberdatum Internet Reklam Hizmetleri ve Danismanlik A.S.	Istanbul	Turkey	–	100.0
LSP Digital GmbH & Co. KG	Hamburg	Germany	100.0	100.0
M. Asam GmbH	Unterföhring	Germany	100.0	100.0
MBR Targeting GmbH	Berlin	Germany	100.0	100.0
Media-Direktservice GmbH	Cologne	Germany	100.0	100.0
Neo Advertising GmbH	Hamburg	Germany	100.0	100.0
nxt statista Management GmbH (formerly: LSP Digital Management GmbH, Hamburg)	Hamburg	Germany	100.0	100.0
Omnea GmbH	Berlin	Germany	100.0	100.0
OPS Online Post Service GmbH	Berlin	Germany	100.0	100.0
optimise-it GmbH	Hamburg	Germany	100.0	100.0
"Outsite Media GmbH" (formerly: Outsite Media GmbH, Mönchengladbach)	Mönchengladbach	Germany	51.0	51.0
Permodo GmbH	Düsseldorf	Germany	100.0	100.0
PosterSelect Media-Agentur für Aussenwerbung GmbH	Baden-Baden	Germany	100.0	100.0
PrintSafari.com GmbH	Berlin	Germany	100.0	75.1
PrintSafari.com Inc.	Ashburnham	USA	100.0	100.0
Ranger France S.A.S.U.	Paris	France	100.0	100.0
Ranger Marketing & Vertriebs GmbH	Düsseldorf	Germany	100.0	100.0
RegioHelden GmbH	Stuttgart	Germany	100.0	100.0
Retail Media GmbH	Cologne	Germany	100.0	100.0
SA1 Immobilien GmbH	Cologne	Germany	100.0	–
Sales Holding GmbH	Düsseldorf	Germany	100.0	100.0
Seeding Alliance GmbH	Cologne	Germany	70.0	70.0
SEM Internet Reklam Hizmetleri ve Danismanlik A.S.[1]	Istanbul	Turkey	–	100.0
Service Planet GmbH	Düsseldorf	Germany	100.0	100.0
Services PrintSafari.com Canada Inc.	Montreal	Canada	100.0	100.0
SIGN YOU mediascreen GmbH	Oberhausen	Germany	100.0	100.0
SMD Rechtegesellschaft mbH	Cologne	Germany	100.0	100.0
SMD Werbeträger GmbH & Co. KG	Cologne	Germany	100.0	100.0
SRG Rechtegesellschaft mbH	Cologne	Germany	100.0	100.0
SRG Werbeträger GmbH & Co. KG	Cologne	Germany	100.0	100.0
Statista Australia Pty. Ltd.	North Sydney	Australia	100.0	–
Statista GmbH	Cologne	Germany	100.0	100.0
Statista Inc.	New York	USA	100.0	100.0
Statista Japan Ltd.	Tokyo	Japan	100.0	100.0
Statista Ltd.	London	UK	100.0	100.0
Statista Pte. Ltd.	Singapore	Singapore	100.0	100.0
Statista S.a.r.l.	Paris	France	100.0	100.0
StayFriends GmbH	Berlin	Germany	100.0	100.0
Ströer Content Group GmbH[1]	Cologne	Germany	100.0	100.0

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

Name	Registered office	Country	Equity interest (%) Dec. 31, 2022	Dec. 31, 2021
Ströer Content Group Sales GmbH	Cologne	Germany	100.0	100.0
Ströer Core GmbH & Co. KG	Leverkusen	Germany	100.0	100.0
Ströer Core Verwaltungs GmbH	Leverkusen	Germany	100.0	100.0
Ströer DERG Media GmbH	Kassel	Germany	100.0	100.0
Ströer Deutsche Städte Medien GmbH	Cologne	Germany	100.0	100.0
Ströer Digital Commerce GmbH[1]	Cologne	Germany	100.0	100.0
Ströer Digital Group GmbH	Cologne	Germany	100.0	100.0
Ströer Digital Media GmbH	Hamburg	Germany	100.0	100.0
Ströer Digital Publishing GmbH[1]	Cologne	Germany	100.0	100.0
Ströer media brands apps d.o.o.	Zagreb	Croatia	100.0	100.0
Ströer media brands GmbH	Berlin	Germany	100.0	100.0
Ströer Media Deutschland GmbH[1]	Cologne	Germany	100.0	100.0
Ströer Media Sp. z.o.K.	Warsaw	Poland	100.0	100.0
Ströer Netherlands B.V.	Amsterdam	Netherlands	100.0	100.0
Ströer Netherlands C.V.	Amsterdam	Netherlands	100.0	100.0
Ströer News Publishing GmbH	Cologne	Germany	100.0	100.0
Ströer Next Publishing GmbH	Cologne	Germany	100.0	100.0
Ströer Polska Sp. z.o.o.[1]	Warsaw	Poland	100.0	100.0
Ströer Sales & Services GmbH	Cologne	Germany	100.0	100.0
STRÖER SALES France S.A.S.U.	Paris	France	100.0	100.0
Ströer Sales Group GmbH[1]	Cologne	Germany	100.0	100.0
Ströer Social Publishing GmbH	Berlin	Germany	100.0	100.0
Ströer SSP GmbH	Munich	Germany	100.0	100.0
Ströer Werbeträgerverwaltungs GmbH	Cologne	Germany	100.0	100.0
Ströer X GmbH	Leipzig	Germany	100.0	100.0
Tom S.r.l.	Bergamo	Italy	100.0	100.0
Trombi Acquisition SARL	Paris	France	100.0	100.0
Vendi S.A.S.	Paris	France	–	100.0
Yieldlove GmbH	Hamburg	Germany	100.0	100.0

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

In 2022, Immoclassic S.A., Luxembourg City, was liquidated and Delta Concept S.A.S., Metz, Liberdatum Internet Reklam Hizmetleri ve Danismanlik A.S., Istanbul, and SEM Internet Reklam Hizmetleri ve Danismanlik A.S., Istanbul, were sold. The following entity was acquired by another Group entity in an intragroup merger in 2022:

- Vendi S.A.S., Paris

Subsidiaries with a material non-controlling interest

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

			Non-controlling interest (%)	
Company/parent of the subgroup	Registered office	Country	Dec. 31, 2022	Dec. 31, 2021
BHI Beauty & Health Investment Group Management GmbH (AsamBeauty)	Unterföhring	Germany	49	49
Interactive Media CCSP GmbH	Cologne	Germany	6	6
Edgar Ambient Media Group GmbH	Hamburg	Germany	18	18

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

EUR k	Dec. 31, 2022	Dec. 31, 2021
Accumulated balance of material non-controlling interests		
BHI Group (AsamBeauty)	9,875	10,164
Interactive Media Group	10,640	11,299
EAM Group	3,481	2,828

EUR k	2022	2021
Profits (+)/losses (–) attributable to material non-controlling interests		
BHI Group (AsamBeauty)	1,039	4,420
Interactive Media Group	–128	1,358
EAM Group	1,803	938

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

Summarized income statements (before consolidation):

2022

EUR k	BHI Group (AsamBeauty)	Interactive Media Group	EAM Group
Revenue	224,812	355,990	59,681
Cost of sales	–93,901	–305,545	–33,312
Selling and administrative expenses	–140,616	–50,310	–21,686
Other net operating income/loss	12,296	14,322	1,111
Net finance income/costs	688	1,157	1,087
Profit or loss before taxes	**3,280**	**15,614**	**6,882**
Income taxes	–728	5,101	–2,282
Post-tax profit or loss	**2,551**	**20,715**	**4,600**
Total comprehensive income	**2,551**	**20,715**	**4,600**
Thereof attributable to non-controlling interests	1,250	1,201	810
Dividends paid to non-controlling interests	4,777	581	981

2021

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

Summarized statement of financial position (before consolidation):

Dec. 31, 2022

EUR k	BHI Group (AsamBeauty)	Interactive Media Group	EAM Group
Non-current assets	72,333	273,203	19,217
Current assets	115,147	251,425	24,712
Non-current liabilities	7,964	12,586	7,440
Current liabilities	127,597	255,863	26,007
Equity	**51,919**	**256,179**	**10,482**
Thereof attributable to:			
Owners of the parent	26,479	241,320	8,637
Non-controlling interests	25,440	14,858	1,845

Dec. 31, 2021

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

Summarized statement of cash flows (before consolidation):

Dec. 31, 2022

EUR k	BHI Group (AsamBeauty)	Interactive Media Group	EAM Group
From operating activities	22,893	22,355	4,114
From investing activities	–11,282	–18,626	–2,571
From financing activities	–11,278	–18,686	–1,500
Total net cash flow	**334**	**–14,958**	**43**

Dec. 31, 2021

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

Joint ventures

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

			Equity interest (%)	
Name	**Registered office**	**Country**	**Dec. 31, 2022**	**Dec. 31, 2021**
DSMDecaux GmbH	Munich	Germany	50	50
mediateam Stadtservice GmbH/ Ströer Media Deutschland GmbH in GbR	Berlin	Germany	50	50
X-City Marketing Hannover GmbH	Hannover	Germany	50	50
OS Data Solutions GmbH & Co. KG	Hamburg	Germany	50	50
OS Data Solutions Verwaltung GmbH	Hamburg	Germany	50	50

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

Dec. 31, 2022

EUR k	DSMDecaux GmbH	X-City Marketing Hannover GmbH	Other joint ventures	Total
Non-current assets	23,870	27,671	43	51,584
Current assets	17,931	8,527	2,359	28,817
Non-current liabilities	17,249	17,370	0	34,619
Current liabilities	5,836	6,520	1,409	13,766
Equity	**18,716**	**12,306**	**993**	**32,014**
Group's share	50%	50%	50%	50%
Group's share of equity	**9,358**	**6,153**	**496**	**16,007**
Residual carrying amount of the allocated hidden reserves, less deferred taxes/impairment	801	0	0	801
Goodwill	4,294	1,549	22	5,865
Carrying amount of the investments in investees accounted for using the equity method	**14,453**	**7,702**	**518**	**22,673**

Dec. 31, 2021

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

2022

EUR k	DSMDecaux GmbH	X-City Marketing Hannover GmbH	Other joint ventures	Total
Revenue	32,645	12,970	7,820	53,435
Cost of sales	–6,477	–7,574	–3,863	–17,914
Selling and administrative expenses	–1,960	–3,193	–3,708	–8,861
Other net operating income/loss	219	662	111	992
Net finance income/costs	–186	–444	0	–630
Profit or loss before taxes	**24,241**	**2,421**	**360**	**27,022**
Income taxes	–7,953	–836	–60	–8,849
Post-tax profit or loss	**16,288**	**1,586**	**300**	**18,174**
Group’s share of profit or loss	**8,144**	**793**	**150**	**9,087**
Amortization/depreciation of hidden reserves	–1,185	0	0	–1,185
Deferred taxes recognized in profit or loss	385	0	0	385
Share of the profit or loss of investees accounted for using the equity method	**7,343**	**793**	**150**	**8,286**

2021

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

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

The Group received a gross dividend of EUR 6,805k from DSMDecaux GmbH in 2022 (prior year: EUR 5,398k). The cost of sales and the selling and administrative expenses included amortization and depreciation of EUR 3,371k (prior year: EUR 3,735k). In 2021 and 2022, there were no contingent liabilities or capital commitments.

The Group received a gross dividend of EUR 1,088k from X-City Marketing Hannover GmbH in 2022 (prior year: EUR 738k). The cost of sales and the selling and administrative expenses included amortization and depreciation of EUR 4,246k (prior year: EUR 3,706k). In 2021 and 2022, there were no contingent liabilities or capital commitments.

The Group received a gross dividend of EUR 10k from the other joint ventures in 2022 (prior year: EUR 22k). In 2021 and 2022, there were no contingent liabilities or capital commitments.

Associates

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

			Equity interest (%)	
Name	**Registered office**	**Country**	**Dec. 31, 2022**	**Dec. 31, 2021**
eValue 2nd Fund GmbH (in liquidation)[1]	Berlin	Germany	33	33
Instytut Badán Outdooru IBO Sp. z.o.o.	Warsaw	Poland	50	50
tricontes360 GmbH	Cologne	Germany	50	50
Institute for Digital Out of Home Media GmbH	Munich	Germany	45	–
Ad.audio GmbH	Hamburg	Germany	20	–

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

As at December 31, 2022 , the carrying amount of the associates accounted for using the equity method came to EUR 11k after distributions (EUR 2,214k) and repayment of capital contributions (EUR 3,000k) (prior year: EUR 11,989k).

The share of the profit or loss of the associates accounted for using the equity method was a loss of EUR 6,776k (prior year: profit of EUR 11,738k).

Following its restructuring in 2020, the tricontes360 Group saw a tangible improvement in its operating business in the prior year and it generated a significant profit for 2021. As at the end of 2022, however, the economic position of the tricontes360 Group was bleak. In light of this, the Ströer Group wrote down its equity-accounted investment in full as at December 31, 2022.

EUR k	tricontes360 Group Dec. 31, 2021[1]	Dec. 31, 2020
Non-current assets	10,478	12,750
Current assets	30,536	19,849
Non-current liabilities	9,638	14,550
Current liabilities	15,688	12,222
Non-controlling interests	776	776
Equity	**14,913**	**5,051**
Group's share	50%	50%
Group's share of equity	**8,957**	**4,026**
Residual carrying amount of the allocated hidden reserves, less deferred tax assets/reversals of impairment losses	3,031	–4,026
Goodwill	0	0
Carrying amount of the investments in investees accounted for using the equity method	**11,989**	**0**

[1] The figures for 2022 were not available at the time of preparing this report.

EUR k	tricontes360 Group 2021	2020
Revenue	106,526	85,681
Cost of sales	–86,787	–74,224
Selling and administrative expenses	–7,985	–8,056
Other net operating income/loss	3,392	1,282
Net finance income/costs	–164	–344
Profit or loss before taxes	**14,983**	**4,337**
Income taxes	–4,782	–2,038
Non-controlling interests	339	272
Post-tax profit or loss	**9,862**	**2,027**
Group's share of profit or loss	**4,931**	**1,014**
Amortization/depreciation of hidden reserves/impairment of share of profit or loss	7,059	–1,014
Deferred taxes recognized in profit or loss	0	0
Share of the profit or loss of investees accounted for using the equity method (incl. impairment of equity interests)	**11,989**	**–3,012**

6 Significant business combinations

6.1. Acquisitions

Transactions involving a change of control

In 2022, the Ströer Group acquired all of the shares in KWS Verkehrsmittelwerbung GmbH, Stuttgart, as at January 27, 2022 (acquisition date). The purchase price for the entity came to EUR 3,200k and was paid in cash.

The purchase price allocation, including the identification and measurement at fair value of the assets and liabilities, was completed in 2022. It was carried out as at January 1, 2022 for the sake of simplicity. No material effects between January 1 and January 27 were identified. The carrying amounts of the acquired receivables and the other financial and non-financial assets are equivalent to their respective fair values. The fair value of the receivables acquired is the best estimate for the expected cash flows from these receivables. The identified hidden reserves of EUR 475k relate to the company's customer base. The goodwill amounts to EUR 2,700k and is allocated to the Ströer Deutschland CGU. The goodwill is based on the positive prospects for generating additional cash flows by leveraging further synergies in the Ströer Group. It was calculated using the purchased goodwill method. The goodwill is non-deductible for tax purposes.

As the aforementioned company was the Ströer Group's sole acquisition in 2022, the information for 2022 relates only to this acquisition. The summary information for 2021 relates to the prior year's acquisitions.

Summary information

The contractually agreed purchase prices for acquisitions involving a change in control totaled EUR 3,200k (prior year: EUR 2,247k), including payments in subsequent periods and redemption of financial liabilities. In 2022, the acquisitions gave rise to total transaction costs of EUR 14k, which were reported under administrative expenses.

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

EUR k	2022	2021
Total amount of purchase prices including the redemption of shareholder loans	–3,200	–2,247
Total cash acquired	561	1,273
Net cash outflow from acquisitions	–2,639	–974

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

EUR k	2022	2021
Intangible assets	667	1,794
Property, plant, and equipment	12	10
Trade receivables	18	376
Other financial assets	308	183
Other non-financial assets	191	144
Current tax assets	0	0
Cash	561	1,273
Pension provisions	323	0
Other provisions	111	1,477
Deferred tax liabilities	145	534
Financial liabilities	70	0
Trade payables	434	138
Other liabilities	174	138
Current tax liabilities	0	0
Net assets acquired	500	1,494

The assets and liabilities of the newly acquired company, as well as its goodwill, were allocated to the Ströer Deutschland CGU as it was incorporated into this part of the Ströer Group.

Since control was obtained, the company has generated revenue of EUR 3,725k that is included in the consolidated income statement.

The effect on the Group's revenue and post-tax profit or loss in the consolidated financial statements if the entity acquired in 2022 had been fully consolidated with effect from January 1, 2022 is presented in the table below; the amounts shown already reflect the effects of the purchase price allocations for the entities acquired in 2022.

EUR k	Revenue	Post-tax profit or loss
Jan. 1–Dec. 31, 2022	1,771,942	151,817

Transactions not involving a change of control

The Ströer Group carried out a few transactions not involving a change in control in 2022 but, individually, those transactions were insignificant.

Summary information

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

EUR k	
Total purchase prices	4,351
Non-controlling interests	805
Change in consolidated equity attributable to the shareholders of Ströer SE & Co. KGaA	–3,546

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

Acquisitions after the reporting date

No significant acquisitions took place after the reporting date.

6.2 Business sales

Transactions involving a change of control

The Ströer Group sold all the shares in its subsidiary SEM Internet Reklam Hizmetleri ve Danismanlik A.S. Istanbul, Turkey, as at June 30, 2022. The buyer paid the provisional price of USD 14.8m (EUR 14.1m) for the shares to Ströer by bank transfer on June 30, 2022. After deducting payments in connection with the transaction (EUR 1.5m) and the cash transferred (EUR 2.2m), the net cash inflow came to EUR 10.4m.

In terms of its impact on profit, based on the net carrying amounts disposed of (-EUR 4.2m), accumulated exchange differences (-EUR 3.4m), anticipated purchase price adjustments (+EUR 1.1m), and other expenses in connection with the transaction (-EUR 3.6m), we currently expect a gain on disposal of EUR 4.1m. This is disclosed under other operating income. Please refer to note 13 in this regard.

The assets sold mainly comprised trade receivables of EUR 4,123k and cash of EUR 2,222k. The liabilities sold of EUR 4,957k mainly comprised trade payables of EUR 4,699k.

Business sales after the reporting date

No business sales took place after the reporting date.

7 Consolidation principles

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

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

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

The acquisition method is used for the initial accounting. As part of the purchase price allocation, the assets acquired and liabilities assumed, as well as certain contingent liabilities, are recognized at their fair value. Any excess of the cost of the acquisition over the Group's interest in the fair value of the identifiable assets, liabilities, and contingent liabilities is recognized as goodwill. Goodwill attributable to non-controlling interests is recognized as an asset on a case-by-case basis in accordance with IFRS 3. Any remaining negative goodwill is recognized immediately in profit or loss. If the cost of the equity investment or the fair values to be allocated to the assets acquired and liabilities assumed from the acquired entity can only be provisionally determined at the time of first-time recognition, the business combination is initially recognized using these provisional values until the purchase price allocation has been finalized.

The hidden reserves and liabilities recognized are subsequently measured applying the accounting policy for the corresponding assets and liabilities. Recognized goodwill is tested for impairment annually (see note 19). Furthermore, the impairment test is always carried out immediately if there are any indications of impairment (triggering events).

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

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

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

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

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

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

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

8 Currency translation

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

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

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

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

The exchange rates set out in the table below were used for the most important foreign currencies in the Ströer Group: The weakness of the Turkish lira against the euro in 2022 did not have any notable effect on the Ströer Group as the only Turkish subsidiary remaining in the Ströer Group as at the end of 2022 generated revenue of less than EUR 150k with third parties. For this reason, IAS 29 has not been applied on grounds of materiality.

		Closing rate		**Weighted average rate**	
	Currency	**Dec. 31, 2022**	**Dec. 31, 2021**	**2022**	**2021**
Canada	CAD	1.4440	1.4393	1.3689	1.4828
Switzerland	CHF	0.9847	1.0331	1.0044	1.0811
China	CNY	7.3582	7.1947	7.0766	7.6283
Czech Republic	CZK	24.1160	24.8580	24.5595	25.6438
UK	GBP	0.8869	0.8402	0.8524	0.8598
Japan	JPY	140.6600	130.3800	137.8201	129.8420
Poland	PLN	4.6808	4.5969	4.6832	4.5636
Sweden	SEK	11.1218	10.2503	10.6232	10.1443
Singapore	SGD	1.4300	1.5279	1.4506	1.5893
Turkey	TRY	19.9649	15.2335	17.2736	10.2390
USA	USD	1.0666	1.1326	1.0516	1.1829

NOTES TO THE CONSOLIDATED INCOME STATEMENT

9 Revenue

Revenue can be broken down as follows:

EUR k	2022	2021
Revenue from the provision of services in the wider sense	1,579,753	1,456,246
Revenue from the sale of products	192,189	171,077
Total	**1,771,942**	**1,627,323**

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

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

Revenue included an amount of EUR 16,268k in revenue from barter transactions (prior year: EUR 13,506k). As at the reporting date, outstanding receivables and liabilities from barter transactions amounted to EUR 10,773k (prior year: EUR 8,503k) and EUR 8,703k (prior year: EUR 6,179k) respectively.

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

10 Cost of sales

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

EUR k	2022	2021[1]
Amortization, depreciation, and impairment	256,074	270,313
Personnel expenses	194,987	186,387
Rental, lease, and royalty payments	80,823	71,392
Other cost of sales	483,575	450,227
Total	**1,015,459**	**978,318**

[1] Restated due to a change in accounting policy under which income from the reversal of provisions is allocated to the same functions within the business for which the underlying provisions were originally recognized on the basis of the function-of-expense method.

11 Selling expenses

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

EUR k	2022	2021
Personnel expenses	191,018	164,085
Amortization, depreciation, and impairment	11,515	10,987
Other selling expenses	112,829	97,924
Total	**315,362**	**272,996**

12 Administrative expenses

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

EUR k	2022	2021
Personnel expenses	126,678	120,856
Amortization, depreciation, and impairment	35,918	28,767
Other administrative expenses	64,551	68,338
Total	**227,147**	**217,962**

13 Other operating income

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

EUR k	2022	2021[1]
Income from the reversal of provisions and derecognition of liabilities	13,342	7,347
Income from the reversal of bad debt allowances	1,638	6,231
Income from the disposal of property, plant, and equipment and intangible assets	688	2,321
Income from services	2,343	3,267
Income from exchange differences	4,200	2,660
Income from changes in the basis of consolidation	4,901	614
Miscellaneous other operating income	15,884	18,571
Total	**42,996**	**41,011**

[1] Income from the reversal of provisions for 2021 was restated due to a change in accounting policy. Under this change, income from the reversal of provisions is allocated to the same functions within the business for which the underlying provisions were originally recognized on the basis of the function-of-expense method. This means that other operating income only comprises income from the reversal of provisions that were originally recognised under other operating expenses.

The income arising from changes in the basis of consolidation for 2022 mainly relates to the disposal of SEM Internet Reklam Hizmetleri ve Danismanlik A.S., Istanbul, Turkey. In 2021, it mainly stemmed from the disposal of INTREN Informatikai Tanácsadó és Szolgáltató Kft., Budapest, Hungary.

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

14 Other operating expenses

Other operating expenses can be broken down as follows:

EUR k	2022	2021
Expenses related to the recognition of impairment losses	4,481	4,898
Expenses related to the derecognition of receivables and other assets	2,914	4,801
Impairment loss on receivables not measured individually	1,166	609
Out-of-period expenses	4,833	5,259
Expenses from exchange differences	4,542	2,721
Expense from the disposal of property, plant, and equipment and intangible assets	760	1,250
Miscellaneous other operating expenses	1,078	1,581
Total	**19,774**	**21,119**

15 Net finance income/costs

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

EUR k	2022	2021
Finance income	**4,672**	**1,673**
Interest income from loans and receivables	697	816
Income from exchange differences on financial instruments	803	821
Other finance income	3,172	36
Finance costs	**–32,565**	**–30,249**
Unwinding of the discount on finance lease liabilities	–16,910	–17,795
Interest expense from loans and liabilities	–13,494	–9,382
Expense from exchange differences on financial instruments	–608	–1,240
Other finance costs	–1,553	–1,832
Net finance income/costs	**–27,893**	**–28,576**

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

In 2022, other finance income included EUR 3,150k in income from loan receivables that had been written down in prior years from former Group companies.

16 Income taxes

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

EUR k	2022	2021
Current tax expense	58,063	48,794
thereof for prior years	2,319	–365
Expenses (+)/income (–) from deferred taxes	933	–10,342
thereof for prior years	–1,562	667
thereof from temporary differences	2,965	–17,421
Expenses (+)/income (–)	**58,996**	**38,452**

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

2022

EUR k	Before taxes	Taxes	After taxes
Exchange differences on translating foreign operations	–2,801	0	–2,801
Actuarial gains and losses	–12,369	3,751	–8,618
Changes in the fair value of equity instruments recognized in other comprehensive income	428	0	428
	–14,742	**3,751**	**–10,991**

2021

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

The statutory corporation tax rate in Germany for the 2022 tax-assessment period was 15%. Together with trade tax and the reunification surcharge, this resulted in an effective tax charge of 31.17% (prior year: 31.55%).

For the measurement of deferred taxes, a tax rate of 31.17% (prior year: 31.55%) is applied in the German tax group.

The income tax rates applied at local level for foreign companies and companies that are not part of the tax group varied, as in the prior year, between 10% and 34.59% (prior year: 17% and 32.975%).

The dividends paid in 2022 for the 2021 financial year had no income tax consequences. Any dividend payments made in 2023 for the 2022 financial year will, in all likelihood, have no income tax consequences either.

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

EUR k	Dec. 31, 2022 Assets	Dec. 31, 2022 Liabilities	Dec. 31, 2021 Assets	Dec. 31, 2021 Liabilities
Intangible assets	14,261	36,530	14,455	37,088
Property, plant, and equipment	68	273,592	976	295,911
Financial assets	13	6,332	124	7,382
Receivables, other financial and non-financial assets	4,286	7,036	4,201	7,830
Pension provisions	3,430	1,382	6,314	192
Other provisions	8,320	2,696	6,586	3,340
Liabilities	279,625	7,573	306,942	6,626
Deferred taxes on temporary differences	**310,003**	**335,142**	**339,598**	**358,369**
Tax loss and interest carryforwards	28,013	0	26,475	0
Total deferred taxes	**338,017**	**335,142**	**366,073**	**358,369**
Set-offs	–296,346	–296,346	–336,068	–336,068
Carrying amount of deferred taxes	**41,673**	**38,795**	**30,007**	**22,301**

No deferred tax assets were recognized for loss carryforwards of EUR 120,352k (prior year: EUR 120,055k). Of this total, EUR 118,170k related to German Group entities and EUR 2,182k to foreign Group entities. Loss carryforwards attributable to foreign Group entities for which no deferred tax assets were recognized will largely expire as follows:

Year	Amount (EUR k)
2023	10
2024	57
2025	55
2026	78
2027	0
2028	0

Deferred tax assets in an amount of EUR 8,315k were recognized for loss carryforwards of EUR 49,577k, although the entities to which these loss carryforwards are attributable generated losses in 2022 or 2021 and insufficient taxable temporary differences are available. On the basis of the positive tax budget accounts of the entities concerned, which are partly the result of restructuring, we assume, however, that we will be able to use these loss carryforwards in future periods due to an increase in taxable income.

In 2022, the deferred tax expense was also reduced by EUR 6,391k due to previously unrecognized tax losses.

In accordance with IAS 12, deferred taxes must be recognized on the difference between the share of equity held in subsidiaries recognized in the consolidated statement of financial position and the carrying amount of the equity interest in these subsidiaries recognized in the parent company's tax accounts ('outside basis differences') if this difference is expected to be realized. In this context, deferred taxes were recognized in the consolidated financial statements for equity investments if distributions are expected from them in the near future. Overall, deferred tax liabilities on this temporary difference were recognized in an amount of EUR 342k (prior year: EUR 599k).

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

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

EUR k	2022	2021
Profit/loss for the period before income taxes pursuant to IFRS	210,813	168,706
Group income tax rate	31.17%	31.55%
Expected income tax expense for the reporting year	65,715	53,221
Effects of tax rate changes	–135	246
Trade tax additions/deductions	–4,071	–5,737
Effects of taxes from prior years recognized in the reporting year	757	303
Effects of differing tax rates	–3,521	–2,660
Effects of tax-exempt income	–3,192	–6,335
Effects of non-deductible business expenses	1,758	6,859
Recognition and adjustment of loss carryforwards for tax purposes	2,167	–7,326
Other differences	–482	–119
Total tax expense (+)/ tax income (–)	**58,996**	**38,452**

Based on the above tax reconciliation, the main changes result from the following matters:

The decrease in the non-deductible business expenses item is mainly due to the fact that the German Corporate Income Tax Modernization Act (KöMoG) was implemented in the prior year (EUR 6,782k).

In 2021, previously derecognised loss carryforwards of subsidiaries had been recognised again on the basis of positive budget accounts for tax purposes. This change is reflected in the item ‘recognition and adjustment of loss carryforwards for tax purposes’.

In order to address concerns about inequality in the distribution of profits and the taxation of multinational companies, various agreements were reached on a global level, including an agreement between 135 countries on the introduction of a global minimum tax rate of 15%. In December 2022, the Organisation for Economic Co-operation and Development (OECD) published an implementation framework, followed by technical guidance in February 2023, to assist the countries that signed up to the agreement with amending their local tax legislation. As soon as the tax amendments are enacted or substantively enacted in the countries where the Group operates, it is possible that the Group will be subject to minimum taxation. As at the date on which the consolidated financial statements were approved for publication, tax legislation concerning minimum taxation had neither been enacted nor substantively enacted in any of the countries where the Group operates. The Board of Management is closely monitoring the progress of the legislative procedure in those countries in which the Group operates. As at December 31, 2022, the Group does not have adequate information in order to be able to determine any potential quantitative impact. Given the Group’s focus on the German market and the more marginal nature of its international operations as a result, the global minimum tax will not, in all likelihood, have a significant influence on the Group.

17 Notes on earnings per share

EUR k	2022	2021
Basic earnings attributable to the shareholders of Ströer SE & Co. KGaA	143,258	122,134

EUR k	2022	2021
Time-weighted average number of ordinary shares in issue in the reporting period	56,615	56,666
Effects from pre-emption rights issued	0	533
Time-weighted average number of ordinary shares in issue in the reporting period (diluted)	56,615	57,199

In 2022, the number of shares in issue decreased by 610,331 to 56,081,240 (prior year: 56,691,571) due to the share buyback program. No shares were added under the Stock Option Plan. As a result, earnings per share for 2022 was calculated on the basis of a time-weighted number of shares of 56,614,726 (prior year: 56,666,092).

Earnings per share is subject to potential dilution due to the Stock Option Plans launched in 2015 and 2019 and due to the 'share price' LTI component. Please refer to note 26 'Equity'. Based on share price performance in 2022, there were no effects from pre-emption rights issued and thus no dilutive effect.

Of the consolidated profit for the period of EUR 151,817k (prior year: EUR 130,254k), EUR 143,258k was attributable to the shareholders of the parent company (prior year: EUR 122,134k) and EUR 8,559k to non-controlling interests (prior year: EUR 8,120k). In 2022, basic earnings per share came to EUR 2.53 (prior year: EUR 2.16) and earnings per share (diluted) came to EUR 2.53 (prior year: EUR 2.14).

18 Other notes

Personnel expenses

Cost of sales, administrative expenses, and selling expenses included personnel expenses of EUR 512,683k (prior year: EUR 471,328k).

The average number of employees in the reporting year can be broken down as follows:

Number	2022	2021
Salaried employees	9,709	9,267
Wage earners	179	188
Total	**9,888**	**9,455**

The number of employees is calculated as the average of the number of people employed at the end of each of the four quarters, taking into account the nature of their employment relationship.

Part-time employees are included in full. Members of senior management, trainees, interns, pensioners, and employees on parental leave are not included.

As at December 31, 2022, the Group had a total headcount (full-time and part-time employees) of 10,576 (prior year: 10,079). The difference of 688 compared with the average number disclosed above is largely due to the fact that it is a snapshot on the reporting date of December 31; under this approach the number of employees at newly acquired entities is not time-weighted. Another reason for the difference is the inclusion of employees on parental leave, trainees, and temporary workers. These employees are not included in the disclosure above in accordance with section 314 (1) no. 4 in conjunction with section 285 no. 7 HGB.

Personnel expenses mainly consisted of wages and salaries of EUR 423,601k (prior year: EUR 391,639k), social security contributions of EUR 80,244k (prior year: EUR 70,295k), and expenses for pension benefits of EUR 2,150k (prior year: EUR 2,262k).

Amortization, depreciation, and impairment

The amortization, depreciation, and impairment included in cost of sales, administrative expenses, and selling expenses is disclosed in notes 10 to 12. In 2022, amortization, depreciation, and impairment declined by EUR 6,560k, to EUR 303,507k (prior year: EUR 310,067k).

Currency effects

In 2022, net losses of EUR 148k arising from exchange differences (prior year: EUR 480k) were recognized in the income statement, of which income of EUR 194k was recognized in net finance income/costs (prior year: expense of EUR 419k).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

19 Intangible assets

The changes in intangible assets in 2022 and 2021 are presented in the following table.

EUR k	Rights and licenses	Goodwill	Prepayments and projects under development	Own development costs	Acquired technologies	Total
Cost						
Opening balance as at Jan. 1, 2021	**793,451**	**919,309**	**6,402**	**14,556**	**79,561**	**1,813,280**
Changes in the basis of consolidation	1,709	548	0	0	0	2,258
Additions	6,926	0	22,852	1,243	0	31,021
Reclassifications	4,373	–1,580	–15,577	13,904	0	1,119
Disposals	–19,146	0	–124	0	0	–19,270
Exchange differences	–155	–69	–1	–283	0	–509
Closing balance as at Dec. 31, 2021/ opening balance as at Jan. 1, 2022	**787,158**	**918,207**	**13,553**	**29,419**	**79,561**	**1,827,898**
Changes in the basis of consolidation	657	2,133	0	0	0	2,790
Additions	15,064	0	24,114	11,159	0	50,338
Reclassifications	4,599	0	–15,184	10,585	0	0
Disposals	–1,041	0	–65	–207	0	–1,312
Exchange differences	–451	–152	–5	0	0	–609
Closing balance as at Dec. 31, 2022	**805,986**	**920,188**	**22,414**	**50,956**	**79,561**	**1,879,105**
Depreciation and impairment/reversals of impairment						
Opening balance as at Jan. 1, 2021	**628,496**	**2,925**	**0**	**12,463**	**62,412**	**706,297**
Changes in the basis of consolidation	–78	0	0	0	0	–78
Amortization, depreciation, and impairment	61,868	0	0	4,457	3,975	70,300
Reclassifications	–1,394	0	0	2,099	1,412	2,117
Disposals	–17,605	0	0	0	0	–17,605
Exchange differences	–105	–5	0	–294	0	–404
Closing balance as at Dec. 31, 2021/ opening balance as at Jan. 1, 2022	**671,182**	**2,920**	**0**	**18,724**	**67,799**	**760,626**
Changes in the basis of consolidation	0	0	0	0	0	0
Amortization, depreciation, and impairment	47,086	0	140	6,830	2,957	57,013
Reclassifications	0	0	0	0	0	0
Disposals	–993	0	–13	–12	0	–1,018
Exchange differences	–326	–11	0	0	0	–337
Closing balance as at Dec. 31, 2022	**716,948**	**2,909**	**127**	**25,543**	**70,756**	**816,283**
Carrying amount as at Dec. 31, 2021	**115,976**	**915,288**	**13,553**	**10,693**	**11,762**	**1,067,273**
Carrying amount as at Dec. 31, 2022	**89,039**	**917,279**	**22,286**	**25,413**	**8,805**	**1,062,823**

Of the intangible assets, EUR 0k (prior year: EUR 1,580k) was reclassified to non-current assets classified as held for sale in accordance with IFRS 5; the amount reclassified in the prior year related mainly to goodwill. The non-capitalizable components of product development costs amounted to EUR 10,520k in 2022 (prior year: EUR 16,430k) and are primarily included in the cost of sales.

In the reporting year, no material investment allowances pursuant to the German Investment Allowance Act (InvZulG) were recognized as a reduction in cost.

Impairment of EUR 1,889k (prior year: EUR 9,602k) was recognized on intangible assets (mainly rights and licenses). Of this total, EUR 1,492k was attributable to Salesforce licenses (Group holding company Ströer SE & Co. KGaA). The impairment loss was primarily included in the cost of sales.

All goodwill acquired in business combinations was tested for impairment in 2022.

The table below gives an overview of the allocation of goodwill to CGUs and of the assumptions made for the purposes of the impairment test:

EUR k	Ströer Germany	Digital Media	Ströer Poland	Asam Group	Statista Group	Dialog Marketing	blowUP Group
Carrying amount as at Dec. 31, 2021	**379,599**	**213,217**	**5,473**	**99,109**	**83,724**	**122,404**	**11,762**
Changes in the basis of consolidation	2,700	–567	0	0	0	0	0
Exchange rate effects	0	–43	–99	0	0	0	0
Carrying amount as at Dec. 31, 2022	**382,299**	**212,607**	**5,374**	**99,109**	**83,724**	**122,404**	**11,762**
Detailed forecast period (years)	5	5	5	5	5	5	5
Revenue growth after the forecast period	2.0% (prior year: 1.0%)	2.0% (prior year: 1.2%)	3.3% (prior year: 2.3%)	2.0% (prior year: 1.0%)	2.0% (prior year: 1.0%)	2.0% (prior year: 1.0%)	2.0% (prior year: 1.0%)
Interest rate (after taxes)	7.0% (prior year: 6.6%)	7.9% (prior year: 7.5%)	9.4% (prior year: 8.8%)	7.9% (prior year: 7.0%)	7.6% (prior year: 7.1%)	8.3% (prior year: 6.2%)	7.7% (prior year: 6.7%)

The recoverable amount of the CGUs is determined using cash flow forecasts generated as at September 30 each year on the basis of financial forecasts approved by senior management.

The three CGUs Ströer Germany, Ströer Poland, and the blowUP group are budgeted to continue to benefit from structural shifts in their respective advertising markets, leading to increased demand for out-of-home advertising products compared with other types of media. In Germany, in particular, the accelerated digitalization of the advertising inventory and the use of innovative technologies in its marketing is driving additional growth and a strong EBITDA performance. The use of digital media also means that advertising can now be targeted even more precisely at local and regional customer groups. Together with the ongoing expansion of local sales, this is attracting new customer groups and contributing to growth.

In the Digital Media CGU, a solid EBITDA performance is expected to be driven by the exploitation of robust market growth and increasing programmatic marketing of the advertising portfolio. Further gains in reach by the individual portals are likely to provide additional support to the growth of the business.

In the Dialog Marketing business, EBITDA growth is expected to be driven by the more rapid expansion of fiber-optic broadband, and the corresponding marketing activities in Germany, bolstered by the harnessing of customer potential in European markets. Greater use of nearshoring for call centers is expected to continue to have a positive impact on EBITDA.

The Statista and Asam Group CGUs are forecast to drive high EBITDA growth in the medium term by building on their leading positions in the existing markets. They are expected to do this by stepping up their market penetration and by giving their businesses a greater international reach in order to access new markets.

Initially, the budgeted EBITDA is determined for all units on the basis of detailed forecasts regarding the market assumptions, income, and expenses expected in the future. The projected growth of the EBITDA expected in the detailed forecast period is closely related to the expected advertising spend of companies that advertise, the competitive situation going forward, the prospects for innovative advertising formats, local inflation rates, the prospects for the out-of-home advertising industry in individual markets, and the expansion investment planned by Ströer in each segment. These expectations are primarily derived from publicly available market data. Based on these expectations, average EBITDA growth rates are calculated for the individual CGUs that, depending on the market environment, are in the mid to high single-digit percentage range (blowUP Group, Ströer Poland, Digital Media), the low double-digit percentage range (Ströer Germany, Dialog Marketing) or the high double-digit percentage range (Asam Group, Statista Group). In a second step, the planned investment and working capital changes are used to transform the budgeted EBITDA into a cash flow forecast. The detailed forecasts are then aggregated into financial plans and approved by senior management. These financial plans reflect anticipated performance in the forecast period.

For the purpose of testing goodwill for impairment, the fair value less costs to sell was classified as the recoverable amount (Level 3 of the fair value hierarchy). The discount rate used for the cash flow forecast was determined on the basis of market data and key performance indicators for the peer group and depends on the economic environment in which the cash flows are generated. As a result, separate discount rates were calculated for foreign CGUs based on local circumstances.

The growth rate used for the terminal value (TV) is determined on the basis of long-term economic expectations and the expectations regarding the inflation trend in each market. Information from central banks, economic research institutes, and official statements by the relevant governments is gathered and evaluated in order to calculate these growth rates.

For each non-impaired CGU, we conduct a scenario analysis to assess the effect of significant parameters on the need for impairment. This is based on the difference between the recoverable amount and the carrying amount.

As the difference between the recoverable amount and the carrying amount is high enough for all of the CGUs, details of scenario analyses do not need to be reported for 2022.

20 Property, plant, and equipment

The changes in property, plant, and equipment are presented in the following statement of changes in non-current assets.

EUR k	Land, land rights, and buildings	Plant and machinery	Other equipment, furniture, and fixtures	Property, plant, and equipment (leasing)	Prepayments and assets under construction	Total
Cost						
Opening balance as at Jan. 1, 2021	**9,840**	**4,218**	**585,474**	**1,393,770**	**44,206**	**2,037,509**
Changes in the basis of consolidation	–20	0	–91	0	0	–111
Additions	806	1,747	50,546	239,879	27,229	320,207
Reclassifications	791	403	7,047	–209	–8,389	–358
Disposals	–524	–279	–23,096	–25,745	–1,691	–51,334
Exchange differences	23	0	–40	837	–34	786
Closing balance as at Dec. 31, 2021/ opening balance as at Jan. 1, 2022	**10,915**	**6,089**	**619,840**	**1,608,532**	**61,321**	**2,306,698**
Changes in the basis of consolidation	0	0	–225	–505	0	–730
Additions	13,792	1,069	80,201	141,751	33,592	270,404
Reclassifications	5,438	0	10,676	0	–16,115	0
Disposals	–261	–212	–26,988	–30,193	–469	–58,123
Exchange differences	–13	0	–483	–1,846	–79	–2,422
Closing balance as at Dec. 31, 2022	**29,872**	**6,945**	**683,022**	**1,717,739**	**78,249**	**2,515,827**
Depreciation and impairment/ reversals of impairment						
Opening balance as at Jan. 1, 2021	**1,753**	**1,912**	**366,840**	**516,559**	**3,143**	**890,207**
Changes in the basis of consolidation	–4	0	–58	0	0	–62
Amortization, depreciation, and impairment	937	963	42,086	193,885	1,897	239,767
Reclassifications	0	0	–96	–122	0	–218
Reversals of impairment losses	0	0	0	–144	0	–144
Disposals	–456	–276	–19,239	–16,323	–1,075	–37,368
Exchange differences	9	0	15	470	–22	472
Closing balance as at Dec. 31, 2021/ opening balance as at Jan. 1, 2022	**2,239**	**2,599**	**389,548**	**694,324**	**3,943**	**1,092,654**
Changes in the basis of consolidation	0	0	–141	–349	0	–490
Amortization, depreciation, and impairment	816	927	47,485	197,040	227	246,494
Reclassifications	0	0	0	0	0	0
Reversals of impairment losses	0	0	–1	–265	0	–266
Disposals	–242	–47	–22,805	–17,554	–222	–40,870
Exchange differences	–9	0	–307	–1,413	–48	–1,777
Closing balance as at Dec. 31, 2022	**2,805**	**3,479**	**413,780**	**871,782**	**3,900**	**1,295,746**
Carrying amount as at Dec. 31, 2021	**8,676**	**3,490**	**230,292**	**914,208**	**57,378**	**1,214,044**
Carrying amount as at Dec. 31, 2022	**27,067**	**3,466**	**269,242**	**845,956**	**74,350**	**1,220,081**

Of the property, plant, and equipment, EUR 0k (prior year: EUR 184k) was reclassified to non-current assets classified as held for sale in accordance with IFRS 5; the amount reclassified in the prior year primarily related to office furniture and equipment.

Other equipment mainly includes advertising media (residual carrying amount as at December 31, 2022: EUR 230,979k; prior year: EUR 199,100k).

In the reporting year – as in the prior year – no investment allowances pursuant to InvZulG were recognized as a reduction in cost.

An amount of EUR 479k was recognized as income from compensation for damage to or destruction of property, plant, and equipment (prior year: EUR 918k).

Property, plant, and equipment (leasing) as at December 31, 2022 was lower than on the same date in the prior year as fewer new leases were extended or entered into in 2022 than in 2021. Please refer to our explanations in note 35 in these notes to the consolidated financial statements.

Impairment of EUR 2,073k (prior year: EUR 4,428k) was recognized on property, plant, and equipment (mainly other equipment), of which EUR 2,073k (prior year: EUR 2,939k) was attributable to impairment of dismantled advertising media that can no longer be used (property, plant, and equipment) (Out-of-Home Media segment). The impairment loss was included in the cost of sales.

21 Trade receivables

The changes in specific loss allowances on trade receivables were as follows:

EUR k	2022	2021
Loss allowances at the start of the reporting year	**8,916**	**10,456**
Additions (recognized in profit or loss)	4,264	4,761
Reversals (recognized in profit or loss)	–1,357	–5,788
Utilization	–447	–600
Exchange differences	–5	88
Loss allowances at the end of the reporting year	**11,371**	**8,916**

Within the scope of specific loss allowances, trade receivables with a gross invoice value of EUR 18,594k were written down as at the reporting date (prior year: EUR 19,118k). Net of specific loss allowances of EUR 11,371k (prior year: EUR 8,916k), the carrying amount of these receivables stood at EUR 7,223k as at the reporting date (prior year: EUR 10,202k).

The Group also uses a provision matrix in order to measure the expected credit losses on trade receivables from a very large number of customers who only have small balances and for whom specific loss allowances were therefore not recognized.

The changes in loss allowances on trade receivables from the very large number of customers who have small balances were as follows:

EUR k	2022	2021
Loss allowances at the start of the reporting year	**2,823**	**2,305**
Additions (recognized in profit or loss)	1,166	609
Reversals (recognized in profit or loss)	–138	–306
Utilization	–391	234
Exchange differences	9	–50
Other changes	0	31
Loss allowances at the end of the reporting year	**3,469**	**2,823**

The following table shows the carrying amounts of past due trade receivables, the estimated credit risk, and the expected credit losses as at December 31, 2022. The loss rates were calculated on the basis of the actual credit losses in the two preceding years. In light of the economic downturn, an additional risk mark-up was also included.

EUR k	1 to 30 days	31 to 60 days	Past due by 61 to 90 days	91 to 180 days	more than 180 days
Dec. 31, 2022					
Gross carrying amounts	**22,237**	**7,142**	**4,720**	**3,355**	**3,115**
Estimated credit risk (%)	**3.1 %**	**3.4 %**	**7.5 %**	**10.6 %**	**16.5 %**
Expected credit loss	**687**	**243**	**353**	**357**	**514**
Dec. 31, 2021					
Gross carrying amounts	26,602	7,742	3,302	2,567	4,070
Estimated credit risk (%)	1.9%	2.1%	7.5%	15.2%	23.5%
Expected credit loss	519	161	247	390	957

Including the expected credit losses on receivables that are not yet past due, on which credit risk of 0.6% (prior year: 0.3%) and a credit loss of EUR 1,315k (prior year: EUR 549k) are expected, the resulting loss allowances on trade receivables amounted to EUR 3,469k (prior year: EUR 2,823k).

22 Other financial and non-financial assets

A breakdown of non-current other financial and non-financial assets is shown in the following table:

EUR k	Dec. 31, 2022	Dec. 31, 2021
Financial assets		
Other loans	4	4
Miscellaneous non-current financial assets	624	554
Total	**628**	**558**
Non-financial assets		
Prepaid expenses	6,445	7,226
Miscellaneous other non-current assets	2,423	3,371
Total	**8,868**	**10,597**

Current other financial and non-financial assets can be broken down as follows:

EUR k	Dec. 31, 2022	Dec. 31, 2021
Financial assets		
Receivables from existing and former shareholders of Group entities	1	0
Creditors with debit balances	5,677	5,481
Security deposits	1,478	1,772
Residual purchase price receivables from the disposal of Group entities	1,225	675
Other loans	458	838
Miscellaneous financial assets	4,432	5,011
Total	**13,271**	**13,778**
Non-financial assets		
Prepaid expenses	28,054	21,578
Tax receivables	11,068	12,440
Other prepayments	2,148	839
Receivables from investment allowances	0	153
Miscellaneous other assets	3,490	4,037
Total	**44,760**	**39,047**

In accordance with IFRS 15, the prepaid expenses include deferred costs of obtaining a contract in an amount of EUR 536k (prior year: EUR 813k) in non-current non-financial assets and in an amount of EUR 754k (prior year: EUR 610k) in current non-financial asset.

The changes in specific loss allowances for other financial assets measured at amortized cost were as follows:

EUR k	2022	2021
Loss allowances at the start of the reporting year	**3,097**	**3,112**
Additions (recognized in profit or loss)	217	137
Reversals (recognized in profit or loss)	–143	–137
Utilization	0	–15
Loss allowances at the end of the reporting year	**3,171**	**3,097**

Within the scope of specific loss allowances, financial assets with a nominal value of EUR 4,137k were written down as at the reporting date (prior year: EUR 3,692k). Net of specific loss allowances of EUR 3,171k (prior year: EUR 3,097k), the carrying amount of these receivables stood at EUR 966k as at the reporting date (prior year: EUR 595k).

The following table shows the carrying amounts of past due financial assets that were not yet impaired.

	Past due by				
EUR k	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	more than 180 days
Dec. 31, 2022	**2,344**	**1,099**	**336**	**201**	**1,705**
Dec. 31, 2021	1,317	247	23	80	735

As at the reporting date, no losses were expected in respect of current financial assets that were neither impaired nor past due.

23 Inventories

EUR k	Dec. 31, 2022	Dec. 31, 2021
Materials and supplies	10,725	8,154
Finished goods	18,686	15,905
Prepayments made on inventories	1,521	330
Total	**30,932**	**24,388**

The inventories recognized as an expense in the income statement during the reporting year amounted to EUR 43,225k (prior year: EUR 41,570k). The total cost of inventories expensed included write-downs to net realizable value of EUR 420k (prior year: EUR 358k).

24 Cash

EUR k	Dec. 31, 2022	Dec. 31, 2021
Bank balances	79,813	63,322
Cash on hand	60	60
Total	**79,873**	**63,382**

The bank balances included overnight money and time deposits of EUR 7,718k (prior year: EUR 472k). As in the prior year, the interest rates achieved were approximately 0.00%.

As at the reporting date, bank balances of EUR 7,888k were subject to short-term restrictions on availability (prior year: EUR 409k).

25 Non-current assets classified as held for sale and liabilities associated with assets held for sale

As at the reporting date, the Ströer Group had no non-current assets classified as held for sale and no liabilities associated with assets held for sale.

In the prior year, the non-current assets classified as held for sale (EUR 9,040k) and the liabilities associated with assets held for sale (EUR 7,142k) related to the assets and liabilities of the subsidiary SEM Internet Reklam Hizmetleri ve Danismanlik A.S., Istanbul, Turkey. The shares in the subsidiary were sold and it was deconsolidated as at June 30, 2022. The subsidiary did not generate any material earnings for the Group in the period from January 1 to June 30, 2022.

26 Equity

The changes in the individual components of equity in 2022 and 2021 are presented in the consolidated statement of changes in equity.

Issued capital

As at December 31, 2022, issued capital of EUR 56,081,240.00 corresponded to subscribed capital of EUR 56,691,571.00 less the nominal value of the repurchased shares of EUR 610,331.00. Issued capital and subscribed capital had been identical in terms of amount as at December 31, 2021 as the share buyback program had not yet been launched.

Subscribed capital

The Company's subscribed capital did not change year on year in 2022 and amounted to EUR 56,691,571.00 as at December 31, 2022. The subscribed capital was thus divided into 56,691,571 no-par-value bearer shares as at December 31, 2022. They have a nominal value of EUR 1.00 each and are fully paid up.

Treasury shares

In accordance with the resolution passed by the shareholder meeting on November 4, 2020, the Company is authorized until November 3, 2025 (inclusive) to purchase treasury shares for any permissible purpose in an amount equivalent to no more than 10% of the Company's share capital at the time of adoption of the resolution or – if this figure is lower – at the time the authorization is exercised. The shares purchased on the basis of this authorization, together with other shares of the Company that the Company has already purchased and still owns, or that are attributable to the Company pursuant to sections 71a et seq. AktG, must not exceed 10% of the share capital at any time. The authorization must not be used for the purpose of trading in treasury shares. In each instance, the general partner decides whether the purchase is to be made through the stock exchange, by way of a public purchase offer to all shareholders, by way of a public invitation to the Company's shareholders to tender their shares, or by another means that is in compliance with the principle of equal treatment (section 53a AktG).

Based on the authorization from the annual shareholder meeting on November 4, 2020, Ströer SE & Co. KGaA decided on September 28, 2022 to carry out a share buyback program with a total maximum repurchase volume of EUR 50,000,000.00. The volume of EUR 50,000,000.00 represents the likely maximum number of shares that can be acquired over the subsequent six months within the regulatory limits. The Company launched the share buyback program on October 3, 2022. A total of 610,331 treasury shares had been purchased under the program by December 31, 2022 and were still held as at that date. The average purchase price for these shares was approximately EUR 42.35 per share. In accordance with section 71b AktG, shares held by the Company on the day of the shareholder meeting do not confer any voting rights and are not dividend-bearing. However, Ströer SE & Co. KGaA did not hold any treasury shares on the day of the shareholder meeting on June 22, 2022.

This share buyback program is intended to enable shareholders of Ströer SE & Co. KGaA to share in the Company's profit. This flexible instrument represents an addition to our capital allocation options that include dividend payments.

The following disclosures are mainly taken from the articles of association of Ströer SE & Co. KGaA.

<u>2019 approved capital</u>

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

The shareholders must as a matter of principle receive a pre-emption right. The legal pre-emption right may also be granted by way of the new shares being acquired by a bank or an entity that operates in accordance with section 53 (1) sentence 1 or section 53b (1) sentence 1 (7) of the German Banking Act (KWG), subject to the requirement that they are offered indirectly to shareholders for subscription in accordance with section 186 (5) AktG. However, the general partner is authorized, subject to the approval of the Supervisory Board, to exclude the shareholders' legal pre-emption rights for one or more capital increases within the scope of the approved capital:

(i) in order to exclude fractional amounts from the shareholders' pre-emption rights;
(ii) if the capital increase is made in return for contributions in kind including for, but not limited to, the purpose of acquiring entities, parts of entities, or equity investments in entities;
(ii) if the capital increase is made in return for cash contributions and the issue price of the new shares is not significantly below – in accordance with section 203 (1) and (2) and section 186 (3) sentence 4 AktG – the market price of shares of the same class and voting rights already listed on the stock market on the date on which the final issue price is determined, and the portion of the share capital attributable to the new shares issued in accordance with this clause (iii), subject to the exclusion of pre-emption rights pursuant to section 186 (3) sentence 4 AktG, does not exceed 10% of the total share capital at the time that such authorization becomes effective or is exercised. The proportional amount of the share capital attributable to new or treasury shares issued or sold since June 19, 2019, subject to the simplified exclusion of pre-emption rights in accordance with, or analogously to, section 186 (3) sentence 4 AktG, must be added to this maximum amount, as must the proportional amount of the share capital attributable to shares with attaching warrants and/or conversion rights/option obligations and/or mandatory conversion requirements from debt securities or participation rights issued since June 19, 2019, applying section 186 (3) sentence 4 AktG analogously; and/or
(iii) to the extent necessary to issue pre-emption rights for new shares to holders of bonds with warrants or beneficial owners of convertible bonds or participation rights with conversion rights or warrants that are issued by the Company or entities that it controls or in which it holds a majority stake in the scope to which they would be entitled after exercising the warrants or conversion rights or after fulfilling the mandatory conversion requirement.

The shares issued under the above authorization subject to the exclusion of shareholders' pre-emption rights in capital increases in return for cash contributions or contributions in kind may not exceed 10% of the share capital either at the time such authorization becomes effective or – if this figure is lower – at the time it is exercised. The proportionate amount of the share capital attributable to those shares that are issued during the term of this authorization under another authorization subject to the exclusion of pre-emption rights must be deducted from this maximum amount of 10%. Likewise, rights that were issued during the term of this authorization until the date of their exercise under other authorizations, subject to the exclusion of pre-emption rights, and that carry the ability or obligation to subscribe to the Company's shares must also be deducted.

Subject to the approval of the Supervisory Board, the general partner decides on the content of the share rights, the issue price, the consideration to be paid for the new shares, and the other conditions of share issue. After a full or partial increase in the share capital from approved capital or after expiry of the authorization period, the Supervisory Board is authorized to make amendments to the articles of association that only affect the wording.

2015 conditional capital

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

Subject to the approval of the Supervisory Board, the general partner is authorized to determine the further details of the conditional capital increase unless stock options and shares are to be granted to members of the general partner's Board of Management. If this is the case, the Supervisory Board will determine the further details of the conditional capital increase. The Supervisory Board is authorized to amend the articles of association to reflect the scope of the capital increase from the 2015 conditional capital.

2017 conditional capital

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

2019 conditional capital

The share capital is subject to a conditional increase of a maximum of EUR 2,200,000.00 by issuing a maximum of 2,200,000 no-par-value bearer shares (2019 conditional capital). The sole purpose of the conditional capital increase is for rights to be granted, as authorized by the shareholder meeting on June 19, 2019, to holders of stock options under the 2019 Stock Option Plan. The conditional capital increase will only be implemented to the extent that the holders of stock options granted under the authorization of the shareholder meeting on June 19, 2019 exercise these stock options and that the Company does not settle the stock options in cash or by granting treasury shares. The new shares are eligible for dividend from the beginning of the financial year for which no resolution on the appropriation of profit has been adopted by the shareholder meeting at the time of their issue. The general partner is authorized to determine the further details of the conditional capital increase unless stock options and shares are to be granted to members of the general partner's Board of Management. If this is the case, the Supervisory Board of the general partner will determine the further details of the conditional capital increase. The Company's Supervisory Board is authorized to amend the articles of association to reflect the scope of the capital increase from the 2019 conditional capital.

Capital reserves

The Group's capital reserves decreased by EUR 9,285k to EUR 753,057k as at December 31, 2022 (prior year: EUR 762,342k). This decrease mainly related to stock options under a stock option plan of Ströer SE & Co. KGaA for which the conditions of exercise were not met in 2022 and which therefore expired. For further information, please refer to notes 41 and 42.

Retained earnings

Retained earnings contain profits that were generated in the past and distributions by entities included in the consolidated financial statements. By resolution of the shareholder meeting on June 22, 2022, a sum of EUR 127,556k from accumulated profit for 2021 was distributed as a dividend (EUR 2.25 per dividend-bearing no-par-value share). This was offset by the Ströer Group's consolidated profit for 2022. Whereas retained earnings declined by EUR 25,296k in connection with the purchase of treasury shares, they increased by EUR 12,123k due to actuarial gains from the measurement of pension provisions.

Accumulated other comprehensive income/loss

Accumulated other comprehensive income/loss includes exchange differences from the financial statements of foreign subsidiaries prepared in foreign currency. This item also generally includes the effects of measuring hedged derivative financial instruments as well as the exchange differences resulting from the translation of loans designated as net investments that are granted to the Group's foreign entities. As had also been the case in 2021, there were no such financial instruments or loans designated as net investments in 2022 and therefore no associated deferred tax liabilities.

Non-controlling interests

Non-controlling interests comprise minority interests in the equity of consolidated entities.

Obligation to purchase own equity instruments

By granting put options to the non-controlling shareholders of subsidiaries, the Company has undertaken to purchase the non-controlling interest if certain contractual conditions are met. We have presented these options as a notional acquisition on the reporting date in accordance with our disclosures on accounting policies. For these obligations, liabilities of EUR 27,314k (prior year: EUR 27,519k) were recognized in financial liabilities.

Appropriation of profit

Profit is appropriated in accordance with the provisions of German commercial and stock corporation law that determine how the accumulated profit of Ströer SE & Co. KGaA is calculated.

In 2022, a profit for the period of EUR 156,457k was recognized in the separate financial statements of Ströer SE & Co. KGaA prepared in accordance with German commercial law (prior year: EUR 134,959k).

Capital management

The objective of capital management in the Ströer Group is to ensure the continuation and growth of the Company and to maintain and build on its attractiveness to investors and market participants. To ensure this, the Board of Management continually monitors the level and structure of debt. The debt included in the general capital management system comprises the financial liabilities and other liabilities recognized in the consolidated statement of financial position. In its Group financing through bank loans, the Ströer Group observes an external covenant in the form of the maximum permitted leverage ratio. Key elements of the internal management system are the planning and ongoing monitoring of the adjusted operating profit (EBITDA (adjusted)) because, through the leverage ratio, EBITDA (adjusted) is factored into the determination of the credit margin to be applied. This leverage ratio is defined as the ratio of net debt to operating profit before interest, depreciation, and amortization (EBITDA (adjusted)). The relevant key performance indicators are submitted to the Board of Management for evaluation as part of regular reporting. As in the prior year, the Company comfortably complied with the net debt ratio agreed with the respective banks in the loan agreements as at the reporting date. For details on EBITDA (adjusted), please refer to note 33 ‘Segment information’.

The Board of Management also monitors the Group’s equity ratio. The equity used as a basis for determining the equity ratio is the equity reported in the statement of financial position including non-controlling interests.

Equity is also monitored at the level of the individual entities as part of the monitoring of compliance with the minimum capital requirements aimed at averting proceedings under insolvency law. The equity monitored in this context is the equity recognized in accordance with the law of the country in question.

The capital management strategy was otherwise unchanged compared with the previous year.

27 Provisions for pensions and similar obligations

The major pension plans in place are defined benefit plans in Germany, where the defined benefit obligation either depends on the remuneration of the employee in question upon reaching retirement age or is based on a fixed commitment. As the actuarial gains and losses are recognized directly in equity immediately, the present value of the defined benefit obligation less plan assets corresponds to the pension provision reported in the statement of financial position.

Provisions for pensions and similar obligations are calculated as follows:

EUR k	Dec. 31, 2022	Dec. 31, 2021
Present value of defined benefit obligation as at Jan. 1	43,445	44,949
Current service cost	731	808
Net interest cost	558	398
Actuarial gains (–)/losses (+)	–12,369	–1,134
Benefits paid	–1,632	–1,587
Changes in the basis of consolidation	323	0
Other changes	–62	11
Present value of defined benefit obligation as at Dec. 31/carrying amount	**30,994**	**43,445**

In the reporting year, actuarial gains of EUR 12,369k were recognized directly in other comprehensive income (prior year: EUR 1,134k). This increase was mainly due to the considerable rise in the discount rate compared with that in the previous year. For 2023, payments in connection with pension obligations totaling EUR 1,538k (prior year: EUR 1,613k) are anticipated.

The plan assets consist of reinsurance with a fair value as at December 31, 2022 of EUR 44k (prior year: EUR 43k). No further disclosures are provided in respect of the plan assets as the amounts are not material.

Sensitivities were calculated with half a percentage point above and below the discount rate used. Raising the discount rate by 0.5 percentage points would decrease the present value of the defined benefit obligation by EUR 1,459k (prior year: EUR 2,533k) while lowering it by 0.5 percentage points would increase the defined benefit obligation by EUR 1,564k (prior year: EUR 2,777k) as at the reporting date.

In addition to a change in the discount rate, the rate of pension increase was identified as a significant factor influencing the present value of the defined benefit obligation. Raising the rate of pension increase by 0.5 percentage points would increase the present value of the defined benefit obligation by EUR 615k (prior year: EUR 1,150k) while lowering it by 0.5 percentage points would decrease the defined benefit obligation by EUR 576k (prior year: EUR 1,063k) as at the reporting date.

The sensitivities were calculated using the same methods as the provisions that were recognized. The ranges used in calculating the sensitivities of the parameters are derived from the changes that are considered possible up to the next reporting date based on historical experience. These methods have their limitations in the sense that historical experience is not always a reliable guide for forecasting future trends and because they are unable to factor in simultaneous changes in multiple parameters.

The present value of the pension entitlements was calculated using the following assumptions:

Group (%)	Dec. 31, 2022	Dec. 31, 2021
Discount rate	4.14	1.30
Rate of pension increase	1.00	1.00
Rate of salary increase	2.00	2.00
Employee turnover	1.00	1.00

The components of the expenses for pension benefits recognized in profit or loss are presented in the following table:

EUR k	2022	2021
Interest cost	558	398
Service cost and other changes	669	819
Expenses for defined benefit pension benefits	**1,227**	**1,217**
Expenses for statutory pension contributions (defined contribution)	36,221	32,177
Total expenses for pension benefits	**37,448**	**33,394**

The interest cost from pension obligations is included in net interest expense, while the service cost is included in personnel expenses. Actuarial gains and losses are recognized in other comprehensive income.

Cumulative actuarial gains (+) and losses (–) recognized in equity amounted to a net gain of EUR 651k after taxes as at the reporting date (prior year: net loss of EUR 7,798k).

The average weighted duration of the defined benefit plans was eleven years (prior year: twelve years).

The present value of the defined benefit obligation and the actuarial gains and losses can be broken down as follows:

EUR k	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Present value of the shortfall	**30,994**	**43,445**	**44,949**	**44,145**	**40,476**
Gain/loss for the period from					
Experience adjustments to plan liabilities	122	954	524	–386	91
Adjustments to actuarial assumptions	–12,491	–2,088	469	4,013	825

28 Other provisions

Provisions changed as follows in 2022:

EUR k	Jan. 1, 2022	Exchange differences	Changes in the basis of consolida-tion	Allocation	Effects from unwinding the discount and changes in the discount rates	Utilization	Reversal	Reclassifi-cation	Dec. 31, 2022
Restoration obligations	27,474	–41	0	14,022	223	–5,322	–46	0	36,310
thereof non-current	18,960								25,124
Personnel	38,300	–57	3	33,766	3	–41,394	–636	–36	29,949
thereof non-current	1,667								1,495
Miscellaneous	48,481	251	98	50,995	–22	–46,378	–534	319	53,210
thereof non-current	2,345								2,411
Total	**114,255**	**153**	**101**	**98,783**	**204**	**–93,094**	**–1,216**	**283**	**119,469**

The provision for restoration obligations is based on the anticipated costs of restoration. The provision was discounted using a discount rate of 2.58% (prior year: 0.00%).

The personnel provisions include bonuses for the Board of Management and employees and obligations arising from severance payments.

Miscellaneous other provisions include, for example, provisions for compensation claims and litigation risks.

29 Financial liabilities

Non-current financial liabilities can be broken down as follows:

	Carrying amount	
EUR k	Dec. 31, 2022	Dec. 31, 2021
Finance lease liabilities (IFRS 16)	728,609	793,326
Liabilities from note loans	315,277	130,884
Other liabilities to banks	407,568	265,058
Obligation to purchase own equity instruments	27,314	25,509
Liabilities from acquisitions	1,694	1,338
Other financial liabilities	2,350	64
Total	**1,482,812**	**1,216,179**

Current financial liabilities can be broken down as follows:

EUR k	Dec. 31, 2022	Dec. 31, 2021
Finance lease liabilities (IFRS 16)	147,949	151,808
Liabilities from note loans	17,995	218,920
Other liabilities to banks	6,802	15,598
Debtors with credit balances	18,363	17,560
Obligation to purchase own equity instruments	0	2,010
Liabilities from acquisitions	0	76
Interest liabilities	2,393	1,189
Other current financial liabilities	25,401	25,020
Total	**218,903**	**432,181**

As at December 31, 2022, current and non-current lease liabilities (IFRS 16) were down by a total of EUR 68,576k year on year as additions resulting from new leases were lower than payments made on existing leases in 2022. Please refer to our explanations in note 35 in these notes to the consolidated financial statements.

The decrease in current liabilities from note loans is due, in particular, to the repayment of maturing tranches with a volume of EUR 219,000k; the rise in non-current loan tranches stems from the placement of a new note loan of EUR 203,000k. In addition, a loan tranche of EUR 18,000k was reclassified from non-current to current liabilities.

Other liabilities to banks rose by EUR 133,715k due to increased investing activity, the share buyback, and tax backpayments.

Ströer SE & Co. KGaA placed a note loan with a volume of EUR 145,000k on the capital markets in June 2016. A total of EUR 127,000k of this loan was paid back in prior years. The remaining EUR 18,000k is due to be repaid by June 2023. Of this amount, a volume of EUR 15,000k has a variable interest rate of Euribor plus a margin of 110bp. The remaining EUR 3,000k is subject to a fixed interest rate of 127bp.

Ströer SE & Co. KGaA placed a further note loan with a volume of EUR 350,000k on the capital markets in October 2017, of which a total of EUR 18,000k was repaid in prior years and EUR 219,000k was repaid in 2022 . The remaining tranches of EUR 113,000k are due to be repaid by October 2024. A volume of EUR 28,000k has a variable interest rate of Euribor plus a margin of 90bp. The remaining EUR 85,000k is subject to a fixed interest rate of 139bp.

Ströer SE & Co. KGaA placed a note loan with a volume of EUR 203,000k on the capital markets in June 2022. The individual tranches have terms until June 2025 (EUR 68,000k), June 2027 (EUR 107,000k), and June 2029 (EUR 28,000k). A volume of EUR 112,500k has a variable interest rate of Euribor plus a margin that ranges between 70bp and 110bp. The interest rate on the other EUR 90,500k is fixed and ranges between 200bp and 280bp.

Furthermore, Ströer SE & Co. KGaA agreed on a credit facility of EUR 650,000k with a banking syndicate comprising selected German and foreign financial institutions in December 2022, with the option to extend the volume by a further EUR 100,000k if required. This new facility replaced the previous credit facility of EUR 600,000k dating from 2016. The facility has been committed for a fixed term ending in December 2027, with the option to extend the financing by a maximum of two further years if needed. The total volume of EUR 650,000k has been structured as a flexible revolving facility. The credit facility has a variable interest rate of Euribor plus a margin that ranges between 80bp and 175bp depending on the leverage ratio.

As is the case with the costs for previous financing arrangements, the transaction costs will be recognized over the term of the loan.

Other current financial liabilities include, among other items, liabilities to a joint venture in the OOH business of EUR 7,675k (prior year: EUR 8,300k) and liabilities to non-controlling interests of EUR 2,480k (prior year: EUR 4,885k) that had to be accounted for as settlement claims within the scope of profit-and-loss transfer agreements.

30 Trade payables

Non-current and current trade payables can be broken down as follows:

EUR k	Dec. 31, 2022	Dec. 31, 2021
Trade payables	125,359	125,865
Accrued liabilities for outstanding invoices	92,708	102,041
Total	**218,067**	**227,906**

31 Other liabilities

Current and non-current other liabilities can be broken down as follows:

EUR k	Dec. 31, 2022	Dec. 31, 2021
Liabilities from other taxes	27,984	38,754
Deferred receipts	86,199	70,855
Miscellaneous other liabilities	14,593	19,277
Total	**128,776**	**128,886**

As in the prior year, a significant proportion of the deferred receipts was attributable to payments received in the Group's subscription business that fall due at the start of the subscription and are recognized as revenue over the contractual term of the subscription. Of the deferred receipts from the prior year, a sum of EUR 68,765k (prior year: EUR 48,654k) was recognized as revenue in the reporting year.

OTHER NOTES

32 Notes to the statement of cash flows

The Ströer Group's statement of cash flows has been prepared in accordance with IAS 7 'Statement of Cash Flows' and shows the cash flows in the financial year, broken down by operating, investing, and financing activities.

Cash flows from operating activities are presented using the indirect method by eliminating non-cash transactions from profit or loss for the period in accordance with IAS 7. Furthermore, items that are attributable to cash flows from investing or financing activities are eliminated. The starting point for cash flows from operating activities is consolidated profit or loss for the period before net finance income/costs, net tax income/expense, and amortization, depreciation, and impairment. Cash flows from operating activities include, among other items, cash received from distributions by associates and joint ventures. Cash flows from operating activities do not include any other dividends received.

Besides the amounts contained in the statement of cash flows, IAS 7.43 requires the disclosure of non-cash transactions that result in an increase in non-current assets. Non-cash transactions in the wider sense also include additions under IFRS 16 leases. Additions under IFRS 16 leases came to EUR 141.8m in 2022 (prior year: EUR 239.9m). IFRS 16 leases only impact on cash at the time of the actual lease payments. They are recognized within cash flows from operating activities in the amount of the interest portion and within cash flows from financing activities in the amount of the principal portion.

Liabilities with extended payment terms (reverse factoring) are also classed as non-cash transactions. These liabilities totaled EUR 0.0m as at December 31, 2022 (prior year: EUR 0.0m). The total volume of liabilities assumed in connection with reverse factoring came to EUR 74.7m in 2022 (prior year: EUR 68.6m). The Group's payments in settlement of the liabilities are always recognized in full in cash flows from operating activities as they relate to working capital.

Cash and cash equivalents consists of the cash reported in the statement of financial position. Cash comprises cash on hand and bank balances.

The following table shows the cash and non-cash changes in financial liabilities. With regard to lease liabilities (IFRS 16), the other non-cash changes mainly relate to additions from new leases.

EUR m	Jan. 1, 2022	Change in cash flows from financing activities	Change in the basis of consolidation	Changes in fair value	Other	Dec. 31, 2022
Lease liabilities (IFRS 16)	945.1	–197.4	0.0	16.5	112.3	**876.6**
Non-current liabilities to banks	395.9	345.2	0.0	0.2	–18.5	**722.8**
Current liabilities to banks	234.6	–227.8	0.0	0.0	18.0	**24.8**
Obligation to purchase own equity instruments	27.5	–3.0	0.0	2.8	0.0	**27.3**
Other financial liabilities	45.2	–3.9	0.0	1.4	7.5	**50.2**
Total financial liabilities	**1,648.4**	**–86.8**	**0.0**	**20.9**	**119.3**	**1,701.7**

For lease liabilities (IFRS 16), 'changes in fair value' relate in particular to the effect from the unwinding of discounts on the IFRS 16 lease liabilities. Additions and disposals of leases and IFRS 16 payments for the interest portion of lease liabilities are reported under 'other'.

EUR m	Jan. 1, 2021	Change in cash flows from financing activities	Change in the basis of consolidation	Changes in fair value	Other	Dec. 31, 2021
Lease liabilities (IFRS 16)	900.3	–178.1	0.0	17.8	205.1	**945.1**
Non-current liabilities to banks	505.5	109.2	0.0	0.2	–219.0	**395.9**
Current liabilities to banks	138.6	–123.1	0.0	0.0	219.0	**234.6**
Obligation to purchase own equity instruments	29.8	0.0	0.0	–2.3	0.0	**27.5**
Other financial liabilities	43.4	–41.6	0.0	–0.2	43.6	**45.2**
Total financial liabilities	**1,617.7**	**–233.6**	**0.0**	**15.5**	**248.7**	**1,648.4**

33 Segment information

Reporting by operating segment

The Ströer Group has grouped its business activities into three segments that operate independently in the market, working in close cooperation with the Group holding company Ströer SE & Co. KGaA. The three segments are Out-of-Home Media, Digital & Dialog Media, and DaaS & E-Commerce. While the Classic OOH, Digital OOH, and OOH Services product groups are allocated to the Out-of-Home Media segment, the Digital & Dialog Media segment comprises the Digital and Dialog product groups. The DaaS & E-Commerce segment consists of the Data as a Service and E-Commerce product groups.

2022

EUR k	OOH Media	Digital & Dialog Media	DaaS & E-Commerce	Reconciliation	Group
External revenue	741,116	736,634	294,192	0	**1,771,942**
Internal revenue	49,746	7,106	179	–57,030	**0**
Segment revenue	790,862	743,740	294,371	–57,030	**1,771,942**
EBITDA (adjusted)	372,989	177,790	20,712	–30,090	**541,401**
Amortization, depreciation, and impairment	222,802	41,167	22,386	17,152	**303,507**
Interest income	450	1,341	209	–1,305	**695**
Interest expense	20,789	4,542	610	4,463	**30,405**
Income taxes	–19,478	822	–3,222	–37,116	**–58,996**

2021

EUR k	OOH Media	Digital & Dialog Media	DaaS & E-Commerce	Reconciliation	Group
External revenue	658,109	727,440	241,773	0	**1,627,323**
Internal revenue	42,669	6,442	142	–49,253	**0**
Segment revenue	700,779	733,882	241,914	–49,253	**1,627,323**
EBITDA (adjusted)	335,860	187,359	22,058	–32,005	**513,272**
Amortization, depreciation, and impairment	226,858	52,483	17,287	13,440	**310,067**
Interest income	313	525	107	–128	**816**
Interest expense	17,082	2,859	336	6,899	**27,177**
Income taxes	–4,417	–2,764	–127	–31,143	**–38,452**

OOH Media
The OOH Media segment encompasses the Group's entire OOH advertising business, comprising the Classic OOH, Digital OOH, and OOH Services product groups. Furthermore, the segment includes all of the operations of Ströer Poland and the giant poster business blowUP.

Digital & Dialog Media
The Digital & Dialog Media segment comprises all of the operations in the Digital and Dialog product groups.

DaaS & E-Commerce
This segment comprises all of the operations of the Data as a Service and E-Commerce product groups.

Internal management and reporting is based on the IFRS accounting principles described in note 1 'General'.

Intersegment services are charged using prices that would be charged on an arm's-length basis.

The reconciliation of revenue from all segments to the Group's revenue only includes consolidation effects.

The Group uses the internally defined key performance indicator of EBITDA (adjusted) to measure the performance of its segments. From the Board of Management's perspective, this KPI provides the most appropriate information for assessing the economic performance of the individual segments.

The segment KPI of EBITDA (adjusted) comprises the total of gross profit, selling and administrative expenses, other net operating income/loss (other operating income less other operating expenses), and the share of the profit or loss of investees accounted for using the equity method, in each case before amortization, depreciation, and impairment and adjusted for exceptional items.

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

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

EUR k	2022	2021
Expenses and income from changes in the investment portfolio	2,257	–886
Expenses and income from capital structure measures	–113	–1
Reorganization and restructuring expenses	–4,928	–4,547
Other exceptional items	3,597	–490
Total	**813**	**–5,923**

In 2022, expenses and income from changes in the investment portfolio principally reflected the provisional proceeds of EUR 4,079k from the sale of SEM Internet Reklam Hizmetleri ve Danismanlik A.S.

The reorganization and restructuring expenses in 2022 mainly related to new restructuring measures by various Group companies, including the Asam Group (EUR 614k), the Statista Group (EUR 576k), and Ströer Digital Publishing GmbH (EUR 502k). In the prior year, expenses of EUR 1,292k had comprised salary and severance payments under the voluntary redundancy scheme of Ströer Digital Publishing GmbH.

Other exceptional items represented income of EUR 3,597k in 2022 (prior year: expense of EUR 490k). The change was chiefly due to income under the stock option plan of EUR 9,285k (prior year: allocation of EUR 5,227k). This was mainly the result of stock options for which the conditions of exercise were no longer met. An impairment loss of EUR 5,810k on the equity-accounted investment tricontes360 GmbH had the opposite effect on this item (prior year: reversal of an impairment loss of EUR 7,060k).

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

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

EUR k	2022	2021
Total segment earnings (EBITDA (adjusted))	**571,490**	**545,278**
Reconciliation items	–30,090	–32,005
EBITDA (adjusted)	**541,401**	**513,272**
Adjustments	813	–5,923
EBITDA	**542,214**	**507,349**
Depreciation (right-of-use assets under leases (IFRS 16))	–197,040	–193,885
Amortization and depreciation (other non-current assets)	–102,505	–102,152
Impairment losses (including goodwill impairment)	–3,962	–14,029
Net finance income/costs	–27,894	–28,576
Profit or loss before taxes	**210,813**	**168,706**

Reporting by geographical location

Revenue and non-current assets are allocated according to the location principle (i.e. the geographical location of the revenue-generating Ströer entity).

2022

EUR k	Germany	Rest of the world	Group
External revenue	1,589,933	182,010	**1,771,942**
Non-current assets (IFRS 8)	2,234,232	80,225	**2,314,456**

2021

EUR k	Germany	Rest of the world	Group
External revenue	1,453,454	173,868	**1,627,323**
Non-current assets (IFRS 8)	2,245,480	81,938	**2,327,418**

Reporting by product group

The Group has defined a total of seven product groups on the basis of the products and services that it provides.

2022

EUR k	Classic OOH	Digital OOH	OOH Services	Digital	Dialog	Data as a Service	E-Commerce	Reconciliation	Group
Segment revenue	497,858	233,669	59,335	387,640	356,099	136,152	158,220	–57,030	**1,771,942**

2021

EUR k	Classic OOH	Digital OOH	OOH Services	Digital	Dialog	Data as a Service	E-Commerce	Reconciliation	Group
Segment revenue	473,701	173,824	53,254	429,543	304,339	101,842	140,072	–49,253	**1,627,323**

Classic OOH
The Classic OOH product group comprises the traditional (analog) OOH advertising products, from traditional poster media to advertisements at bus and tram shelters and on public transport.

Digital OOH
The Digital OOH product group consists of digital out-of-home products, particularly public video and roadside screens.

OOH Services
The OOH Services product group covers all revenue from the local marketing of digital products to small and medium-sized customers as well as smaller, complementary activities that are a good fit with the customer-centric portfolio in the out-of-home advertising business.

Digital
This product group comprises revenue from online marketing activities conducted both on internal and third-party advertising platforms.

Dialog
The Dialog product group comprises all revenue from telesales, telemarketing, and field sales services (customer communication services).

Data as a Service
The Data as a Service product group comprises revenue from the processing and provision of statistical market and consumer data.

E-Commerce
All revenue from e-commerce business is included in this product group.

In 2022, no single end customer accounted for 10% or more of total revenue.

34 Other notes pursuant to IFRS 7 and IFRS 13 on financial risk management and financial instruments

Financial risk management and derivative financial instruments

Through its operating activities, the Group is exposed to credit risk, liquidity risk, and market risk in relation to its finances. Market risk mainly consists of interest-rate risk and currency risk.

Credit risk

Credit risk is related to the deterioration of the economic situation of Ströer's customers and counterparties. This gives rise to the risk of a partial or full default on contractually agreed payments and the risk of credit-risk-related impairment losses on financial instruments. Excluding collateral, the maximum credit risk equates to the carrying amount.

Credit risk mainly results from trade receivables. The receivables portfolio is monitored on an ongoing basis in order to manage credit risk. Customers wishing to enter into transactions with large business volumes undergo a creditworthiness check beforehand; credit risk is at a level customary for the industry. Loss allowances are recognized for the residual risk. To a lesser extent, the Ströer Group is also exposed to credit risk arising from other financial assets.

Working with the relevant departments, the risk management function regularly analyzes, in particular, whether credit risk concentrations have arisen as a result of the build-up of receivables with comparable features. The Group has defined comparable features as a high amount of receivables accumulated from a single debtor or a group of related debtors. As at the reporting date of December 31, 2022, no such risk concentrations involving significant amounts were evident.

Interest-rate risk

The Ströer Group is mainly exposed to interest-rate risk in connection with non-current floating-rate financial liabilities and its holdings of cash and cash equivalents. Liabilities amounting to EUR 178.5m were subject to a fixed rate of interest as at the reporting date. The remaining liabilities had a floating interest rate. Interest rates are monitored regularly to enable a swift response to changes. Hedging is coordinated and executed centrally. There were no interest-rate hedges either at the end of the reporting year or at the end of the previous year. In 2022, as had also been the case in 2021, no measurement gains on interest-rate swaps were taken to equity.

Sensitivity analysis of interest-rate risk shows the effect of an upward shift in the interest-rate curve of 100bp and a downward shift of 100bp on the profit or loss for the period, all other things being equal (in the prior year, a shift of 10bp was considered to be the maximum interest-rate risk on the downward side in the Group's estimation). The analysis relates to floating-rate financial liabilities and holdings of cash and cash equivalents. The results are summarized in the following table:

	2022		2021	
EUR k	+100bp	–100bp	+100bp	–10bp
Change in profit or loss for the period	–3,910	3,910	–1,439	1

Currency risk

With the exception of the translation of the operating profit/loss of foreign operations into euros, currency risk is only of minor significance in the Ströer Group. The functional currency of a foreign operation is its local currency.

Currency risk arising on monetary financial instruments that are not denominated in the functional currencies of the individual Ströer group entities is included in sensitivity analysis. Effects from the translation of financial statements of foreign operations prepared in foreign currency into the Group's reporting currency (euro) are not included in the sensitivity analysis in accordance with IFRS 7.

A 10% increase/decrease in the value of the euro against the Polish złoty would decrease/increase the profit or loss for the period by EUR 218k (prior year: EUR 212k). A 10% increase/decrease in the value of the euro against the US dollar would decrease/increase the profit or loss for the period by EUR 1,718k (prior year: EUR 1,090k). The effect on profit or loss for the period of all other currencies in the Group was insignificant as at December 31, 2022. This analysis was performed on the assumption that all other variables, in particular interest rates, remain unchanged and is based on the foreign currency positions as at the reporting date.

Liquidity risk

Liquidity risk is defined as the risk that Ströer SE & Co. KGaA will not have sufficient funds to settle its payment obligations. It is mitigated by means of systematic liquidity management. A liquidity forecast for a fixed planning horizon and the unutilized credit lines in place ensure that the Group has adequate liquidity at all times. Liquidity risk also exists in connection with liabilities with extended payment terms (reverse factoring). However, as such liabilities were only used during the year and were reduced in full to EUR 0.0m as at year-end (prior year: EUR 0.0m), there was no liquidity risk as at the end of 2022. The cash payments in settlement of the liabilities were recognized in full in cash flows from operating activities.

The following table shows the liquidity situation and the contractual maturities of the payments due under financial liabilities as at December 31, 2022:

Contractual maturity of financial liabilities including interest payments as at Dec. 31, 2022

EUR k	Carrying amount	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	Total
Financial liabilities[1]	797,843	33,033	217,933	527,703	29,576	**808,245**
Lease liabilities	876,558	194,222	336,383	244,930	331,663	**1,107,198**
Trade payables	218,067	218,067	0	0	0	**218,067**
Obligation to purchase own equity instruments	27,314	0	14,674	9,507	4,466	**28,647**
Total	**1,919,782**	**445,322**	**568,990**	**782,140**	**365,705**	**2,162,157**

Contractual maturity of financial liabilities including interest payments as at Dec. 31, 2021

EUR k	Carrying amount	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	Total
Financial liabilities[1]	675,707	283,086	400,925	1,205	0	**685,216**
Lease liabilities	945,134	169,603	357,638	227,737	399,929	**1,154,907**
Trade payables	227,906	226,463	1,443	0	0	**227,906**
Obligation to purchase own equity instruments	27,519	2,010	0	21,967	4,391	**28,368**
Total	**1,876,266**	**681,162**	**760,006**	**250,909**	**404,320**	**2,096,397**

[1] Excluding the obligation to purchase own equity instruments and lease liabilities.

Additional disclosures on financial instruments

The following table presents the carrying amount and fair value of the financial instruments included in the individual items of the statement of financial position, broken down by class and measurement category according to IFRS 9.

EUR k	Measurement category pursuant to IFRS 9	Carrying amount as at Dec. 31, 2022	Carrying amount pursuant to IFRS 9			Fair value as at Dec. 31, 2022
			Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	
Assets						
Cash	AC	79,873	79,873			79,873
Trade receivables	AC	216,207	216,207			216,207
Other non-current financial assets	AC	628	628			628
Other current financial assets	AC	13,271	13,271			13,271
Equity instruments measured at fair value through other comprehensive income	FVTOCI	3,182		3,182[1]		3,182
Equity and liabilities						
Trade payables	AC	218,067	218,067			218,067
Non-current financial liabilities[2]	AC	725,195	725,195			713,975
Current financial liabilities[2]	AC	70,954	70,954			70,954
Contingent purchase price liabilities	FVTPL	1,694			1,694	1,694
Obligation to purchase own equity instruments	AC	27,314	27,314			27,314
Thereof aggregated by measurement category pursuant to IFRS 9:						
Assets measured at amortized cost	AC	309,979	309,979			309,979
Equity instruments measured at fair value through other comprehensive income	FVTOCI	3,182		3,182		3,182
Financial liabilities measured at fair value through profit or loss	FVTPL	1,694			1,694	1,694
Financial liabilities measured at amortized cost	AC	1,041,530	1,041,530			1,030,130

[1] Other equity investments (Level 3).
[2] Excluding the obligation to purchase own equity instruments, excluding contingent purchase price liabilities (Level 3), and excluding finance lease liabilities (IFRS 16).

EUR k	Measurement category pursuant to IFRS 9	Carrying amount as at Dec. 31, 2021	Carrying amount pursuant to IFRS 9 Amortized cost	Carrying amount pursuant to IFRS 9 Fair value through other comprehensive income	Fair value through profit or loss	Fair value as at Dec. 31, 2021
Assets						
Cash	AC	63,382	63,382			63,382
Trade receivables	AC	200,724	200,724			200,724
Other non-current financial assets	AC	558	558			558
Other current financial assets	AC	13,778	13,778			13,778
Equity instruments measured at fair value through other comprehensive income	FVTOCI	3,413		3,413[1]		3,413
Equity and liabilities						
Trade payables	AC	227,906	227,906			227,906
Non-current financial liabilities[2]	AC	396,006	396,006			397,487
Current financial liabilities[2]	AC	278,287	278,287			278,287
Contingent purchase price liabilities	FVTPL	1,414			1,414	1,414
Obligation to purchase own equity instruments	AC	27,519	27,519			27,519
Thereof aggregated by measurement category pursuant to IFRS 9:						
Assets measured at amortized cost	AC	278,442	278,442			278,442
Equity instruments measured at fair value through other comprehensive income	FVTOCI	3,413		3,413		3,413
Financial liabilities measured at fair value through profit or loss	FVTPL	1,414			1,414	1,414
Financial liabilities measured at amortized cost	AC	929,718	929,718			931,199

[1] Other equity investments (Level 3).
[2] Excluding the obligation to purchase own equity instruments, excluding contingent purchase price liabilities (Level 3), and excluding finance lease liabilities (IFRS 16).

Due to the short terms of cash and cash equivalents, trade receivables, trade payables, other financial assets, and current financial liabilities, it is assumed that the fair values correspond to the carrying amounts.

The fair values of the liabilities to banks included in non-current financial liabilities are calculated as the present values of the estimated future cash flows, taking into account Ströer's own credit risk (Level 2 fair values). Market interest rates with matching maturities are used for discounting. It is therefore assumed that the carrying amount of non-current financial liabilities is equal to the fair value as at the reporting date. The only deviation from this was among the note loans, where fixed-rate tranches with a volume of EUR 178.5m were determined to have a slightly lower fair value of EUR 167.1m as at the reporting date.

The fair value hierarchy levels and their application in respect of the Group's assets and liabilities are described below:

Level 1: Quoted market prices are available in active markets for identical assets or liabilities. The quoted market price for the financial assets held by the Group is equivalent to the current bid price. These instruments are assigned to Level 1.

Level 2: Quoted or market prices for similar financial instruments in an active market or for identical or similar financial instruments in a market that is not active or inputs other than quoted market prices that are based on observable market data. An instrument is assigned to Level 2 if all significant inputs required to determine the fair value of the instrument are observable in the market.

Level 3: Valuation techniques that use inputs that are not based on observable market data. Instruments assigned to Level 3 include, in particular, unquoted equity instruments.

Changes in the assessment of the level to be used for measuring the assets and liabilities are made at the time that any new facts are established.

Purchase price liabilities from acquisitions

There are also contingent purchase price liabilities from acquisitions that are assigned to Level 3. These liabilities, which are linked to contractually agreed conditions, are remeasured as financial liabilities at fair value as at the reporting date on the basis of the measurement model laid down in the contract. The fair values of liabilities from contingent purchase price payments are determined on the basis of discounted cash flows and using unobservable inputs. The valuation models include the EBITDA figures forecast for the interests concerned (which are probability-weighted in some cases) and maturity-matched, risk-adjusted interest rates. The EBITDA figures result from the relevant short-term and medium-term planning. They are estimated and, if necessary, updated on a quarterly basis. The following table shows the changes in the liabilities assigned to Level 3:

EUR k	Jan. 1, 2022	Additions	Impairment losses	Reversals of impairment losses	Disposals	Dec. 31, 2022
Contingent purchase price liabilities	1,414	1,694	–684	417	–1,147	**1,694**

EUR k	Jan. 1, 2021	Additions	Impairment losses	Reversals of impairment losses	Disposals	Dec. 31, 2021
Contingent purchase price liabilities	2,555	1,141	–223	0	–2,059	**1,414**

The remeasurement of contingent purchase price liabilities led to a reversal of EUR 0.0m (prior year: EUR 0.0m) that was recognized in other operating expenses and to income of EUR 0.0m (prior year: EUR 0.2m) that was recognized in other operating income. The write-downs and reversals of write-downs were recognised directly in equity in 2022. Interest expense from the unwinding of discounts amounted to EUR 0.0m (prior year: EUR 0.0m).

The valuation models are sensitive to the amounts of forecast and actual EBITDA. For example, if the EBITDA figure in question increased by 20% (or decreased by 20%), the fair values of the contingent purchase price liabilities would increase by EUR 0.5m (prior year: EUR 0.0m) (or decrease by EUR 0.6m (prior year: EUR 0.0m)).

The valuation models are also sensitive to the discount rates used. However, if the discount rate increased or decreased by 100bp, there would only be a marginal change in the liabilities due to the predominantly short terms. This also applies to the prior-year amounts.

Other equity investments

The valuation model for equity instruments measured at fair value through other comprehensive income (Level 3) is largely based on market multiples derived from comparable transactions. The estimated fair value would rise (fall) if the relevant market multiples were bigger (smaller). The volume of equity instruments of EUR 3,182k as at the reporting date (prior year: EUR 3,413k) resulted from additions of EUR 197k (prior year: EUR 444k), disposals of EUR 0k (prior year: EUR 27k), reversals of impairment losses of EUR 0k (prior year: EUR 62k), and impairment losses of EUR 428k (prior year: EUR 631k).

The following table shows the net gains and losses on financial instruments recognized in the income statement, broken down by measurement category according to IFRS 9:

EUR k	2022	2021
Financial assets measured at cost	–5,937	–3,336
Financial liabilities measured at cost	–1,282	–244

The net gains and losses on financial assets measured at cost included gains/losses from impairment losses (EUR 6,728k; prior year: EUR 4,160k), reversals of impairment losses, and currency translation effects.

The net gains and losses on financial liabilities measured at cost included gains/losses from currency translation effects and from the unwinding of the discount on loans.

The total interest income for financial assets or financial liabilities that are not measured at fair value through profit or loss came to EUR 695k in 2022 (prior year: EUR 816k). The total interest expense for financial assets or financial liabilities that are not measured at fair value through profit or loss came to EUR 29,420k in 2022 (prior year: EUR 26,690k).

35 Notes on leasing pursuant to IFRS 16

The changes in right-of-use assets under leases are broken down by asset class in the following table:

EUR k	Advertising media locations	Real estate	Furniture and fixtures/other	Total
Cost				
Opening balance as at Jan. 1, 2021	**1,144,145**	**216,561**	**33,065**	**1,393,770**
Changes in the basis of consolidation	0	0	0	0
Additions	204,458	25,243	10,178	239,879
Reclassifications	0	–161	–48	–209
Disposals	–22,035	–1,049	–2,661	–25,745
Exchange differences	540	313	–16	837
Closing balance as at Dec. 31, 2021/ opening balance as at Jan. 1, 2022	**1,327,109**	**240,907**	**40,517**	**1,608,532**
Changes in the basis of consolidation	0	–389	–116	–505
Additions	119,125	17,534	5,091	141,751
Reclassifications	0	0	0	0
Disposals	–7,424	–19,049	–3,720	–30,193
Exchange differences	–1,800	–31	–15	–1,846
Closing balance as at Dec. 31, 2022	**1,437,010**	**238,972**	**41,757**	**1,717,739**
Depreciation and impairment/ reversals of impairment				
Opening balance as at Jan. 1, 2021	**410,589**	**80,668**	**25,302**	**516,559**
Changes in the basis of consolidation	0	0	0	0
Amortization, depreciation, and impairment	157,601	28,970	7,314	193,885
Reversals of impairment losses	–134	–6	–4	–144
Reclassifications	0	–100	–22	–122
Disposals	–13,217	491	–3,597	–16,323
Exchange differences	298	188	–16	470
Closing balance as at Dec. 31, 2021/ opening balance as at Jan. 1, 2022	**555,137**	**110,211**	**28,976**	**694,324**
Changes in the basis of consolidation	0	–254	–95	–349
Amortization, depreciation, and impairment	160,610	30,199	6,231	197,040
Reversals of impairment losses	–130	–7	–129	–265
Reclassifications	0	0	0	0
Disposals	–6,166	–7,672	–3,716	–17,554
Exchange differences	–1,391	–13	–10	–1,413
Closing balance as at Dec. 31, 2022	**708,060**	**132,464**	**31,257**	**871,782**
Carrying amount as at Dec. 31, 2021	**771,972**	**130,696**	**11,541**	**914,208**
Carrying amount as at Dec. 31, 2022	**728,950**	**106,508**	**10,500**	**845,956**

Further information on leasing:

EUR k	2022	2021
Expense for variable lease payments not included in the measurement of lease liabilities	47,873	36,032
Income from the sub-leasing of real-estate right-of-use assets to third parties	2,944	2,538
Total cash outflows for leases	262,661	231,907

The lease liabilities expected to be payable under leases already entered into but that will not be recognized in the statement of financial position until after December 31, 2022 amounted to EUR 633k (prior year: EUR 2,600k). The lease liabilities not yet recognized in the statement of financial position are also disclosed under 'Miscellaneous other financial obligations' in note 36.

For information about lease liabilities, please refer to note 29 'Financial liabilities'. Interest expense from leasing is disclosed in note 15 'Net finance income/costs'. For further information on leasing, please refer to note 34 'Other notes pursuant to IFRS 7 and IFRS 13 on financial risk management and financial instruments'.

36 Contingent liabilities and other financial obligations

Contingent liabilities

There were no guarantees or liabilities similar to guarantees as at December 31, 2022.

Financial obligations

There are other financial obligations from the following contractual obligations, which are shown by maturity as at the reporting date below:

Dec. 31, 2022		Thereof due in		
EUR k	Total amount	up to 1 year	1 to 5 years	more than 5 years
Investment obligations	**23,122**	18,146	4,976	0
Maintenance services	**6,239**	1,768	4,471	0
Miscellaneous other financial obligations	**25,192**	24,297	895	0

As at December 31 of the previous year, the obligations could be broken down as follows:

Dec. 31, 2021		Thereof due in		
EUR k	Total amount	up to 1 year	1 to 5 years	more than 5 years
Investment obligations	**14,113**	10,022	4,092	0
Maintenance services	**3,784**	1,622	2,162	0
Miscellaneous other financial obligations	**27,737**	24,220	3,517	0

In 2022, other financial obligations included agreed IFRS 16 leases amounting to EUR 633k (prior year: EUR 2,600k) that were not to be recognized as an addition under IFRS 16 Leases until 2023 (see note 35).

37 Related parties

The Board of Management, the Supervisory Board, and their close family members are deemed related parties (persons). Besides the entities included in the consolidated financial statements, related parties (companies) include, in particular, those entities in which related parties (persons) hold a controlling position alone or jointly with others.

The following transactions were conducted between the Ströer Group and related parties in 2022:

Mr. Udo Müller is a shareholder of Ströer SE & Co. KGaA and Chairman of the Board of Management of Ströer Management SE, Düsseldorf. Based on the current Group structure, Mr. Müller is classed as the ultimate controlling party as defined by IAS 24. In 2022, the Ströer Group procured services with a value of EUR 14k (prior year: EUR 74k) that were either performed by Mr. Müller or by an entity which he is able to control (alone or jointly with others) or significantly influence. Conversely, the Ströer Group performed services with a value of EUR 231k (prior year: EUR 104k) for Mr. Müller or for an entity which he is able to control (alone or jointly with others) or significantly influence. The services procured and received mainly related to rentals and to media services. As at December 31, 2022, these relationships gave rise to receivables of EUR 1k (prior year: EUR 18k) and liabilities of EUR 1k (prior year: EUR 6k).

Mr. Dirk Ströer is a shareholder of Ströer SE & Co. KGaA. He also holds shares in entities with which relationships for the provision of goods and services existed in the reporting year that largely involved the marketing of advertising media, the award of advertising rights, and the rental of buildings. The expenses resulting from the goods and services received amounted to EUR 28,987k in 2022 (prior year: EUR 31,180k); the corresponding income totaled EUR 7,574k (prior year: EUR 6,951k). This income stems exclusively from the business relationship with Mr. Ströer. It does not include the considerable out-of-home advertising revenue that the Ströer Group generates in the advertising market using Mr. Ströer’s advertising media. As at December 31, 2022, these relationships with Mr. Ströer gave rise to receivables of EUR 1,926k (prior year: EUR 8,105k) and liabilities of EUR 542k (prior year: EUR 5,641k). Mr. Ströer also holds a stake in a company that had leased Ströer SE & Co. KGaA (formerly: Ströer Out-of-Home Media GmbH) the land and buildings at Ströer Allee 1 in Cologne (Ströer headquarters) for a period of 20 years. The rental agreement that was negotiated as part of the ownership structure back in 2002 contained a purchase option in favour of Ströer SE & Co. KGaA; the purchase price specified at the time was EUR 11,228k. Ströer SE & Co. KGaA acquired its headquarters at the above price in August 2022.

Ms. Angela Barzen is a member of the Supervisory Board of Ströer SE & Co. KGaA. In 2022, she also provided advisory services to a Group entity. The services received in this context amounted to EUR 10k (prior year: EUR 20k); the income generated totaled EUR 0k (prior year: EUR 0k). There were no receivables or liabilities as at December 31, 2022, as had also been the case a year earlier.

Ströer SE & Co. KGaA distributed a dividend totaling EUR 127,556k in the reporting year. Mr. Udo Müller and Mr. Dirk Ströer received a share of this dividend in line with the interests that they hold.

Ströer Management SE, which is the general partner of Ströer SE & Co. KGaA, provides management services to Ströer SE & Co. KGaA. This business relationship is also assigned to Mr. Udo Müller as he currently holds the majority of shares in Ströer Management SE. The services received from this business relationship in respect of corporate management mainly relate to the services of the Board of Management and amounted to EUR 12,118k in 2022 (prior year: EUR 11,779k); the income generated totaled EUR 510k (prior year: EUR 374k). As at December 31, 2022, these relationships gave rise to receivables of EUR 136k (prior year: EUR 22k) and liabilities of EUR 16,748k (prior year: EUR 16,620k).

The services received from business relationships with investees accounted for using the equity method amounted to EUR 11,484k in the reporting year (prior year: EUR 9,552k); the income generated totaled EUR 7,017k (prior year: EUR 5,428k). As at December 31, 2022, these relationships gave rise to receivables of EUR 714k (prior year: EUR 1,017k) and liabilities of EUR 11,544k (prior year: EUR 14,348k).

38 Auditor's fees

The following expenses for services rendered by the Group's auditor KPMG AG Wirtschaftsprüfungs-gesellschaft were posted in 2022:

EUR k	2022	2021
Auditor's fees		
Fees for audit services	1,553	1,997
Fees for audit-related services	156	9
Fees for tax services	0	0
Fees for other services	113	67
Total	**1,822**	**2,073**

The fees for audit services by the auditing firm KPMG AG Wirtschaftsprüfungsgesellschaft related primarily to the audit of the consolidated financial statements and the separate financial statements, including the combined management report, of Ströer SE & Co. KGaA plus various audits of the annual financial statements of its subsidiaries including statutory additions to the audit engagement. Of the fees for audit services in 2021, EUR 479k related to the prior year. Audit-related services relate to the provision of miscellaneous assurance services under separate contracts. Other services relate to expenses for advisory services in connection with other financial matters.

39 Disclosures pursuant to section 264 (3) HGB

The following German subsidiaries with the legal form of a corporation or partnership make use of the exemption from certain provisions concerning the presentation, audit, and publication of separate financial statements/ management reports in accordance with section 264 (3) HGB and section 264b HGB:

Asam Betriebs-GmbH, Beilngries
ASAMBEAUTY GmbH, Unterföhring
Avedo Essen GmbH, Essen
Avedo Gelsenkirchen GmbH, Gelsenkirchen
Avedo II GmbH, Pforzheim
Avedo Köln GmbH, Cologne
Avedo Leipzig GmbH, Leipzig
Avedo Leipzig West GmbH, Leipzig
Avedo München GmbH, Munich
Avedo Rostock GmbH, Rostock
BHI Beauty & Health Investment Group Management GmbH, Unterföhring
blowUP media GmbH, Cologne
Business Advertising GmbH, Düsseldorf
Content Fleet GmbH, Hamburg
DERG Vertriebs GmbH, Cologne
DSM Deutsche Städte Medien GmbH, Frankfurt am Main
DSM Rechtegesellschaft mbH, Cologne
DSM Werbeträger GmbH & Co. KG, Cologne
DSM Zeit und Werbung GmbH, Cologne
ECE flatmedia GmbH, Hamburg
Edgar Ambient Media Group GmbH, Hamburg
Hamburger Verkehrsmittel-Werbung GmbH, Hamburg
INFOSCREEN GmbH, Cologne
InnoBeauty GmbH, Unterföhring
Interactive Media CCSP GmbH, Cologne
M. Asam GmbH, Unterföhring
OPS Online Post Service GmbH, Berlin
Permodo GmbH, Munich
Ranger Marketing & Vertriebs GmbH, Düsseldorf
RegioHelden GmbH, Stuttgart
Retail Media GmbH, Cologne
Sales Holding GmbH, Düsseldorf
Seeding Alliance GmbH, Cologne
Service Planet GmbH, Düsseldorf
SMD Rechtegesellschaft mbH, Cologne
SMD Werbeträger GmbH & Co. KG, Cologne
SRG Rechtegesellschaft mbH, Cologne
SRG Werbeträger GmbH & Co. KG, Cologne
Statista GmbH, Cologne
StayFriends GmbH, Berlin
Ströer Content Group GmbH, Cologne
Ströer Content Group Sales GmbH, Cologne
Ströer Core GmbH & Co. KG, Leverkusen
Ströer DERG Media GmbH, Kassel
Ströer Deutsche Städte Medien GmbH, Cologne
Ströer Digital Commerce GmbH, Cologne
Ströer Digital Group GmbH, Cologne
Ströer Digital Media GmbH, Hamburg
Ströer Digital Publishing GmbH, Cologne
Ströer media brands GmbH, Berlin
Ströer Media Deutschland GmbH, Cologne
Ströer News Publishing GmbH, Cologne
Ströer Next Publishing GmbH, Cologne
Ströer Sales & Services GmbH, Cologne
Ströer Sales Group GmbH, Cologne
Ströer Social Publishing GmbH, Berlin
Ströer SSP GmbH, Munich
Ströer Werbeträgerverwaltungs GmbH, Cologne
Ströer X GmbH, Leipzig
Yieldlove GmbH, Hamburg

40 Declaration of compliance with the German Corporate Governance Code

The Board of Management of Ströer Management SE, which is the general partner of Ströer SE & Co. KGaA, and the Supervisory Board of Ströer SE & Co. KGaA submitted the annual declaration of compliance with the German Corporate Governance Code in accordance with section 161 AktG on December 9, 2022. This declaration of compliance was made permanently available to shareholders in the corporate governance section of the Company's website at **https://ir.stroeer.com/investor-relations/corporate-governance**.

41 Remuneration of the Board of Management and the Supervisory Board

The remuneration of the Board of Management is paid by Ströer Management SE, which is reimbursed for these sums by Ströer SE & Co. KGaA on the basis of billing for corporate management services. The recognized expense arising from remuneration agreements with the Board of Management and the Supervisory Board of the Ströer Group is presented below:

EUR k	2022	2021
Board of Management		
Short-term benefits	5,506	5,459
Other long-term benefits	5,545	5,495
Share-based payments	0	4,254
Total	**11,051**	**15,208**
Supervisory Board		
Short-term benefits	477	414
Total	**477**	**414**

Short-term benefits primarily comprise salaries, remuneration in kind, and performance-based remuneration components that are paid during the following year. Long-term benefits comprise performance-based remuneration components granted to the Board of Management (excluding share-based payments) that are only paid in later years. The share-based payments relate to the Stock Option Plan resolved upon in 2015, under which stock options were granted in 2015 and 2017 to 2020, and the Stock Option Plan resolved upon in 2019, under which stock options were granted in the period 2019 to 2022.

The provision for the share-based LTI payments (excluding the Stock Option Plan) granted to the Board of Management (for the last time in 2020) amounted to EUR 424k as at December 31, 2022 (prior year: EUR 1,090k).

2015 Stock Option Plan

Under the Stock Option Plan resolved upon by the shareholder meeting in 2015, the Board of Management received a total of 1,097,846 options from 2015 to 2020. This led to income of EUR 1,800k due to expired options in 2022 (prior year: expense of EUR 1,100k).

The weighted average fair value of all options granted under the 2015 Stock Option Plan was EUR 8.09 (prior year: EUR 9.78).

For further details, please refer to note 42 'Share-based payment'.

2019 Stock Option Plan

Under the Stock Option Plan resolved upon by the shareholder meeting in 2019, the Board of Management received a total of 1,540,000 options from 2019 to 2021 and a total of 20,000 options in 2022. This led to income of EUR 6,525k due to expired options in 2022 (prior year: expense of EUR 3,155k).

The weighted average fair value of the options granted during the reporting year was EUR 3.34 (prior year: EUR 6.57).

The weighted average fair value of all options granted under the 2019 Stock Option Plan was EUR 5.16 (prior year: EUR 8.77).

For further details, please refer to note 42 'Share-based payment'.

As at December 31, 2022, a total of EUR 16,227k (prior year: EUR 16,222k) was recognized as provisions for all potential future short-term and long-term bonus entitlements of the Board of Management, of which EUR 424k (prior year: EUR 1,090k) was attributable to current share-based payment entitlements.

Of the long-term benefits (LTI), a sum of EUR 3,904k is due for payment in 2023.

<u>Additional disclosures in accordance with HGB:</u>
The total remuneration for the Board of Management's performance of its duties amounted to EUR 11,118k for 2022 (prior year: EUR 11,349k). This included share-based payments with a fair value of EUR 67k at the time of grant (prior year: EUR 395k). In 2022, the active members of the Board of Management were granted 20,000 stock options (prior year: 60,000) under the 2019 Stock Option Plan.

In 2022, the members of the Supervisory Board were granted total remuneration of EUR 477k (prior year: EUR 414k) for their work on the Supervisory Board.

42 Share-based payment

2015 Stock Option Plan for executives and employees

In 2015, the Group launched a stock option plan that entitles the relevant members of the Board of Management and executives to acquire shares in the Company.

The option rights can be exercised at the earliest at the end of a four-year vesting period beginning on the option grant date. The options have a contractual term of seven years. The Company has the right to settle the options in cash instead of granting new shares. The options are expected to be equity settled.

The right to exercise the stock options is dependent on the fulfillment of a certain length of service (vesting period), the Company's share price, and a minimum EBITDA (adjusted) for the Group of EUR 250m. The gain that can be achieved by option holders from exercising their stock options must not exceed three times the relevant exercise price.

As at the grant date, the fair value of the stock options granted is determined using a Black-Scholes model and taking into account the conditions at which the stock options were granted.

The following table shows the number and weighted average exercise prices (WAEP) of, and movements in, stock options during the financial year.

EUR	2022 Number	2022 WAEP	2021 Number	2021 WAEP
Outstanding on Jan. 1	1,330,846	53.85	1,395,846	53.75
Granted	0	0	0	0
Forfeited	0	0	0	0
Exercised	0	0	–45,000	51.32
Expired	–200,000	50.92	–20,000	51.97
Outstanding on Dec. 31	1,130,846	54.37	1,330,846	53.85
Exercisable on Dec. 31	677,920	52.26	531,460	49.65

The income (prior year: expense) recognized for benefits received during the financial year is shown in the following table:

EUR k	2022	2021
Income (prior year: expense) arising from equity-settled share-based payment transactions	–1,484	1,549

The weighted average remaining contractual term for the stock options outstanding as at December 31, 2022 was 2.4 years (prior year: 3.1 years).

The weighted average fair value of all options granted under the 2015 Stock Option Plan was EUR 8.62 (prior year: EUR 10.33).

2019 Stock Option Plan for executives and employees

In 2019, the Group launched another stock option plan that entitles the relevant members of the Board of Management and executives to acquire shares in the Company.

The option rights can be exercised at the earliest at the end of a four-year vesting period beginning on the option grant date. The options have a contractual term of eight years. The Company has the right to settle the options in cash instead of granting new shares. The options are expected to be equity settled.

The right to exercise the stock options is dependent on the fulfillment of a certain length of service (vesting period), the Company's share price, and a minimum EBITDA (adjusted) for the Group of EUR 600m. The gain that can be achieved by option holders from exercising their stock options must not exceed three times the relevant exercise price.

As at the grant date, the fair value of the stock options granted is determined using a Black-Scholes model and taking into account the conditions at which the stock options were granted.

The following table shows the number and weighted average exercise prices (WAEP) of, and movements in, stock options during the financial year.

EUR	2022 Number	2022 WAEP	2021 Number	2021 WAEP
Outstanding on Jan. 1	1,770,000	52.78	1,710,000	52.18
Granted	20,000	66.56	60,000	69.62
Forfeited	0	0	0	0
Exercised	0	0	0	0
Expired	–1,750,000	52.58	0	0
Outstanding on Dec. 31	40,000	67.77	1,770,000	52.78
Exercisable on Dec. 31	0	0	0	0

The income (prior year: expense) recognized for benefits received during the financial year is shown in the following table:

EUR k	2022	2021
Income (prior year: expense) arising from equity-settled share-based payment transactions	–7,720	3,654

The weighted average remaining contractual term for the stock options outstanding as at December 31, 2022 was seven years (prior year: 5.6 years).

The weighted average fair value of the options granted in 2022 was EUR 3.34 (prior year: EUR 6.57).

The weighted average fair value of all options granted under the 2019 Stock Option Plan was EUR 5.16 (prior year: EUR 8.76).

The table below lists the inputs used to value the options granted under the 2019 Stock Option Plan in 2022 (2021):

	Options granted in 2022		Options granted in 2021	
	Board of Management members	Executives	Board of Management members	Executives
Dividend yield (%)	5.00	–	2.93	–
Expected volatility (%)	30.50	–	26.74	–
Risk-free interest rate (%)	0.84	–	–0.56	–
Expected term of stock options (years)	7.0	–	5.6	–
Share price at grant date (EUR)	51.00	–	67.22	–
Model used	Black Scholes	–	Black Scholes	–

The expected volatility is based on an assessment of the historical volatility of the Company’s share price, in particular in the period that corresponds to the expected term. The expected term of the stock options is based on estimates made by the Board of Management.

43 Governing bodies

Name	Membership of statutory supervisory boards	Membership of comparable oversight bodies
Board of Management		
Udo Müller (Co-CEO)		
Christian Schmalzl (Co-CEO)		Internet Billboard a.s., Ostrava, Czech Republic Monogram Network Inc., L.A., USA
Dr. Christian Baier (COO) (until July 31, 2022)		
Henning Gieseke (CFO)		
Supervisory Board		
Christoph Vilanek CEO freenet AG, Büdelsdorf (Chairman)	CECONOMY AG, Düsseldorf eXaring AG, Munich Ströer Management SE, Düsseldorf VNR Verlag für die Deutsche Wirtschaft AG, Bonn	
Ulrich Voigt Chief Executive Officer of Sparkasse KölnBonn (Deputy Chairman)	Ströer Management SE, Düsseldorf Landesbank Berlin Holding AG, Berlin Landesbank Berlin AG, Berlin	
Dr. Karl-Georg Altenburg Vice Chairman of the Board of Directors of Plastic Energy Global S.L, Madrid, Spain	Ströer Management SE, Düsseldorf	MedShr Ltd., London, UK
Angela Barzen Business coach and trainer for managers and companies (until June 22, 2022)		
Martin Diederichs Attorney	Pison Montage AG, Dillingen Ströer Management SE, Düsseldorf	DSD Steel Group GmbH, Saarlouis
Andreas Güth Regional manager at Eisenbahn- und Verkehrsgewerkschaft, Kassel (EVG) (since June 22, 2022)		
Andreas Huster Chairman of the works council of tricontes360 Gera GmbH, Gera	tricontes360 Verwaltung Hamburg GmbH, Hamburg	
Sabine Hüttinger Employee in the Public Affairs department at Ströer Deutsche Städte Medien GmbH, Cologne		
Christian Kascha Team and project leader for research and consulting projects at Statista GmbH (since June 22, 2022)		
Simone Kollmann-Göbels Senior Vice President Procurement & Real Estate at Ströer SE & Co. KGaA (since June 22, 2022)		

Name	Membership of statutory supervisory boards	Membership of comparable oversight bodies
Elisabeth Lepique Managing Partner at Luther Rechtsanwaltsgesellschaft mbH, attorney, tax accountant (since June 22, 2022)		
Barbara Liese-Bloch Managing Director of MONOFIL-TECHNIK Gesellschaft für Synthesemonofile mbH, Hennef		
Petra Loubek Head of Regional Internal Services at Ströer Media Deutschland GmbH, Cologne (until June 22, 2022)		
Rachel Marquardt Head of Collective Bargaining Policy Industry, Publishing, Printing, and Paper (ver.di) (until June 22, 2022)	Bundesdruckerei Gruppe GmbH, Berlin Bundesdruckerei GmbH, Berlin	
Tobias Meuser Area Manager at Ströer Deutsche Städte Medien GmbH, Cologne		
Dr. Thomas Müller Head of Telecommunications/ Information Technology (ver.di) (until June 22, 2022)	Deutsche Telekom Services Europe SE, Bonn	
Nadine Reichel Commercial Manager for Accounting/ Financial Planning and Reporting at Infoscreen GmbH, Cologne (until June 22, 2022)		
Christian Sardiña Gellesch Head of Portfolio Management for the West region at Ströer Media Deutschland GmbH (until June 22, 2022)		
Dr. Kai Sauermann Auditor/tax accountant, shareholder-managing director of SEJ GmbH-Steuerberatungsgesellschaft	Ströer Management SE, Düsseldorf	
Stephan Somberg Labor Union Secretary (ver.di) (since June 22, 2022)		
Tobias Schleich Chairman of the works council of Ströer Digital Media GmbH (since June 22, 2022)		
Petra Sontheimer Management coach and organizational consultant at cidpartners GmbH, Bonn		

44 Subsequent events

Ströer SE & Co. KGaA launched its first share buyback program on October 3, 2022. The program has a total volume of up to EUR 50,000k. By December 31, 2022, a total of 610,331 treasury shares had been repurchased under the program for a total of EUR 25,845k. This corresponded to an average purchase price of around EUR 42.35 per share. The program was continued unchanged in 2023. In the period from January 1 to February 28, 2023, a further 144,256 treasury shares were repurchased for a total of EUR 7,383k. This corresponded to an average purchase price of around EUR 51.18 per share.

No other material events have occurred since the reporting date.

Cologne, March 17, 2023

Ströer SE & Co. KGaA represented by:

Ströer Management SE
(general partner)

Udo Müller Co-CEO	Christian Schmalzl Co-CEO	Henning Gieseke CFO

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable financial reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position, and financial performance of the Group, and the group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected future development of the Group.

Cologne, March 17, 2023

Ströer SE & Co. KGaA represented by:

Ströer Management SE
(general partner)

Udo Müller	Christian Schmalzl	Henning Gieseke
Co-CEO	Co-CEO	CFO

INDEPENDENT AUDITOR’S REPORT

To Ströer SE & Co. KGaA, Cologne

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Opinions

We have audited the consolidated financial statements of Ströer SE & Co. KGaA, Cologne, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2022, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of the Company and the Group (hereinafter the “group management report”) of Ströer SE & Co. KGaA for the financial year from January 1 to December 31, 2022.

In accordance with German legal requirements, we have not audited the content of those components of the group management report specified in the “Other Information” section of our auditor’s report.

The group management report contains cross-references that are not required by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2022, and of its financial performance for the financial year from January 1 to December 31, 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those components of the group management report specified in the “Other Information” section of the auditor’s report. The group management report contains cross-references that are not required by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment testing of goodwill

Please refer to Notes 2 and 3 of the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions used. Disclosures on the amount of goodwill can be found under Note 19 and information on the economic development of the operating segments can be found in the "Financial performance of the segments" section of the group management report.

The Financial Statement Risk

Goodwill amounted to EUR 917.3 million as of December 31, 2022, and, at 33% of total assets, accounts for a considerable share of the assets.

Goodwill is tested for impairment annually (without specific cause) at the level of cash-generating units. If impairment triggers arise during the financial year, an event-driven goodwill impairment test is also carried out during the year. For goodwill impairment testing, the carrying amount is compared with the recoverable amount of each cash-generating unit. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. For the purpose of performing an impairment test on goodwill, the fair value less costs to sell was identified as the recoverable amount of the cash generating unit. Goodwill was tested for impairment as of September 30, 2022.

Impairment testing of goodwill is complex and based on a range of assumptions that require judgment. These include the expected business and earnings performance of the cash-generating units for the next five years, the assumed long-term growth rates and the discount rate used. As a result of the Ukraine war, which has been ongoing since the end of February 2022, the level of estimation uncertainty remains high.

There is the risk for the consolidated financial statements that an existing need to recognize impairment losses is not identified. There is also the risk that the related disclosures in the notes are not appropriate.

Our Audit Approach

With the involvement of our valuation experts, we assessed the appropriateness of the key assumptions and calculation methods of the Company, among other things. To this end, we discussed the expected development of business and earnings as well as the assumed long-term growth rates with those responsible for planning. We also reviewed the consistency with other internally available forecasts and the budget prepared by management and approved by the Supervisory Board. With the involvement of our valuation experts, we furthermore assessed the appropriateness of assumptions with external market estimates.

We also verified the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and analyzing deviations. We compared the assumptions and data underlying the discount rate, in particular the risk-free rate, the market risk premium and the beta coefficient, with our own assumptions and publicly available data. Furthermore, we evaluated the effects of the war in Ukraine on the budgeting utilized.

To evaluate the methodically and mathematically correct implementation of the valuation method, we verified the measurement made by the Company using our own calculations and analyzed deviations. In order to take account of the existing forecast uncertainty and the earlier deadline selected for impairment testing, we examined the effects of possible changes in the discount rate, earnings performance and the long-term growth rate on the recoverable amount by calculating alternative scenarios (sensitivity analysis) and comparing them with the values stated by the Company.

Finally, we assessed whether the disclosures in the notes on impairment of goodwill are appropriate.

Our Observations
The calculation method used for impairment testing of goodwill is appropriate and in line with the accounting policies to be applied.

The Company's assumptions and data used for measurement are appropriate.

The related disclosures in the notes are appropriate.

Existence of revenue

Please refer to Notes 2 and 3 in the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions used. Disclosures on the amount of revenue can be found under Note 9 in the notes.

The Financial Statement Risk
The Group's revenue amounted to EUR 1,771.9 million in financial year 2022. The Group mainly generates revenue through the marketing of outdoor advertising space (Out-of-Home Media), the marketing of online advertising spaces, the operation of websites and dialog marketing (Digital & Dialog Media) as well as through data as a service and e-commerce (DaaS & E-Commerce). At EUR 790.9 million and EUR 743.7 million, respectively, the Out-of-Home Media and the Digital & Dialog Media segments were the segments with the highest revenues in financial year 2022.

Revenue is based on a large number of business transactions and is recognized in a large number of Group companies with different processes depending on the business model. Revenue is one of the Group's most important indicators of target achievement and additionally forms a significant basis for decisions for the users of financial statements.

There is the risk for the consolidated financial statements that revenue is recognized without actual services having been rendered.

Our Audit Approach
In order to examine the existence of revenue, we assessed the design and setup of internal controls relating to order acceptance, performance of service and invoicing.

We assessed the existence of the revenue by reconciling invoices with the corresponding payments received. To the extent necessary, and especially for revenue close to the reporting date, we additionally reconciled invoices with the corresponding orders and contracts and the evidence of services performed. This was based on revenue recognized during the financial year and selected using a mathematical/statistical procedure. In determining the sample size, we considered the design and setup of internal controls. In addition, third-party confirmations were obtained for selected items for trade receivables not yet settled as of the reporting date. In cases where obtaining third-party confirmations remained unsuccessful, we conducted alternative audit procedures by reconciling revenue to the underlying orders, contracts, internal invoice releases, invoices, proof of delivery and acceptance protocols or time sheets as well as payments received.

Additionally, we examined the accounting journal with respect to manual revenue entries. For selected manual revenue entries, we obtained evidence regarding the existence of revenue in order to evaluate whether the revenue recognized was supported by actual performance of services.

We verified that past-due trade receivables, which represent a potential indicator of revenue recorded without the services actually having been rendered, existed only to a limited extent. We inspected credit notes and reverse entries recorded by Ströer after the reporting date on the basis of a deliberate sample. In addition, we verified the actual existence of revenue recognized for this sample in financial year 2022.

Our Observations
The approach for recognizing revenue is appropriate.

Other information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the group management report, whose content was not audited:

- the separate group non-financial report referred to in the group management report, but which is not expected to be provided to us until after the date of this audit opinion,
- the combined corporate governance statement for the Company and the Group referred to in the group management report, and
- information extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the group management report information audited for content and our auditor’s report thereon.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

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

- is materially inconsistent with the consolidated financial statements, with the group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group’s financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file„StroeerKA-2022-12-31-de.zip" (SHA256-Hashwert: 44CF1C54E9AF7A22B8382FD7B 14CB25AA27887A1D71EA2CE6F4E0A79D50275CE) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2022, contained in the "Report on the Audit of the Consolidated Financial Statements and the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)) [if conducive to the understanding of the separate report on ESEF compliance in at an international level: and the International Standard on Assurance Engagements 3000 (Revised)]. Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for

Quality Management in Audit Firms (IDW QS 1).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

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

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the annual general meeting on June 22, 2022. We were engaged by the Supervisory Board on December 13, 2022. We have been the group auditor of Ströer SE & Co. KGaA without interruption since financial year 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the examined ESEF documents. The consolidated financial statements and group management report converted to the ESEF format – including the versions to be entered in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Carsten Nölgen.

Cologne, March 17, 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft

Nölgen	**Dr. Ohmen**
Wirtschaftsprüfer	Wirtschaftsprüfer
German Public Auditor	German Public Auditor

CONTACTS AND EDITORIAL INFORMATION

Publisher
Ströer SE & CO. KGaA
Ströer-Allee 1 . 50999 Cologne
Phone: +49 (0)2236 9645 0
Fax: +49 (0)2236 9645 299
Email: info@stroeer.de

Cologne local court
HRB 86922
VAT identification no.: DE811763883

This annual report was published on March 30, 2023 and is available in German and English. In the event of inconsistencies, the German version shall prevail.

IR contact

Ströer SE & CO. KGaA
Christoph Löhrke
Head of Investor & Credit Relations
Ströer-Allee 1 . 50999 Cologne
Phone: +49 (0)2236 9645 356
Fax: +49 (0)2236 9645 6356
Email: ir@stroeer.de / cloehrke@stroeer.de

Press contact

Ströer SE & CO. KGaA
Marc Sausen
Director of Corporate Communications
Ströer-Allee 1 . 50999 Cologne
Phone: +49 (0)2236 9645 246
Fax: +49 (0)2236 9645 6246
Email: presse@stroeer.de / msausen@stroeer.de

Concept and design

Kirchhoff Consult AG
Borselstrasse 20 . 22765 Hamburg
www.kirchhoff.de

Disclaimer

This annual report contains forward-looking statements that entail risks and uncertainties. The actual business performance and results of Ströer SE & Co. KGaA and of the Group may differ significantly from the assumptions made in this annual report. This annual report does not constitute an offer to sell or an invitation to submit an offer to purchase securities of Ströer SE & Co. KGaA. There is no obligation to update the statements made in this annual report.

FINANCIAL CALENDAR

May 11, 2023	Q1 2023 quarterly statement
July 5, 2023	Annual General Meeting, Cologne
August 9, 2023	Half-year financial report/Q2 2023
November 9, 2023	9M/Q3 2023 quarterly statement

Ströer SE & CO. KGaA
Ströer-Allee 1 . 50999 Cologne
Phone +49 (0)2236 9645 0
Fax +49 (0)2236 9645 299
www.stroeer.com