BASTEI LÜBBE

ANNUAL REPORT 2025/26

AT A GLANCE

KEY FIGURES BASTEI LUBBE GROUP

Financial indicators (IFRS) in EUR millions	**2025/2026**	**2024/2025**	**Change**
Revenues	118.4	114.0	3.8%
EBIT	9.3	17.1	-45.5%
EBIT margin(%)	7.9%	15.0%	-7.1 Pp
Net profit for the period	6.4	11.4	-43.6%
Total assets as of 31 March	109.0	114.3	-4.6%
Equity* as of 31 March	66.0	68.9	-4.2%
Equity ratio*(%) as of 31 March	60.5%	60.3%	0.3 Pp
Net financial assets as of 31 March	11.7	8.5	37.6%
Free cash flow	9.1	-1.8	n/a
Other indicators			
Earnings per share** (EUR)	0.48	0.86	-43.9%
Share price at the end of the fiscal year (EUR)	6.44	11.10	-42.0%
Employees as of 31 March	351.0	322.0	9.0%

*incl. equity attributable to non-controlling interests

**Calculation see notes to the consolidated financial statements, Note no. 15

HIGHLIGHTS OF THE 2025/2026 FINANCIAL YEAR

Start me up! Strong kick-off to our financial year

Bastei Lübbe entered its new financial year with an inspiring strategy day. As well as providing an insight into the Company's programme and development, the event focused on innovation, partnership and workshops on artificial intelligence. A day full of ideas for the future.

Sold out in record time: the deLYX book box is off to a flying start

The new deLYX book box was an instant hit with the New Adult community. Just a few days after being announced, the first issue had already sold out. With colour-edged books, autographs and exclusive goodies, the New Adult imprint LYX has created a curated subscription experience that delights readers every two months.

April

KulturPass partner – encouraging young people to read

In 2023, the German government launched the KulturPass for the first time, a scheme that encourages 18-year-olds to spend their money on cultural experiences. The initiative gave young people easy access to books, concerts and other cultural activities. In 2024, "Icebreaker" by our LYX imprint was the most popular purchase among KulturPass users.

In April 2025, we were the exclusive sponsor of the KulturPass, thereby demonstrating our commitment to cultural participation.

May

“Diary of a Wimpy Kid” brings the world together – international exchange at the Kinney Summit

At the invitation of Jeff Kinney, 30 representatives from Wimpy Kid publishers around the world gathered in Garmisch-Partenkirchen for the *Awesome Friendly Get Together* with the bestselling author and his team, marketing and press strategies were developed for “Diary of a Wimpy Kid” and the “Rupert” books, while the best sales approaches were discussed and, of course, the worldwide sales of 300 million copies of “Diary of a Wimpy Kid” were duly celebrated. A visit to the Zugspitze mountain was also on the agenda.

It was a great honour for us to be entrusted by the host, Jeff Kinney, with helping to organise the three-day event, and it was a wonderful sign of his confidence in our team.

June

Quadriga shortlisted for the German Non-Fiction Prize

Franz-Stefan Gady received great recognition for his book “Die Rückkehr des Kriegs”, which was shortlisted for the 2025 German Non-Fiction Prize. The jury particularly commended the book’s social relevance, stating that: “The book provides much-needed insight and confronts Germany with the unwelcome reality of a new global situation”.

200 years: Börsenverein celebrated a new chapter – and we joined in too

In early June, the German Booksellers’ Association (Börsenverein des Deutschen Buchhandels e.V.) celebrated its 200th anniversary. At the “Neue Kapitel” conference, the book industry came together for two days of inspiration, discussion and shared visions for the future of the book market. We were featured as a sponsor of the anniversary celebrations to enable small bookshops and publishers, as well as young professionals, to attend the conference.

Opening ceremony of Siebter Himmel store in Leipzig

Within just a few months, the Leipzig store has become a crowd-puller, confirming the successful adaptation of the Cologne concept at a new location. Featuring a discussion between two young voices from our publishing house, along with cheerful guests and our team, the official opening was a resounding success.

Dual nomination for the German Children’s Book Prize

No fewer than two Baumhaus titles, “Der kleine Grimlin und die große Portion Mut” by Barbara Rose and “Das Übelchen zieht ein ... und aus und wieder ein” by Jan Strathmann, made it onto the shortlist for the 2025 German Children’s Book Prize This was a fine example of the quality and variety of our children’s book range.

What makes this prize so special is that the final decision on which of the ten shortlisted titles will be chosen as the winner is made by a 32-member children’s jury.

August

September

July

Crossing the finish line together: the Bastei Lübbe team at the B2Run and the Cologne Reading Run

After participating in the Cologne Reading Run in the spring – an event where all proceeds go towards promoting reading – we also took part in one of the biggest running events in North Rhine-Westphalia in September: the B2Run. The focus was on team spirit, physical activity and shared commitment beyond the day-to-day work routine.

LYX × IKEA: When books meet dream homes

For three weeks, LYX worked with IKEA Cologne to create unique immersive experiences centred around reading. More than 4,500 visitors took part in a varied programme of readings, workshops and community activities, helping to design the first LYX reading room.

Launch of the new non-fiction imprint Grau

With its new Grau imprint, Community Editions is expanding its portfolio to include high-quality non-fiction and personal advice books. Grau focuses on socially relevant topics, told from the personal perspective of influential creators. Travel blogger Jil Eileen Füngeling reached her first milestone. With “Where to Next. Meine Reise zurück ins Leben”, she went straight to number 1 on the SPIEGEL bestseller list for non-fiction paperbacks. This was followed by further high rankings on the bestseller list.

GRAU

Thalia and LYX are giving their community a shop

The new “LYX by Thalia” store got off to a successful start in Münster. Spanning 120 square metres, a space has been created that brings together books, merchandise and community events. Right from the moment the shop opened in the Münster Arcades, interest was so great that a long queue formed outside the bookshop.

Global celebrity on a European tour: Dan Brown in Hamburg

Long awaited, the next Robert Langdon adventure, penned by Dan Brown, was finally released in September. After starting his tour in Prague, the main setting of his new novel “The Secret of Secrets”, he came to the Thalia Theatre in Hamburg for the only German reading during the Harbour Front Literature Festival. Alongside the author, who shot straight to the top of the bestseller lists with Volume 6, the unsung hero was his father, a former maths teacher and author of numerous maths books, who accompanied his son on the journey.

Annual general meeting confirms growth trajectory

At the annual general meeting on 17th September, the shareholders expressed their overwhelming approval of the Company’s successful performance. Revenues, profitability and digital business models once again performed strongly, confirming the growth trajectory we have embarked upon, which was once again driven by our community-driven business models.

October

Frankfurt Book Fair – at the heart of the community

With a strong programme, enthusiastic readers and LYX's second consecutive TikTok Book Award, the Frankfurt Book Fair was a resounding success in all respects, featuring events, blogger meet-ups and evenings, readings, talks and book signings.

Alongside Rebecca Gablé, Mona Kasten, Lena Kiefer and many others, we were particularly delighted by British author Holly Jackson's first visit to Germany and the brief visit by the Filipino Nobel Peace Prize laureate and our author, Maria Ressa.

A historic start: Rebecca Gablé topping the bestseller list

In August, author Rebecca Gablé shot straight to the top of the SPIEGEL bestseller list with her new release, "Rabenthron". This is a success that once again underlines her exceptional standing in historical fiction. In early October, Rebecca Gablé presented the latest instalment in her Helmbys series at the Cinedom in Cologne. In a conversation with cultural affairs journalist Margarete von Schwarzkopf, she talked about the inspiration behind her books and her love of England. Detlef Bierstedt, who also narrated the audiobook, read out selected passages from the text.

November

Start of the 2nd season of "Maxton Hall"

On 7th November, the second season of "Maxton Hall – The World Between Us" premiered on Amazon Prime Video and – just like the first season in the previous year – reached number one in the global Prime Video charts on its opening weekend.

Published by LYX, Mona Kasten's series once again benefited from the high level of attention: the "Save Me" trilogy, which was first published in 2018, once again featured close to the top of the bestseller lists. At the same time, international interest in the series continued to grow. Translations are now available in 22 countries, including Brazil, France and the United Kingdom Another particular success was the award of the US rights to Penguin Random House's Berkley imprint following a bidding process involving eight publishers.

Jeff Kinney in the house and attracting much attention

To mark the milestone birthday of the international best-selling series, author Jeff Kinney came to Germany and celebrated with us and over 1,000 children and families the release of “Diary of a Wimpy Kid 20 – Party-pooper?”.

At the same time, we teamed up with DIE ZEIT and its children’s magazine ZEIT LEO to send a strong message in support of reading skills and a love of reading via an extensive partnership.

As well as an in-depth interview with Jeff Kinney and a special supplement to mark the launch, there is a monthly column in ZEIT LEO featuring exclusive illustrations by Kinney.

While visiting Germany, Jeff Kinney was also appointed the first international reading ambassador by Stiftung Lesen in what was a very special honour.

December

Ken Follett visits Germany

Celebrity author Ken Follett visited Germany for an event to promote his new bestseller, “Stonehenge – Circle of Days”. The hit podcast “eat.READ. sleep.” by NDR Kultur hosted the evening at CinemaxX in Hamburg.

During his visit to Germany, Ken Follett was awarded a total of five gold and platinum discs in recognition of his outstanding achievements in the audiobook sector.

Acquisition in the manga market

With the acquisition of Papertoons, Bastei Lübbe is strengthening its position in one of the most dynamic segments of the entertainment industry. Founded in 2022 by Lea Heidenreich and Michael Schuster, the community-focused imprint specialises in webtoons and manhwa and is an ideal addition to the portfolio.

papertoons

Literature with a certain sparkle: the new Pfaueninsel imprint

The Pfaueninsel imprint has been officially launched with a high-calibre catalogue and a line-up of renowned authors Alongside Florian Illies, whose blockbuster title was published in the spring and immediately topped the SPIEGEL bestseller list upon its release, publishing director Constanze Neumann has secured a historical novel by Jean-Luc Bannalec for Pfaueninsel for 2027.

The imprint expands Bastei Lübbe's portfolio with the inclusion of high-quality literary voices and narrative non-fiction.

March

January

February

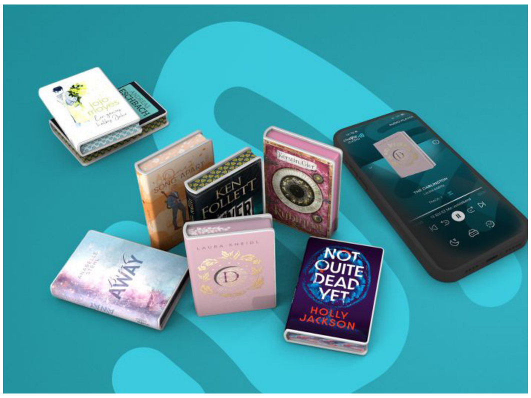
Debut at lit.COLOGNE

British author Florence Knapp captivated the general public and book retailers alike with her novel "The Names". During the lit.COLOGNE literature festival, she gave a reading at the Cologne Cultural Church. Named best debut at the 2026 British Book Awards in May, the book explores the question of whether names can shape the course of a person's life.

Bastei Lübbe AG recognised as a TOP company

Bastei Lübbe AG was the first listed publisher to be recognised as one of Germany's top 100 most innovative mid-sized companies. The Company's digital business models, community strategies and strong culture of innovation were particularly commended. "To be voted one of Germany's most innovative companies as a content- rather than a technology-driven media organisation is a special honour," said Soheil Dastyari, CEO of Bastei Lübbe AG.

The award was presented to our Head of Business Development, Timo Dombrowe, by former German President and TOP 100 mentor, Christian Wulff.



shelfie.audio – an innovation in the book market makes its debut

With shelfie.audio, Lübbe Audio is launching a new product on the market.

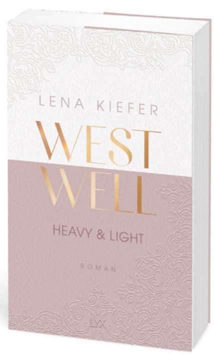
The new format combines digital listening with a physical collectable and gift item. We unveiled the first units at the Leipzig Book Fair; since May, the products are available exclusively for nine months in all Thalia physical bookshops.

Leipzig Book Fair – Bastei Lübbe with its own stage programme

Featuring a host of authors, events and new products, Bastei Lübbe attended the Leipzig Book Fair with greater diversity than ever before. Around 50 national and international authors and over 70 events – ranging from readings and talks to book signings and special activities – on our stage and at the stands and at 'Leipzig liest' drew in a large audience. The premiere of shelfie. audio proved to be a particular crowd-puller.

From the book to the screen

Lena Kiefer's successful New Adult series "Westwell", which is published by LYX, is being adapted into a series for Disney+. This was announced by the streaming service and the author. Set in New York, this tragic love story centres on the heirs of two rival property dynasties.



Disney+

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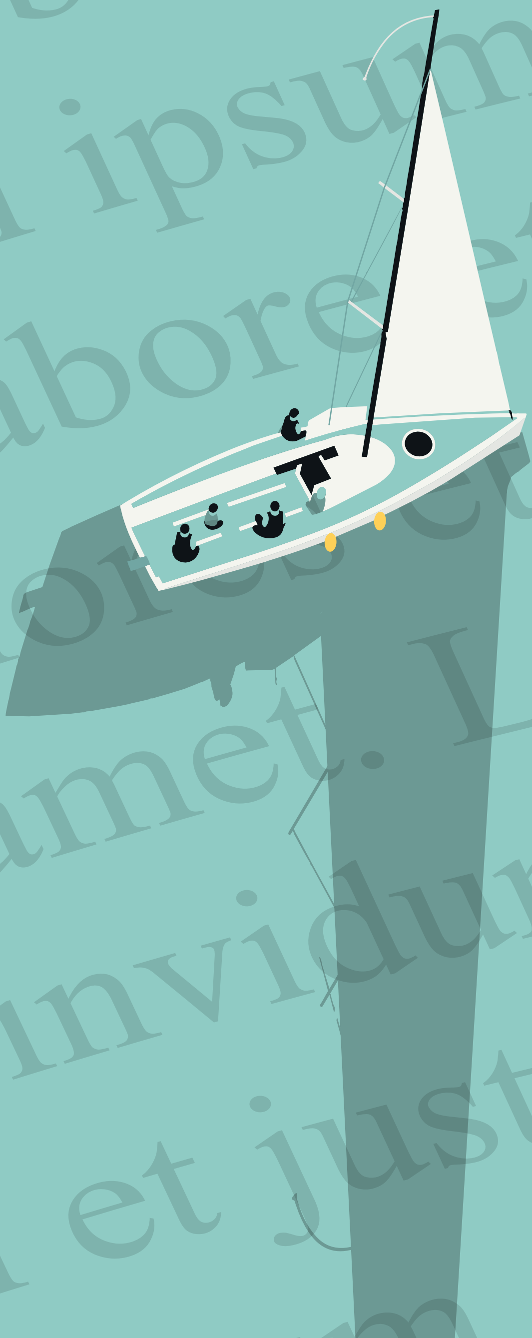

CREATING A WORLD OF
READING FOR PLEASURE

Letter from the CEO

Soheil Dastyari,
Chairman of the Executive Board

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Throughout its 73-year history, Bastei Lübbe has repeatedly demonstrated the flexibility and determination required to continually develop as a company.

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Dear shareholders, ladies and gentlemen,

When you think about language – its semantics, stories, narratives and meanings – you soon realise that, in terms of what defines it, there is no right or wrong. Ultimately, that is precisely what makes it so special. Language is ever-changing, versatile, boundless, universal and, at the same time, incomparably personal.

Ever since the Italian poet and chronicler Petrarch urged people to turn their inner eye inwards, it has served as a means of self-reflection, inner discourse and, consequently, a journey of inner discovery and a thirst for adventure. Language is capable of all that. And the best way to experience this is through books, e-books, audiobooks and the great stories they contain.

The lack of any clear distinction between right and wrong is also reflected in a book publisher’s path to the future. There is no single right path or magic formula to be found. It is really about embarking on an individual path to the future. This path is, of course, rooted in the past, but at the same time always knows how to make the most of the opportunities of the present.

Finding this balance – and with it, our path – and successfully putting it into practice was the greatest challenge this financial year, and one that we have overcome.

In this regard, 2025/2026 was a transitional year in the best sense of the word: we achieved solid and healthy results with our existing products and imprints. At the same time, the year marked a period of investment in a number of new projects and products that will define Bastei Lübbe in the coming years and drive growth in revenues and profit.

A financial year of deliberate investment

This phase of our development is duly reflected in our financial figures. With Group revenues coming to €118.4 million, accompanied by EBIT of €9.3 million, we fell short of our original forecasts. Nevertheless, we were able to achieve revenue growth, albeit with a significantly lower profit margin. Several factors were decisive in this regard: on the one hand, we, too, were unable to entirely escape the effects of the muted consumer confidence triggered in Germany by the weak economic situation. This reticence was particularly noticeable in the fourth quarter of our financial year, i.e., during the period from January to March. This and other factors prompted us to revise our forecast for the financial year downwards at the beginning of April.

On the other hand, we made a conscious decision in the 2025/2026 financial year to invest in innovation, new brands, new markets and new formats. Such investments initially involve upfront costs, but they are also crucial for growth in the future and will unleash their full potential over the coming years.

We are operating profitably even during the investment phase, generating revenue growth, and are again able to propose an attractive dividend to our shareholders. At Bastei Lübbe, continuity and innovation are not mutually exclusive; rather, they drive each other forward.

New projects and products for continued growth

Time and again, I talk at every opportunity – including in public – about how we, as a company, should embrace innovation. In this context, people often talk about ideas and possibilities. In a creative organisation like ours, however, there is no shortage of ideas or opportunities. It is much more a question of bringing these ideas to fruition in the long term by developing them to market readiness, launching them successfully and visibly, and then establishing them as products amongst our readers and users. It sounds simple, yet it's always a long, eventful journey during which all sorts of things can happen. Throughout its 73-year history, Bastei Lübbe has repeatedly demonstrated the flexibility and determination required to continually develop as a company and, occasionally, to reinvent itself. Over the past financial year, we brought a particularly large number of projects and products to market readiness and beyond:

With **shelfie.audio**, we launched a genuine innovation – the first real product innovation in the book market since the digital audiobook. Shelfie.audio is a brand-new product format that fills a remarkable gap: although audiobooks are the strongest growth driver in the book industry, they have become almost impossible to experience in physical form, difficult to give as gifts or even to collect since the decline of the CD. Shelfie brings audiobooks back into real life – and, quite literally, onto the bookshelf at home. Lovingly designed, each Shelfie features a built-in NFC chip, which unlocks the audiobook in the free app when the smartphone is held against it. No subscription is required, plus usage rights are transferable, making it ideal for collecting, gifting and sharing.

The launch programme features around thirty titles by bestselling authors such as Ken Follett, Mona Kasten, Dörte Hansen and Jojo Moyes. First unveiled to the public at the 2026 Leipzig Book Fair, Shelfie has been available exclusively at Thalia – both in-store and online – since May and will subsequently be rolled out across the retail sector.

I would like to emphasise once again that this is a product developed entirely in-house by Lübbe Audio, from the initial concept right through to its realisation. However, we have deliberately designed the technology to be open to all publishers, with a view to establishing a standard in this area. It is an example of how we do not view the medium of the book in binary terms – such as analogue or digital – but rather seek to create the best combination of all the different worlds of books, with the readers and users in mind.

However, we are also seeing new growth potential emerging from a wide variety of areas: with **Pfaueninsel**, we have established a completely new fiction imprint based in Berlin, which is specifically expanding our portfolio as a full-service publisher and adding to it the high-quality literary segment. Under the direction of Constanze Neumann, Pfaueninsel brings together literary voices from all over the world: novels and narrative non-fiction that move, are unexpected and spark discussion. Right from the start, the programme featured some major names in literature – such as the top title "Träume aus Feuer – Der Alchemist von der Pfaueninsel" by Florian Illies, one of the most talked-about books of the spring. And here we can already see the seeds of innovation taking root: Florian Illies' book went straight to the top of the SPIEGEL bestseller list.

The fact that the book was launched on 28 May 2026 on Berlin's Pfaueninsel (Peacock Island) – the place that gave the book its name – was more than just a picturesque backdrop; it was a programmatic statement in favour of narrative beauty, depth and the courage to embrace the enduring in this fast-paced age. With a target audience consisting mainly of people aged 45 and over, we are also reaching out to a readership that we have not previously addressed to any comparable extent.

Project number three marks our entry into one of the fastest-growing sectors of recent years: with the acquisition of Papertoons on 1 January 2026, we have made forays into one of the world's most dynamic entertainment sectors. Papertoons is Germany's first manhwa and manga publisher and specialises in bringing internationally successful webtoon series from South Korea and Japan to the German-speaking market in high-quality print editions. The community that has arisen around these narrative forms is young, digitally savvy and characterised by great passion. It is precisely this readership that we have been systematically catering for, engaging and seeking to build and expand on a long-term basis for years as part of our community strategy.

And finally: LYX in the United States. Our community imprint, LYX, has ventured into the US market, both in-store and online. As far as I know, this is the first time a German publishing brand has taken this approach. We have taken this step with the utmost respect for the scale and unique characteristics of the US market. And yet it is also an expression of how we see ourselves, because we do not think in terms of national borders when our content and community models can operate internationally. And so, we were also able to get off to a successful start with our community-building efforts in the United States and just recently celebrated our debut on the USA TODAY bestseller list with "Eleanor & Grey" by Brittainy Cherry.

TOP 100: An accolade that honours and encourages us

Our innovative strength has not gone unnoticed, and this is a welcome endorsement of our work: in February 2026, we were named one of the TOP 100 most innovative medium-sized companies in Germany. The empirical selection process comprised over a hundred assessment criteria across five categories, ranging from a culture of innovation through to processes and measurable innovation success. As we are a content-driven media company rather than a traditional technology firm, I believe that being voted one of Germany's most innovative medium-sized companies marks a special compliment to our entire team. The jury particularly commended our "digital first mover" approach, our response to social media trends such as BookTok, our direct-commerce ecosystem and our community-driven business models. Around 30 per cent of our revenues now come from such community-driven brands and models, and roughly 32 per cent from e-books and audiobooks alone. These are two figures that would have been unthinkable just a few years ago.

Dear shareholders, ladies and gentlemen, I hope I have been able to give you a brief insight into the diversity of our ideas, books, audiobooks and so on, as well as into the potential offered by the innovations we are developing here at Bastei Lübbe AG. We are firmly convinced that our ideas will become an integral part of our Company's DNA as we move forward, making a significant contribution to revenues and profit.

In many areas, it is already clear just how great the potential of our innovations is. I am confident that the investments completed during this transitional year, which has now come to an end, will unleash their full effect in the coming financial years.

Teamwork the basis of our success

I would like to extend my special thanks this year to our employees. In a year in which so many new things are emerging at once, a special kind of commitment is required: a willingness to stray from the beaten track, to cope with uncertainty, and to not only support the drive for innovation but also to take things to the next level with our own ideas. That is exactly the dedication they have shown, day in, day out. Bastei Lübbe is not a company where innovation is imposed from above; rather, it arises from within the team through collaboration. I am very grateful for that. I would also like to take this opportunity to extend my warmest thanks to my colleagues on the Executive Board; last year's success is a success for our entire team.

I would like to express my sincere thanks to you, dear shareholders, for your trust. The same thing applies to our business partners in retail, logistics, printing, technology and the creative industries, without whom neither our new ideas nor our successful day-to-day operations would be conceivable.

Our story still has many exciting chapters in store, which I'm convinced we'll continue to write successfully together.

Cordially, yours

Soheil Dastyari

THE EXECUTIVE BOARD OF BASTEI LÜBBE AG

SANDRA DITTERT
Chief Marketing and Sales Officer (until May 2026)

SIMON DECOT
Chief Programme Officer

MATHIS GERKENSMEYER
Chief Financial Officer

SOHEIL DASTYARI
Chief Executive Officer

BASTEI LÜBBE ON THE CAPITAL MARKET

SITUATION ON THE CAPITAL MARKET

The stock market environment for Bastei Lübbe AG in the 2025/2026 financial year was characterised by continued heavy volatility on the international capital markets. Alongside the ongoing geopolitical conflicts – particularly in Ukraine and the Middle East – investors' attention was focused above all on developments in economic and trade policies. The stock markets were significantly influenced by the policies introduced by the new US administration under President Trump, whose erratic tariff and trade policies repeatedly unleashed considerable market turbulence over the course of the year. In particular, the extension of existing import duties announced in spring 2025 led to significant falls in share prices at times, reigniting concerns over a slowdown in global trade and a recession in the United States. However, after some measures were partially withdrawn following negative market reactions, a recovery emerged on the stock markets.

At the same time, monetary policy became increasingly supportive of the capital markets. In response to lower inflation rates, the European Central Bank continued its accommodative monetary policies, cutting key interest rates on several occasions during the financial year. The US Federal Reserve also began trimming its rates later in the year. In addition, extensive fiscal stimulus measures in Europe, particularly in Germany, provided a boost to the stock markets. The infrastructure, energy and defence investment programmes announced by the new German government, together with the associated relaxation of the debt brake, bolstered investor expectations of a medium-term recovery of the European economy and, in particular, the German economy.

In the first few months of 2026, however, geopolitical risks and inflation concerns once again came to the fore. The escalation of the conflict between the United States and Israel on the one hand and Iran on the other led, at times, to a sharp rise in energy prices and growing uncertainty on the financial markets. At the same time, muted economic data from Germany and persistent uncertainty over the future direction of international trade relations weighed on investor sentiment. In the light of these developments, central banks have recently adopted a more cautious stance again with regard to further interest rate cuts.

Against this backdrop, international equity markets performed largely favourably overall in the 2025/2026 financial year despite the heightened volatility that particularly emerged in the first few months of 2026. Whilst US stock markets recorded significant gains, from the perspective of European investors these were partly offset by the weakness of the US dollar. The Dow Jones Industrial Average rose by 10.3% between 1 April 2025 and 31 March 2026, the technology-heavy Nasdaq 100 by 23.1% and the S&P 500 by 16.4%.

European equities also generally performed well, although they faced some headwinds at times. The Euro Stoxx 50 gained 6.1%, while the leading German index, the DAX, was up 2.3% over the financial year as a whole. The German small-cap indices also performed well, with the MDAX rising by 2.8% and the SDAX by 8.3%.

THE BASTEI LÜBBE SHARE ON THE CAPITAL MARKET

By contrast, the Bastei Lübbe AG share underperformed the relevant benchmark indices significantly during the year under review. Weighed down by the generally subdued performance of small and mid-sized media stocks, as well as the occasionally subdued market liquidity over the course of the year, the share fell by 42.0% in Xetra trading between 1 April 2025 and 31 March 2026. In the 2025/2026 financial year, it opened at €11.30 on 1 April 2025, closing the financial year at €6.44 on 31 March 2026. A low for the year of €6.24 (intraday) was reached on 16 March 2026, while a high (intraday) of €11.60 was recorded on 24 April 2025.

Share performance 2025/2026

Share information

Total number of shares	13,300,000 no-par value shares
Share capital	€13,300,000.00
ISIN	DE000A1X3YY0
WKN	A1X 3YY
Ticker	BST
Market segment	Regulated market (Prime Standard)
Designated sponsor	Oddo Seydler Bank AG
Closing price on 31 March 2026	€6.44
12-month high (closing price) on 30 April 2025	€11.45
12-month low (closing price) on 30 March 2026	€6.32

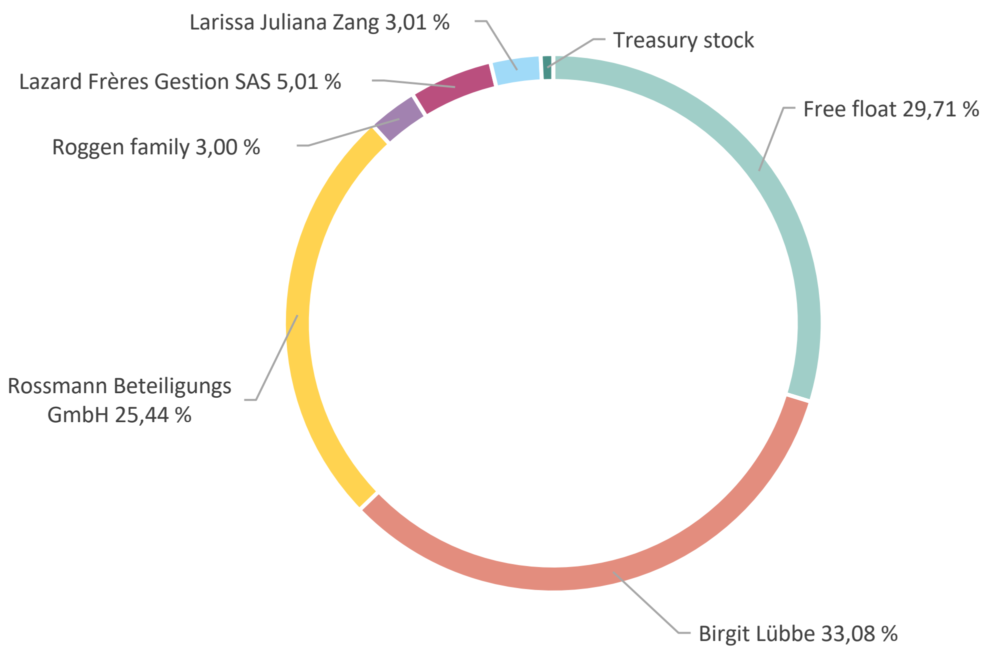
FAVOURABLE ANALYST RATINGS

The Bastei Lübbe AG share is currently being covered by DZ Bank as well as Warburg Research and Solventis. In their studies published in response to the publication of the interim report, all analysts gave the share a buy rating. The consensus target price stands at between €8.00 and €10.40.

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

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

STABLE SHAREHOLDER STRUCTURE (AS OF 30 JUNE 2026)



Based on the most recently available voting rights notifications, the shareholder structure is as shown in the chart and has not changed since 30 June 2025. Accordingly, Birgit Lübbe and Rossmann Beteiligungs GmbH continue to hold 33.08% and 25.44%, respectively, of the shares in the Company.

The shareholdings of Lazard Frères Gestion, Larissa Juliana Zang and the Roggen family remain unchanged at 5.01%, 3.01% and 3.00%, respectively. In addition, the Company holds 0.075% of its own shares. The free float totals 29.71%.

ACTIVE INVESTOR RELATIONS

Bastei Lübbe attaches great importance to maintaining an ongoing and open dialogue with institutional investors, analysts, retail investors and representatives of the financial and business press, providing regular updates on the Group's performance and strategic outlook. In the 2025/2026 financial year, the Company once again attended Deutsches Eigenkapitalforum in Frankfurt am Main and the Hamburg Investor Days.

Bastei Lübbe AG's shares are listed on the strictly regulated Prime Standard segment of the Frankfurt Stock Exchange. The Company thus meets high disclosure and transparency standards and provides the capital market with comprehensive and timely information on significant developments and events in the form of ad hoc announcements and press releases. In the current financial year, Bastei Lübbe AG will continue its transparent and targeted capital market communications, as well as its open dialogue with market participants.

Further information is available to investors on the Investor Relations page of the Company's website at:

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

ANNUAL GENERAL MEETING FOR THE 2024/2025 FINANCIAL YEAR

The Supervisory Board and the Executive Board of Bastei Lübbe AG attach great importance to direct and ongoing dialogue with shareholders. The Company's annual general meeting was held on 17 September 2025 in Cologne. At the meeting, the Executive Board reported on the Company's favourable performance in the previous financial year, during which Bastei Lübbe was once again able to increase its revenues and profitability and meet its earnings forecast, which had been revised upwards on several occasions. The main focus was on the successful development of community-driven business models and digital products, as well as the further expansion of the imprints and community-oriented business activities, particularly in direct commerce.

In addition, the shareholders approved the proposal to pay a dividend of €0.36 per share, compared with €0.30 per share in the previous year. The dividend payout is therefore within the targeted range of 40% to 50% of the profit for the period.

Almost 82.4% of Bastei Lübbe AG's statutory share capital was represented at the annual general meeting. The actions of the members of the Executive Board and the Supervisory Board in the previous financial year were ratified by a large majority and all items on the agenda approved. The detailed items of the agenda and the voting results are available on the Investor Relations page of the Company's website.

DIVIDEND POLICY

Bastei Lübbe AG continues to pursue a dividend policy geared towards continuity with a payout ratio of between 40% and 50% of distributable profits in order to ensure that shareholders receive a fair share of the Company's success. Long-term and sustainable business performance is seen as a prerequisite for the distribution of dividends. In this way, the Company emphasises its commitment to value-based corporate governance, which enables shareholders to benefit appropriately and continuously from its financial success. A dividend of €0.36 per share was distributed in the previous financial year.

At the annual general meeting, the Executive Board and the Supervisory Board will be asking the shareholders to approve the distribution of a dividend of €0.25 per share for the 2025/2026 financial year. Allowing for the treasury stock, on which no dividend is payable, this is equivalent to 50% of the distributable profit.

Bastei Lübbe AG's annual financial statements for the 2025/2026 financial year, which are prepared in accordance with the German Commercial Code and form the basis for the resolution approving the dividend, show an unappropriated surplus of €6.4 million for the financial year. The remaining amount after payment of the dividend is to be carried forward.

CORPORATE GOVERNANCE

LIFESTYLE AND FOOD-FOR-THOUGHT

Report of the Supervisory Board

Carsten Dentler, Chairman of the Supervisory Board

Dear shareholders

The successful expansion of our activities as a general-interest publisher through both organic and inorganic growth has resulted among other things in a noticeable and welcome reduction in the impact that the release of titles by individual best-selling authors has on the Company's business performance. That said, the creative output of our authors can – fortunately – only be quantified to a very limited extent through planning. Against this backdrop, it was clear from an early stage that the successive release of several international bestsellers would have a significant impact on business in the 2025/2026 financial year. The rankings achieved on the bestseller lists were once again very encouraging; however, they were unable to fully offset considerable declines – some of which had been anticipated for some time – in areas that had previously been characterised by strong growth.

Despite a challenging market environment characterised by economic uncertainty and muted consumer confidence, the Company was able to continue demonstrating the resilience of its catalogue and products. This was achieved through a consistently focused presence in the fields that matter most to our readers, the further expansion of our content through the establishment and reinforcement of new imprints such as Pfaueninsel – with the significant support of outstanding authors – a targeted thematic response to the situation in the regions concerned and the development of highly innovative product concepts such as shelfie.audio. Thanks in part to the excellent joint activities with several long-standing partners, this product was launched at this year's Leipzig Book Fair and was very well received.

Once again, it was the interplay between the communities that support our Company in so many ways – with their dedication, their unwavering curiosity about interesting topics and stories and their willingness to share this creative energy with the authors within the framework provided by the imprints. Our thanks go out to everyone involved in this process for creating this content and these values in a way that endures, thus making them tangible in a variety of forms, whether physical or digital.

Against this backdrop, we would also like to thank all those who help turn this unique community into extraordinary moments and events.

Within this creative network, our titles and catalogues – along with the outstanding authors who created them and our retail partners – once again achieved a truly remarkable feat this financial year: namely, successfully positioning what we publish so that it stands out amidst a seemingly ever-growing flood of content.

It should be noted that businesses and political decision-makers will likely have to prepare for a prolonged, sustained period of heavy volatility and the associated changes in the underlying conditions for society as a whole. In addition to factors that have been known for some time, such as an increasingly polarised geopolitical situation, it is not yet possible to fully assess the impact of the ultimately highly dynamic developments in the field of AI on social, political and economic realities, and on the social cohesion resulting from them. Accordingly, it is essential to place far greater emphasis on aspects such as access to information, education, data security and the protection of freedom of expression and willingness to accept new ideas. Publishers and the environment in which they operate have an increasing responsibility in this regard.

Whilst developing the Company sustainably and successfully has always been a constantly challenging task even under the existing conditions, the Executive Board and all employees must in the future focus even more on conveying this approach to Bastei Lübbe as a general-interest publisher, its readers and its retail partners. In particular, the launch of new imprints can contribute to this, whilst ensuring that we do not lose sight of our existing activities in the German-speaking world and beyond.

This approach will lay the foundations for continuing to offer the Company, its employees, customers, readers and shareholders the scope to flourish, to engage in meaningful activities and to invest, thereby enabling them to play an active role in shaping their own futures.

Let us remain curious and open to the opportunities presented by current developments, without neglecting the good things and values we already have.

We plan to stay positive, alert and always entertaining!

Activities of the Supervisory Board

In the 2025/2026 financial year, the Supervisory Board again monitored the activities of the Executive Board closely, advising it carefully and regularly on the management of the Company. It regularly exchanged views with the Executive Board on the ongoing development of the Company's business, its thoughts on corporate strategy and the implementation of key measures and projects. Deviations from the plans were brought to the Supervisory Board's attention in good time and explained in detail. The risk situation, risk management as well as the expansion and targeted enhancement of systems partially already installed to support this were subject to careful consideration at all times.

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

Changes to the Executive Board and the Supervisory Board in the 2025/2026 Financial Year

The appointment of Mr Soheil Dastyari as a member of the Executive Board and Chief Executive Officer of Bastei Lübbe AG, which was due to expire on 31 March 2026, was renewed until 31 March 2031 in a resolution passed by the Supervisory Board on 24 April 2025. His service contract was also extended for the same period.

The appointment of Mr Mathis Gerkensmeyer as a member of the Executive Board of Bastei Lübbe AG, which was due to expire on 31 August 2026, was renewed until 31 August 2031 in a resolution passed by the Supervisory Board on 25 February 2026. His service contract was also extended for the same period.

There were no changes to the Supervisory Board in the 2025/2026 financial year.

Supervisory Board Meetings and Main Content of Its Deliberations

In the 2025/2026 financial year, the Supervisory Body held a total of four ordinary physical meetings in accordance with Section 110 (3) Sentence 1 of the German Stock Corporation Act. In addition, telephone conferences were held among the members of the Supervisory Board, usually with the participation of the Executive Board. Where necessary, individual issues were dealt with in written circular resolutions outside face-to-face meetings. To the extent required by law, the articles of association or the rules of procedure, the Supervisory Board passed resolutions on key operational, organisational and structural issues.

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

- ongoing business performance in the 2025/2026 financial year,
- the future development and strategy of the Company and its divisions,
- the analysis of the Company and its investments as well as the definition and implementation of strategic measures,
- the targeted improvement of the internal risk management and compliance systems
- the long-term development of the Executive Board and its members
- participation in and communication at industry fairs and in the capital market.

In the 2025/2026 financial year, the Supervisory Board discussed the following main topics at its meetings:

Ordinary Meeting of 13 May 2025

The Executive Board and the Supervisory Board discussed the multi-year plan for the period until the 2027/2028 financial year in the light of the fact that the revenue forecast, which had last been revised upwards in the 2024/2025 financial year, had not quite been achieved. The Executive Board continued to project significant growth in the 2025/2026 financial year. However, due to the variation in the margins generated by the individual growth drivers, a steady increase in EBIT and the EBIT margin was not expected. The anticipated revenue performance was broken down by division. New imprints were to permit a more targeted approach to topics, target groups and communities as planned. The Supervisory Board took note of the budget prepared on this basis.

The Executive Board presented the proposals for the respective individual target agreements as well as for the targets to be achieved jointly by the Executive Board, discussing these in detail with the Supervisory Board.

The Executive Board outlined the Company's position on AI, individual applications and the added value that can be realistically expected from these. Questions raised by the Supervisory Board were discussed at length.

An extensive analysis of new growth areas was presented to the Supervisory Board together with details of the progress being made by the new Pfaueninsel imprint. The Executive Board also reported on the current status of the legal disputes with former members of the Company's corporate governance bodies and third parties.

Ordinary Meeting of 8 July 2025

The Executive Board reported comprehensively on the course of the 2024/2025 financial year, outlining the main drivers of this performance, including in particular the expansion of direct commerce business and the successful start of production of the "Maxton Hall" series. This allayed the effects of a delay in the Dan Brown release in the previous financial year. In the explanations given on the financial year, the Executive Board answered in detail other material questions asked by the Supervisory Board. These particularly concerned inquiries about author royalties, income tax payments and the dividend on the Räder stake. Market conditions and other significant market events affecting the Company were discussed in detail. Revenues and EBIT in the individual Group companies and segments were presented and assessed. The relevant items of the statement of financial position were discussed, including the valuation of inventories and investments. A detailed presentation of the cash flow statement and the situation with respect to the Company's net financial position were discussed and duly noted by the Supervisory Board. Questions raised by the Supervisory Board were answered in detail by the Executive Board.

On this basis, the Executive Board outlined its proposal for the dividend distribution for the year under review, both from a financial and a strategic perspective.

The Executive Board presented Bastei Lübbe's risk report to the Supervisory Board, while the main features of the risk management system as well as the Company's risk situation based on the risk inventory as of 31 March 2025 were discussed again. The Supervisory Board duly took note of the current status. Further continuous improvements to internal auditing and compliance management – including the engagement of external service providers – were adopted in agreement with the Executive Board. To this end, the external compliance manager, who has been working for the Company since October 2024, reported on the current status of the compliance management system and the introduction of a code of conduct. Questions by the Supervisory Board concerning the organisation of the compliance system were answered in detail.

In addition, the Executive Board presented Bastei Lübbe AG's single-entity and consolidated financial statements. The Supervisory Board discussed significant aspects of these financial statements with the responsible representatives of the external auditor RSM Ebner Stolz GmbH Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne, who were also present at the meeting, as well as with the Executive Board. Audit procedures, control process and materiality limits were discussed. The auditor informed the Supervisory Board of possible regulatory requirements to be observed in the future, particularly in connection with the planned CSRD reporting. On the basis of its own review and after detailed consultations with the external auditor, the financial statements were duly approved. The annual financial statements of Bastei Lübbe AG were thus adopted in accordance with Section 172 of the German Stock Corporation Act. Furthermore, the proposal for the distribution of a dividend to be approved at the annual general meeting on 17 September 2025 was discussed in detail and subsequently adopted. The invitation to the annual general meeting and the items of the agenda were finalised.

At the end of the 2025/2026 financial year, a change in the previous auditor will be necessary due to the mandatory rotation requirement. The Executive Board and the Supervisory Board instructed the Chief Financial Officer to coordinate the search process for a successor.

The target achievement defined for the Executive Board as a whole and the individual, non-financial targets of the individual Executive Board members were discussed. The former was determined jointly by the Executive Board and the Supervisory Board and the latter in individual discussions between the Supervisory Board and the respective Executive Board member. The target agreements for the 2025/2026 financial year were discussed by the Supervisory Board and the Executive Board.

Ordinary Meeting of 4 November 2025

The draft of a new schedule of meetings and the financial calendar was presented, discussed and adopted jointly by the Executive Board and the Supervisory Board.

The Executive Board provided the Supervisory Board with a report on the half-year figures and the latest forecast for all Group companies. Questions by the Supervisory Board concerning the performance of individual divisions and the implementation of key IT and efficiency projects were answered in detail.

The Executive Board submitted a report to the Supervisory Board on the risk situation as of 30 September 2025. Although there had been no change in the aggregated view since the previous risk report, the Executive Board and the Supervisory Board agreed that risk monitoring should continue to receive high priority. The Executive Board reported on the support and advice given to the Company since 1 October 2024 by a new external compliance officer and the planned selection of internal audit service providers.

The Executive Board reported on the status of the quality targets for the 2025/2026 financial year, which the Supervisory Board duly acknowledged.

The external service provider provided support in reporting on the interim status of the analysis of the corporate governance systems. In his opinion, the compliance management system (CMS) is effective and already operating in a very structured manner. The risk management system (RMS) is also well-established and is being used effectively. Potential identified for improvement and further development is currently being operationalised. The internal control system (ICS) had previously focused on the accounting-related area. Additional measures have been identified and implemented. The expected improvements are being tracked and monitored by the external service provider. A multi-year risk-oriented audit plan based on this was presented. Additional audits in individual areas were proposed in the interests of further enhancements after completion of the ongoing audit. The Supervisory Board duly acknowledged the report and approved the further measures.

The Supervisory Board was briefed by the Executive Board of the scope for non-organic growth. The status of a current project as well as possible transaction structures were presented and discussed at length. The Supervisory Board fundamentally supported these considerations.

The Executive Board presented and explained to the Supervisory Board the plans for the structure of the New Adult segment announced at the 2026 Frankfurt Book Fair. The Supervisory Board was informed of developments with respect to novel booklet business. Strategic considerations in this connection were presented.

Resolution by Written Circular Dated 26 November 2025

Following detailed information by the Executive Board and extensive discussion of the impact on the Company, the Supervisory Board gave its consent to the contract for the purchase and acquisition of all the shares in Papertoons GmbH.

Ordinary Meeting of 25 February 2026

Based on the business performance of the previous financial year and taking into account the agreed framework parameters, the Executive Board outlined the main assumptions and the current status of the Bastei Lübbe Group's budget for the upcoming 2026/2027 financial year. Accordingly, it was expected that the foreseeable decline in revenues after the release of several global bestsellers in the coming financial year would be offset by growth in individual Group companies and the consolidation of new activities. Direct costs, overheads and the general cost structure were discussed in detail. Potential, including through the use of operational AI to increase efficiency, was presented and duly noted. In view of the strategic importance of this matter, the Supervisory Board requested detailed consideration at further meetings in the course of the year. The same was agreed for the development of individual imprints to facilitate a prompt target-actual comparison and, if necessary, any readjustments. The risks inherent in the budget due to the difficulty involved in estimating general consumer confidence were discussed, as was the growing competition between German-language publications due to the availability of the original English-language editions. Possible countermeasures were discussed.

Based on the Company's objectives and key results, the Executive Board presented proposals for the non-financial Executive Board targets for the coming financial year and answered questions asked by the Supervisory Board. The Supervisory Board requested that, as a next step, the target areas should be translated into targets that are as quantifiable as possible.

The Executive Board outlined the Company's new shelfie.audio product for the audiobook market. The strategic background, functionality and business model were discussed and questions answered. The Supervisory Board welcomed this initiative by the Executive Board and other employees and praised the project.

The Executive Board gave the Supervisory Board an update on the tendering process for the award of the statutory audit engagement from the 2026/2027 financial year onwards. An evaluation of the bids that had been received was being prepared. Together with the Supervisory Board, interviews were being planned with the most appropriate auditing companies in order to prepare a recommendation for submission to the annual general meeting in the near future.

German Corporate Governance Code

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

Once again, the Supervisory Board examined the recommendations of the German Corporate Governance Code in the 2025/2026 financial year. Save for a few exceptions, Bastei Lübbe AG complies with these recommendations and suggestions. The Executive Board and the Supervisory Board adopted the joint declaration of conformity in accordance with Section 161 of the German Stock Corporation Act on 18 May 2026, disclosing and explaining any decisions not to follow the recommendations of the German Corporate Governance Code. The current declaration of conformity as well as all the previous ones have been made permanently available to shareholders on the Company's website. Further information on corporate governance can be found in the corporate governance declaration, which the Supervisory Board believes to be complete and accurate.

Compliance

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

Risk Early Warning System

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

Audit of the Annual Financial Statements and the Consolidated Financial Statements for the 2025/2026 Financial Year

Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne, audited the annual financial statements prepared by the Executive Board in accordance with the provisions of the German Commercial Code and the consolidated financial statements prepared in accordance with IFRS, together with the combined Group management report and the management report of the Company for the 2025/2026 financial year, issuing an unqualified audit opinion. The aforementioned documents and the audit report prepared by Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne, were submitted to the members of the Supervisory Board in a timely manner. They were discussed in detail at the balance sheet meeting of the Supervisory Board on 8 July 2026, at which the Executive Board explained the annual financial statements, the consolidated financial statements and the combined Group management report and management report of the Company; the auditor Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne, reported on the results of the audit in detail. During the meeting, all questions were answered exhaustively by the Executive Board and the auditor. After its own examination, the Supervisory Board had no reason to raise any objections to the annual financial statements, the management report, the consolidated financial statements or the Group management report. The Supervisory Board satisfied itself in a detailed examination that the mandatory disclosures made by the Executive Board in the combined management report and the Group management report were free of any errors or omissions. It concurred with the Executive Board in its assessment of the Company's situation and approved the annual financial statements, which were thus duly adopted, and the consolidated financial statements for the 2025/2026 financial year. The Supervisory Board endorsed the Executive Board's proposal for the distribution of a dividend.

Expression of Thanks from the Supervisory Board

In the 2025/2026 financial year, the unusual accumulation of releases by several world bestsellers in the Company's portfolio led to the expected revenue growth for the relevant imprints. However, this was counteracted by a noticeable slowdown in areas that had been able to shine with strong growth in previous years. The Company has actively taken steps to counter these trends on the cost side, successfully developed new areas and, through creativity and commitment, has thus countered the slowdown in revenue growth. Nevertheless, it was impossible to avoid significant effects, particularly on the Company's earnings, especially given the strength of the previous financial year. As it was not possible to replicate one-off factors, earnings fell short of initial expectations despite the hard work of all employees.

In the interests of ensuring fair participation in the Group's business performance, management will be proposing at this year's annual general meeting the distribution of an appropriate dividend for the 2025/2026 financial year. Adjusted to reflect the earnings achieved compared with the previous year, it will be at the upper end of the range we have set ourselves of 40 – 50% of the net profit generated in the financial year.

The Supervisory Board would like to express its special thanks to the Executive Board, the employees and all employee representatives of the Bastei Lübbe Group for their commitment once again. We wish you, our market partners and, above all, our readers continued success together.

I would like to take this opportunity to personally thank my colleagues on the Supervisory Board, the members of the Executive Board, all employees and our authors and market partners for their continued outstanding contributions. You can be assured of our ongoing commitment and undiminished curiosity about topics and content that we consider worthwhile and interesting. Many thanks to all of you for your commitment and trust.

Cologne, July 2026

For the Supervisory Board

Carsten Dentler
Chairman of the Supervisory Board

CORPORATE GOVERNANCE STATEMENT

UNDERLYING PRINCIPLES OF CORPORATE ACTIVITY

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

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

CORPORATE GOVERNANCE STATEMENT IN ACCORDANCE WITH SECTIONS 289f AND 315d OF THE GERMAN

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

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

DECLARATION OF

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

COMPOSITION OF THE SUPERVISORY BOARD (RECOMMENDATION C.2)

Contrary to the recommendation in C.2, no age limit has been stipulated for the members of the Supervisory Board. Under the rulings of the European Court of Justice, there are legal objections to the admissibility of such an age limit given the ban on age-based discrimination. Moreover, the imposition of an age limit could possibly exclude potentially suitable candidates and is therefore not in the Company's interests. The suitability of the members of the Supervisory Board is dependent on their experience, knowledge and skills. Decisions on such suitability are made individually and should not be restricted as a result of a rigid age limit.

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

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

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

Contrary to the recommendation in F.2, the consolidated financial statements and the management report for the 2025/2026 financial year will be made publicly available within 120 days rather than 90 days of the end of the financial year due to the processes related to the audit of the annual financial statements.

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

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

RELEVANT DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES

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

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

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

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

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

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

The Compliance Officer submitted his report to the Executive Board at the end of the 2025/2026 financial year. This report provides an overview of the compliance measures taken in the 2025/2026 financial year and the current status of the CMS. No relevant compliance risks or incidents were identified in the year under review.

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

WORKING PRACTICES OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

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

For Bastei Lübbe AG, the fundamental principle of responsible corporate governance is to ensure efficient cooperation between the Executive Board and the Supervisory Board through a responsible and transparent corporate management and supervisory structure. Thus, a large number of issues were discussed in detail between the Supervisory Board and the Executive Board in the 2025/2026 financial year. The Supervisory Board monitored the actions of the Executive Board carefully and regularly and supported its activities continuously in an advisory capacity.

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

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

ALLOCATION OF RESPONSIBILITIES AND WORKING METHODS OF THE EXECUTIVE BOARD

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

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

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

The Executive Board currently consists of Soheil Dastyari (Chief Executive Officer, responsible for corporate development and strategy, business development, direct commerce, human resources, corporate communications, subsidiaries), Mathis Gerkensmeyer (responsible for finance and accounting, controlling, financing, production, legal and contract management, compliance, internal audit, risk management, IT, central services), and Simon Decot (responsible for programme strategy, imprints, licences). Sandra Dittert (responsible for sales, marketing, product PR, metadata, and the Novel Booklets segment) stepped down from the Executive Board on 22 May 2026, and Soheil Dastyari is currently overseeing her areas of responsibility on an interim basis. Responsibility for investor relations and M&A is assigned to the entire Executive Board. These matters receive a great deal of attention from the Chief Financial Officer and the Chief Executive Officer in particular. All members of the Executive Board have been appointed for a term of five years.

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

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

REMUNERATION OF THE MEMBERS OF THE EXECUTIVE BOARD

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

WORKING METHODS OF THE SUPERVISORY BOARD

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

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

The Supervisory Board consists of Carsten Dentler (Chairman of the Supervisory Board, managing partner of Palladio Infrastruktur GmbH, member of the Supervisory Board of König & Bauer AG, Scope Management SE and Scope SE & Co KGaA), member of the Supervisory Board since 14 September 2022, Dr Ralph Drouven (Deputy Chairman of the Supervisory Board, partner of Drouven Dietlein Rechtsanwälte Partnerschaft mbB), member of the Supervisory Board since 13 September 2023, and Dr Melanie Bockemühl (member of the Supervisory Board, managing partner of River22 Invest GmbH, managing partner of kolula solutions UG, member of the advisory council of G. Siempelkamp GmbH & Co KG, independent member of the group governing board of Forvis Mazars Group), member of the Supervisory Board since 13 September 2023. In accordance with Section 107 (4) Sentence 2 of the German Stock Corporation Act, the three members of the Supervisory Board also serve on the Audit Committee. Mr Carsten Dentler holds a degree in business administration and, due to his many years of professional experience at an auditing company, at various national and international banks and as managing shareholder of Palladio Infrastruktur GmbH, holds special knowledge and experience in accounting and auditing, including sustainability reporting and auditing, meaning that he meets the requirements of Section 100 (5) of the German Stock Corporation Act. In view of her activities as a managing director, partner and consultant, Dr Melanie Bockemühl also meets the requirements of Section 100 (5) as a member with expertise in accounting. Both actively contribute their expertise to the Supervisory Board.

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

At a meeting on 2 June 2026, it discussed and reviewed the efficiency of its activities with regard to the effective supervision of and support for the Executive Board. The Supervisory Board is of the opinion that Bastei Lübbe AG has sufficient organisational structures and systems to enable the Supervisory Board to fulfil its legal and statutory duties appropriately. The rules of procedure for the Supervisory Board and the defined procedures, the determination of transactions requiring approval, as well as the timely and sufficient submission of information to the members of the Supervisory Board are decisive factors in ensuring that it can fulfil its supervisory duties in the required manner. As the structures, systems and procedures were used extensively in the 2025/2026 financial year, the Supervisory Board was able to perform its tasks properly and effectively on this basis. On the basis of their qualifications and professional experience, the members of the Supervisory Board also possess the knowledge required to fulfil their duties efficiently.

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

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

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

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

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

	Carsten Dentler	Dr Ralph Drouven	Dr Melanie Bockemühl
Date of birth	12.09.1964	02.05.1958	15.10.1971
Gender	Male	Male	Female
Nationality	German	German	German
Independence[1]	✓	✓	✓
No overboarding[1]	✓	✓	✓
National and international business experience	✓	✓	✓
Management experience	✓	✓	✓
Understanding of the business in relation to the main areas of activity of the Company	✓	✓	✓
Digitalisation	–	✓	✓
Finance	✓	✓	✓
Accounting[2]	✓	✓	✓
Auditing[2]	✓	–	–
Risk management, compliance and law	✓	✓	✓
Controlling	✓	✓	✓
Human resources	✓	✓	✓
Governance/compliance	✓	✓	✓
Corporate sustainability	✓	✓	✓

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

1 As defined in the Code

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

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

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

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

The motion for a resolution approving the remuneration of the Supervisory Board members submitted to the annual general meeting on 17 September 2025, the remuneration report and the auditor's opinion are publicly available at www.bastei-luebbe.de/de/unternehmen/investor-relations/hauptversammlung.

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

On 16 June 2023, the Supervisory Board passed a resolution setting a female representation target of one female for the Supervisory Board and of 25% for the Executive Board, both to be achieved by 15 June 2028. Since the Supervisory Board and the Executive Board each included one woman in the year under review, these targets were duly achieved in both cases.

On 29 April 2026, the Executive Board passed a resolution to set targets of at least 40% female representation for the first management level below the Executive Board and of at least 60% female representation for the second management level below the Executive Board. In the year under review, female representation stood at 45% at the first management level and at 77% at the second management level. In the first two management levels together, female representation stood at 61%. Thus, the targets set were achieved in each case.

AVOIDANCE OF CONFLICTS OF INTEREST

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

TRANSPARENCY

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

Information on the corporate governance practices is available at bastei-luebbe.de/de/unternehmen/unternehmensfuehrung. The corporate governance declarations pursuant to Sections 289f and 315d of the German Commercial Code, the declarations of conformity to the German Corporate Governance Code and the articles of association are also available there.

SECURITIES TRANSACTIONS SUBJECT TO COMPULSORY DISCLOSURE

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

REPORTING AND AUDIT OF THE FINANCIAL STATEMENTS

The consolidated financial statements and the interim reports of Bastei Lübbe AG are prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU. The annual financial statements of Bastei Lübbe AG are prepared in accordance with the provisions of the German Commercial Code (HGB). Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne, was elected as auditor for the 2025/2026 financial year at the annual general meeting held on 17 September 2025. Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft ensures through internal rotation procedures that the audit activities are carried out with the necessary distance from the Company and, in particular, that the responsible auditors terminate their involvement in the audit of the Company's financial statements no later than five years after their initial appointment. Before being proposed for election at the annual general meeting, the auditor declared to the Supervisory Board that there were no circumstances with respect to the relationship between him and the Company liable to cast any doubts on his independence. Under the terms of his engagement, it was agreed that he would inform the Chairman of the Supervisory Board without delay of all findings and occurrences of significance for his duties that came to his attention during the performance of the audit. It was also agreed that the auditor would inform the Chairman of the Supervisory Board without delay and make a note in the audit report if, during the performance of the audit, he ascertained any facts indicating any misstatements in the declaration on the German Corporate Governance Code issued by the Executive Board and the Supervisory Board.

Cologne, 18 June 2026

For the Supervisory Board	For the Executive Board
- Chairman of the Supervisory Board -	- Chief Executive Officer -
Carsten Dentler	Soheil Dastyari

COMBINED MANAGEMENT REPORT

ENABLING A SENSE OF COMMUNITY AND BELONGING

COMPANY PROFILE

BUSINESS MODEL AND STRATEGIC ORIENTATION

Bastei Lübbe AG is a German general-interest publisher based in Cologne and the parent company of the Bastei Lübbe Group. The Group specialises in publishing books, audio books and e-books for different, complementary target groups. The Group's business activities also include inlicensing. The 12 imprints in the German-language part of the Group operate successfully in the market, offering fiction and popular science content that entertains, inspires and educates and is systematically aligned to meeting the needs of its readers. In the children's and young people's book segment, successful titles such as "Diaries of a Wimpy Child" are published under the Baumhaus imprint. The LYX imprint, a leader in the New Adult segment, and the Young Adult imprint ONE are characterised by strong community ties and high visibility. With pola, the Group also has a community-driven brand aimed at young women. In fiction, Lübbe publishes top-selling authors such as Ken Follett and Dan Brown, while Eichborn offers upmarket literary entertainment. In March 2026, a new literary imprint, Pfaueninsel, was also launched. Quadriga is strengthening its non-fiction content with voices that address socially relevant issues, and we are successfully positioned in the influencer book market via Community Editions (including the Grau imprint). Since January 2026, Papertoons – which specialises in Korean manhwa – has also been part of the Group's portfolio. In the audiobook segment, Lübbe Audio (including Hörcompany) is enjoying growing success, while the digital imprints (beTHRILLED and beHEARTBEAT) are continuing to expand their presence in the e-book market, with a focus on serialised content. We also operate in the Czech book market via the Moba imprint.

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

Bastei Lübbe divides its business activities into the "Book" and "Novel Booklets" segments. The "Book" segment comprises all print, audio and e-book products from Bastei Lübbe AG, which are mainly marketed via the Baumhaus, be, Eichborn, Lübbe, LYX, ONE, Papertoons, Pfaueninsel, pola, Quadriga and Lübbe Audio imprints. In addition, the Czech associate Moravská Bastei MOBA s.r.o (hereinafter "Moba"), the stake in CE Community Editions GmbH ("Community Editions"), the stake in Papertoons GmbH ("Papertoons") and the stake in Siebter Himmel Bastei Lübbe GmbH ("Siebter Himmel") are allocated to the "Book" segment. In the "Novel Booklets" segment featuring the "Bastei" brand, classics such as "Der Bergdoktor", "Jerry Cotton", "Geisterjäger John Sinclair" and westerns by cult author G. F. Unger continue to achieve annual print runs in the millions. The Company's success in the "Novel Booklets" segment has continued unabated since 1953.

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

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

EMPLOYEES AND CORPORATE CULTURE

Our employees provide the basis for the Group's success. At the end of the year under review, the Bastei Lübbe Group had 351 employees, compared with 322 as of 31 March 2025.

Special attention is paid to nurturing and developing employees both professionally and personally. This also includes sharing information with each other. In addition to the Bastei Lübbe intranet and other digital communication channels, we also offer various formats for exchanging data, such as the monthly "stand-up". Generally speaking, we want to support our employees in performing their current and future tasks as effectively as possible. We coordinate training and further education with them and offer internal and external courses in a wide range of areas aligned to the needs of individual target groups.

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

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

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

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

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

SOCIAL RESPONSIBILITY

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

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

RESEARCH AND DEVELOPMENT

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

For example, we factor in the lifestyles and interests of our more than 210,000 LYX followers on Instagram when planning our programme. In addition, we offer digital-only content in innovative structures via our beHEARTBEAT, beTHRILLED and LYX labels. With these measures, our publishing company has also been able to secure an above-average share of digital business in its revenues compared to other publishers. On top of this, it was recognised in 2026 as one of the Top 100 most innovative mid-size companies in Germany. In addition, the Group tracks the latest technological trends on an ongoing basis. In particular, the use of artificial intelligence (AI) can generate added value in various areas, for example in print run planning or audio pre- and post-production. The Bastei Lübbe Group is working with renowned technology partners and service provider institutions in these areas.

CORPORATE GOVERNANCE

EXECUTIVE BOARD AND SUPERVISORY BOARD

As a stock corporation under German law, Bastei Lübbe AG has a dual management and supervisory structure consisting of an Executive Board and a Supervisory Board. The Executive Board consists of four members: Soheil Dastyari (Chief Executive Officer), Simon Decot (Chief Programme Officer), Sandra Dittert (Chief Marketing Officer) and Mathis Gerkensmeyer (Chief Financial Officer). Sandra Dittert stepped down from the Executive Board on 22 May 2026, and Soheil Dastyari is currently overseeing her areas of responsibility on an interim basis. The Executive Board reports regularly to the Supervisory Board. These reports mainly cover business policy and strategies as well as current business activities. The Supervisory Board is informed of all events liable to have a significant influence on the Bastei Lübbe Group's future.

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

INTERNAL CORPORATE CONTROL SYSTEM

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

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

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

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

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

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

Extraordinary effects are taken into account on an individual basis and reconciled with the consolidated income statement in which EBIT is not presented.

ECONOMIC REPORT

MACROECONOMIC ENVIRONMENT

According to the International Monetary Fund (IMF), the global economy expanded by 3.4% in 2025, while global inflation reached 4.1%.[1] The global economy was characterised to a large extent by considerable uncertainty amongst businesses and consumers. The main reason for this was the turmoil in global trade unleashed in April 2025 by the United States' new protectionist customs and trade policies, as well as ongoing geopolitical conflicts. By contrast, there was a sharp rise in investment in artificial intelligence. Although the Eurozone economy managed to increase its growth rate to 1.4%[2], this was largely due to exceptionally strong growth in Ireland, which was underpinned by pharmaceutical exports brought forward in anticipation of higher US customs duties.[3] At 2.1%[4], the annual average inflation rate in the Eurozone was once again significantly below the previous year's figure and close to the European Central Bank's target of 2.0%. With its high proportion of industrial output and exports, the German economy recorded modest growth of 0.2% for the first time again in 2025.[5] With respect to raw materials, the situation in the paper sector remained favourable. Producer prices in this segment declined during the 2025/2026 financial year.[6] On the demand side, households spent significantly more on goods and services at the start of the year, after which there was virtually no increase in consumer spending in the second half of the year. Overall, consumer spending rose by 1.4% adjusted for inflation.[7] Although consumer confidence improved in the first few months of the 2025/2026 financial year, it subsequently weakened again and remained well in negative territory overall.[8] In the Eurozone, consumer spending per capita rose significantly again over the course of the year.[9] In the first quarter of 2026, the German economy recorded growth of 0.3% over the previous quarter, buoyed by greater household and public consumption as well as exports.[10]

Quarter-on-quarter GDP growth (%)	Q2 2025	Q3 2025	Q4 2025	Q1 2026
European Union	0.3	0.4	0.2	0.2
Germany	-0.2	0.0	0.2	0.3
Austria	0.0	0.3	0.0	0.2
Luxembourg	0.6	1.2	-0.1	-
Switzerland	0.1	-0.4	0.1	0.8
Czech Republic	0.4	0.8	0.7	0.2

Source: Eurostat (adjusted for seasonal and calendar effects), as of 18 May 2026[11]

[1] https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026
[2] https://ec.europa.eu/eurostat/databrowser/view/tec00115/default/table?lang=en&category=t_na10.t_nama10.t_nama_10_ma as of: 15.05.2026
[3] https://www.rnd.de/wirtschaft/eu-bericht-irlands-wirtschaft-boomt-dank-abnehmspritzen-deutschland-stagniert-BQHPMVGD55HRLAJXLX6WNXVWB4.html
[4] https://de.statista.com/statistik/daten/studie/156285/umfrage/entwicklung-der-inflationsrate-in-der-eu-und-der-eurozone/
[5] https://www.destatis.de/DE/Presse/Pressemitteilungen/2026/04/PD26_153_811.html
[6] Statistisches Bundesamt, Erzeugerpreisindex gewerblicher Produkte: Deutschland, Monate, Güterverzeichnis (GP2019 2-6-Steller Hierarchie)
[7] https://www.destatis.de/DE/Presse/Pressemitteilungen/2026/01/PD26_017_811.html
[8] https://www.nim.org/konsumklima/detail-konsumklima/konsumklima-im-sinkflug
[9] https://ec.europa.eu/eurostat/en/web/products-euro-indicators/w/2-28042026-ap
[10] https://www.destatis.de/DE/Presse/Pressemitteilungen/2026/04/PD26_153_811.html
[11] https://ec.europa.eu/eurostat/databrowser/view/teina011/default/table?lang=en&category=na10.namq_10.namq_10_ma

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

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

SECTOR ENVIRONMENT

The persistently difficult economic situation, coupled with continued weak consumer confidence, also left traces on the German book market in 2025. However, in addition to muted consumer spending, heavy cost pressure and huge administrative burdens also posed further challenges for retailers, publishers and sector logistics.

According to industry association Börsenverein des Deutschen Buchhandels (German Publishers & Booksellers Association), revenues in the main distribution channels (book retailing, e-commerce including Amazon, railway station book stores, department stores, consumer electrics stores and chemists) declined by 2.9% year-on-year, with higher prices (up 2.1%) again offsetting the effects of a further decline in volume sales (down 4.9%) to some extent.[12][13] In the previous year, revenues had risen by 1.8%.[14] Revenues continued to decline in the first quarter of 2026 as well. Despite the favourable timing of the Easter holidays, lower volume sales and declining prices led to a 3.1% drop in revenues.[15] Book retailers slightly underperformed the distribution channels as a whole, closing 2025 with a 3.0% decline in revenues over 2024. It is worth noting the keen interest in reading shown by young people, which is particularly reflected in their enthusiasm for New Adult titles. This has also benefited fiction, which was the only category to record growth of 1.3% in 2025. All other relevant product groups sustained declines of up to 13.3% in 2025.[16]

The e-book market remained stable in 2025. Although volume sales fell by 4.5% to 37.2 million units (2024: 39.0 million), the average price paid by buyers rose by 4.7% to €7.01 (2024: €6.69). Overall, revenues remained unchanged. Despite the lower book revenues, the share of the total market accounted for by e-books widened from 6.1% to 6.3%. The number of buyers climbed by 2.1% compared with 2024, reaching 3.4 million (2024: 3.3 million). Their share of the total population remained stable at 4.5%. However, purchasing intensity (average number of items purchased) fell by 6.4%. On average, 10.9 copies were purchased per person. At 88.2%, fiction titles continued to account for the vast majority of e-book revenues in 2025.[17]

Audio content such as audiobooks, radio plays and podcasts continues to grow in popularity. According to the Audible Compass 2025, 49% (2024: 46%) of Germans aged 18 to 65 consume audio content regularly, i.e. at least once a month. 71% (2024: 69%) of the persons surveyed consume audio content at home, but also away from home (48%, 2024: 46%). The most popular genres are mystery & thrillers (46%) as well as crime novels (45%).[18]

German press wholesalers closed 2025 with a 4.5% decline in revenues from press products, including novel booklets. At the same time, volume sales of these products fell by just under 10%.[19] The decline in the number of newsagents, which had been ongoing for years, continued in 2025. Compared with the previous year, this figure fell from 77,590 to 74,359.[20]

[12] https://www.boersenverein.de/presse/pressemitteilungen/detailseite/buchmarkt-2025-anhaltende-kaufzurueckhaltung-schlaegt-sich-auch-im-buchgeschaeft-nieder/
[13] Branchen-Monitor Buch, Januar 2026 - https://www.boersenverein.de/markt-daten/marktforschung/branchen-monitor-buch/
[14] https://www.boersenverein.de/presse/pressemitteilungen/detailseite/buchmarkt-2025-anhaltende-kaufzurueckhaltung-schlaegt-sich-auch-im-buchgeschaeft-nieder/
[15] Branchen-Monitor Buch, April 2026 - https://www.boersenverein.de/markt-daten/marktforschung/branchen-monitor-buch/
[16] Branchen-Monitor Buch, Januar 2026 - https://www.boersenverein.de/markt-daten/marktforschung/branchen-monitor-buch/
[17] https://www.boersenverein.de/tx_file_download?tx_main_pi1%5BfileUid%5D=33393&tx_main_pi1%5BpageUid%5D=126&tx_main_pi1%5Breferer%5D=https%3A%2F%2Fwww.boersenverein.de%2Fmarkt-daten%2Fmarktforschung%2Fe-books%2F&cHash=e8b1d193708c40c4b077fbf021a67c8e
[18] https://buchmarkt.de/2025/10/14/audible-hoerkompass-25/
[19] https://www.new-business.de/_rubric/detail.php?rubric=MEDIEN&nr=832794
20 https://www.pressegrosso.de/fileadmin/user_upload/Praesentation_Jahres-EHASTRA_2025_Kurzversion.pdf

GROUP BUSINESS AND FINANCIAL PERFORMANCE

RESULTS OF OPERATIONS

Bastei Lübbe AG increased its Group revenues in the 2025/2026 financial year from €114.0 million to €118.4 million, thereby continuing on its upward trajectory. A significant proportion of this increase is attributable to the additions to the reporting entity structure. This was offset in particular by the decline at the LYX imprint, whose revenues had been boosted in the previous year by the exceptional success of the Amazon Prime adaptation “Maxton Hall”, based on Mona Kasten’s novel “Save Me”. The “Book” segment emerged as the key growth driver, with revenues rising by €4.4 million to €111.4 million thanks to an appealing catalogue featuring best-selling authors attracting a wide readership, such as Ken Follett and Dan Brown. The audio, digital content and children’s books segments also performed particularly well. This also applied to streaming and download revenues, as well as the Baumhaus imprint with its successful “Diaries of a Wimpy Kid” series. The “Novel Booklets” segment remained stable, exceeding expectations in terms of earnings thanks to an improved gross margin. Overall, this highlights the resilience and breadth of Bastei Lübbe AG’s business model.

Finished goods and work in progress climbed by €1.7 million in the 2025/2026 financial year, compared with €2.8 million in the previous year. The smaller increase in inventories is also due to higher impairments compared with the previous year.

Other operating income came to €1.6 million, up from €0.7 million in the previous year. In the year under review, this item mainly included remeasurement gains of €0.8 million that had been recognised on author advances (previous year: €0.4 million). These arose from the reversal of loss allowances that had been recognised in the previous year, the basis for which — the corresponding author advances — were additionally reduced during the reporting year as a result of book sales and scheduled depreciation.

The cost of materials totalled €64.2 million in the year under review, up €8.7 million on the previous year (€55.5 million). The increase is largely attributable to the particularly high-quality and attractive catalogue during the year under review. The catalogue was characterised by a higher proportion of bestsellers with wide readership by well-known authors, as well as by lavishly produced print editions of exceptional quality in terms of production and finishing. These catalogue priorities are typically associated with a higher ratio of material costs and a lower margin, whilst at the same time reflecting the strategic focus on high-margin titles with high visibility and appeal in the market. Consequently, the cost of materials as a percentage of revenues was higher than in the previous year.

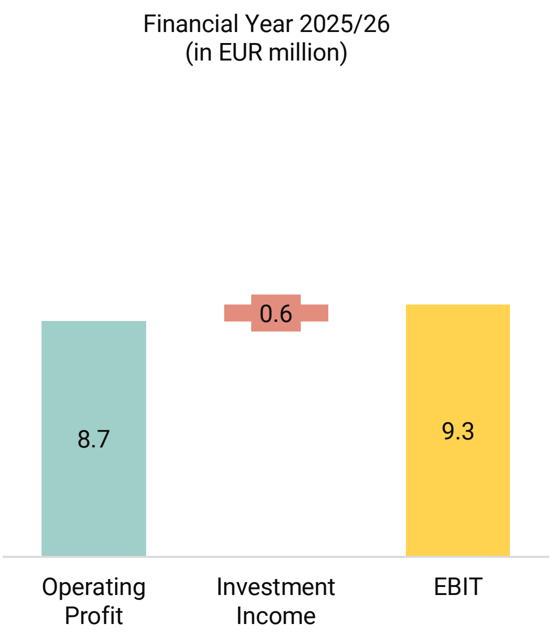
At €22.7 million, staff costs for the year under review were on a par with the previous year’s figure of €22.6 million. Opposing factors influenced the trend in staff costs. On the one hand, the number of employees increased as a result of the expanded reporting entity structure, with the general 2% pay rise implemented on 1 April 2025 also leading to higher costs. On the other hand, lower provisions for bonuses resulted in a reduction in staff costs.

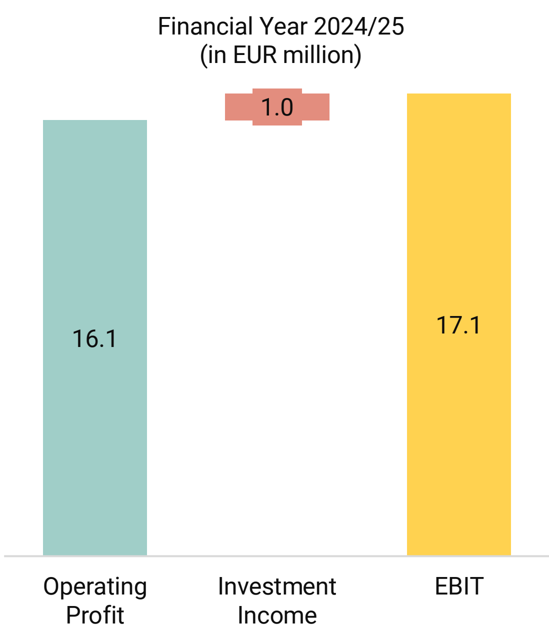
Other operating expenses rose by €2.2 million in the year under review from €20.8 million to €23.0 million, chiefly as a result of higher IT expenses as well as advertising and marketing expenses.

Depreciation and amortisation climbed from €2.5 million in the previous year to €3.1 million in the year under review. This includes depreciation and impairments of €1.3 million in connection with right-of-use assets under leases (previous year: €1.4 million).

The EBIT explained below is made up of the operating profit presented in the consolidated income statement plus the share of profit of associates. The share of profit of associates consists of dividends distributed by Räder GmbH and by wholesale press distribution companies and amounted to €0.6 million (previous year: €1.0 million).

Overall, EBIT fell to €9.3 million in the 2025/2026 financial year, down from €17.1 million in the previous year. The main factors behind this were the higher cost of materials ratio, as well as increased operating expenses and depreciation and amortisation. Reflecting this, the EBIT margin contracted to 7.9% (previous year: 15.0%).

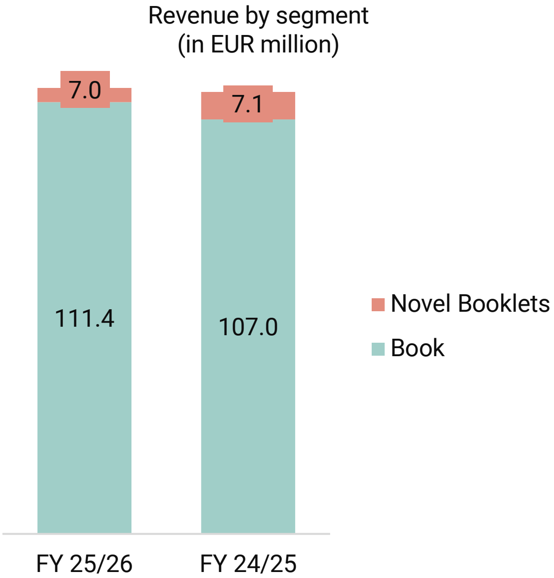


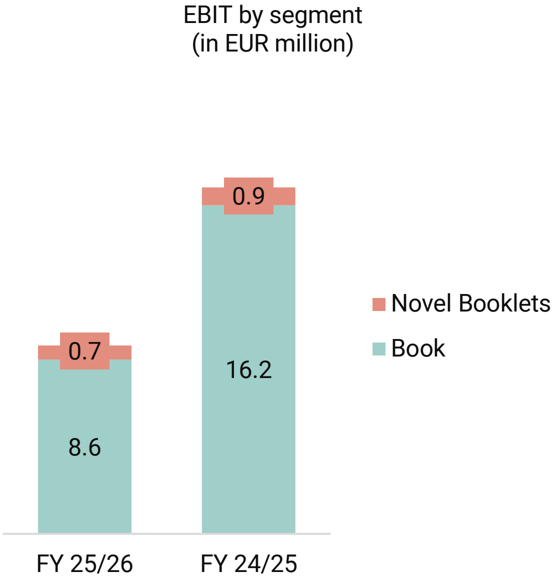


Income from other investments fell by €0.1 million over the previous year. Financing expense dropped by €0.6 million, primarily as a result of the termination of the factoring programme. Group earnings before taxes reached €9.1 million in the year under review (previous year: €16.5 million). After income taxes of €2.7 million (previous year: €5.1 million), consolidated net profit for the year reached €6.4 million (previous year: €11.4 million). Of this, €6.4 million (previous year: €11.3 million) is attributable to the equity holders of Bastei Lübbe AG.

This translates into earnings per share of €0.48, up from €0.86 in the previous year.

BUSINESS PERFORMANCE BY SEGMENT





Revenues in the "Book" segment climbed from €107.0 million to €111.4 million in the year under review. This translates into year-on-year growth of €4.4 million, meaning that the ambitious original forecast range of €113.0 million to €118.0 million was not met due to the partial deterioration of the sector environment. In addition to the expansion of the reporting entity structure, the rise in revenues was driven in particular by the successful new releases by bestselling authors Dan Brown and Ken Follett under the Lübbe imprint. Otherwise, this imprint fell short of expectations in some respects. Revenues generated by the children's book imprint Baumhaus were extremely strong, rising significantly by 20.0%, underpinned in particular by the continued strong demand for Jeff Kinney's "Diary of a Wimpy Kid" series. In the year under review, the LYX imprint's revenues fell more sharply than expected compared with the previous year, which had been exceptionally boosted by the success of the adaptation of Mona Kasten's novel "Save Me", which was released as "Maxton Hall" on Amazon Prime. Community Editions and ONE also saw an unexpected decline in revenues, which in the case of ONE was partly due to the special 10th-anniversary editions that had been released in the previous year. In the audio segment, revenues from downloads and streaming content were 6.4% higher than in the previous year. A key driver behind this positive trend was the continued highly successful marketing of these digital products, while revenues from audiobook CDs flatlined. In addition, Siebter Himmel was included in the segment following a successful business expansion, and Papertoons was added following its acquisition; this contributed significantly to year-on-year growth and narrowed the gap over the forecast.

At €8.6 million, EBIT in the "Book" segment in the year under review was significantly lower than the previous year's figure of €16.2 million. There was also a significant negative deviation from the original EBIT forecast of between €13.5 million and €15.5 million. Lower EBIT had been expected but turned out to be more pronounced than previously forecast. This is largely attributable to the unexpectedly muted revenue growth in high-margin segments, resulting in a lower gross margin than projected, coupled with relatively high production and royalty costs.

Revenues in the "Novel Booklets" segment amounted to €7.0 million in the year under review, remaining virtually unchanged over the previous year and matching the forecast. While the ongoing decline in the number of retail outlets continued to weigh on physical revenues, slight revenue growth was achieved through the online shop and digital products. At €0.7 million, segment EBIT was down on the previous year but exceeded the original forecast of €0.5 million. This was due in particular to a significantly improved gross margin, which particularly benefited from the lower costs of goods sold.

FINANCIAL POSITION

PRINCIPLES AND OBJECTIVES OF FINANCIAL AND CAPITAL MANAGEMENT

OBJECTIVES

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

- To maintain business operations in the long term
- To secure liquidity and financial flexibility
- To avert financial risks
- The following key performance indicators are of particular importance for financial and capital management:
- Group equity ratio
- Ratio of net financial liabilities to adjusted Group EBITDA[21]

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

At 60.5%, the equity ratio substantially exceeded this target as of 31 March 2026. The ratio of net financial liabilities to adjusted Group EBITDA stood at 0 as of the reporting date. Accordingly, instead of net debt, the Group has net financial assets of €11.7 million.

The net financial assets are calculated as follows:

€ million	**2025/2026**	**2024/2025**
Cash and cash equivalents	11.7	9.3
Liabilities to banks	0.0	0.8
Net financial assets	**11.7**	**8.5**

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

FUNDING MIX

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

- Working capital facility

The acquisition loan, which had been finalised in January 2021, was repaid in full during the year under review.

The following criteria are applied in selecting financing instruments:

- Terms
- Flexible drawdowns
- Covenants
- Maturity profiles

DIVIDEND POLICY

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

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

The Executive Board and the Supervisory Board will be asking the shareholders to approve the distribution of a dividend of 25 euro-cents per share, equivalent to 50% of the distributable profit, at the annual general meeting.

CAPITAL STRUCTURE

As of 31 March 2026, the Group's liquidity reserves are composed of cash and cash equivalents of €11.7 million (previous year: €9.3 million). Credit facilities of a total of €10.0 million are available under the existing loan agreements. These facilities had not been drawn upon as of the reporting date. Liabilities to banks in the form of an acquisition loan arranged in January 2021 are valued at €0.0 million (previous year: €0.8 million). The loan was repaid in full during the year under review.

The Bastei Lübbe Group had current and non-current financial liabilities of €7.1 million on 31 March 2026 (previous year: €9.5 million). Of these, €3.6 million is due for settlement in the next twelve months as of 31 March 2026 (previous year: €5.2 million). The current and non-current financial liabilities include lease liabilities of €4.9 million as of 31 March 2026 (previous year: €5.6 million).

As of 31 March 2026, net financial assets were valued at €11.7 million (previous year: €8.5 million). The year-on-year increase is primarily attributable to the significantly positive cash flow from operating activities, which – despite the lower earnings before tax – was largely driven by the normalisation of working capital following the termination of the factoring programme, as well as lower payments for author advances. This was offset by the dividend payment to the shareholders of Bastei Lübbe AG and the scheduled repayment of the acquisition loan.

LIQUIDITY ANALYSIS AND CAPITAL SPENDING

To provide a better overview of the changes in cash flow, the main cash flows in the 2025/2026 financial year are summarised below:

€ million	**2025/2026**	**2024/2025**
Cash flow from operating activities	10.8	-0.6
Cash flow from investing activities	-1.6	-1.2
Cash flow from financing activities	-7.2	-7.3
Change in cash and cash equivalents	**2.0**	**-9.1**

Cash flow from operating activities rose significantly during the year under review from €–0.6 million in the previous year to €10.8 million. In the previous year, cash flow had been significantly impacted by the outflow of funds resulting from the termination of the factoring programme. In addition, payments for new author advances of €15.7 million were significantly down on the previous year (previous year: €19.2 million). Furthermore, the continued normalisation of working capital following the termination of the factoring programme – which was reflected in a decline in trade receivables – made a positive contribution. The rise in inventories had the opposite effect.

Cash flow from investing activities amounted to €–1.6 million in the year under review (previous year: €–1.2 million). The outflow of funds resulted primarily from investments in intangible assets and property, plant and equipment totalling €1.8 million (previous year: €2.5 million) — mainly for software and operating and office equipment as in the previous year — as well as from the acquisition of a stake in a company. The dividend from Räder GmbH of €0.6 million (previous year: €1.0 million), had the opposite effect.

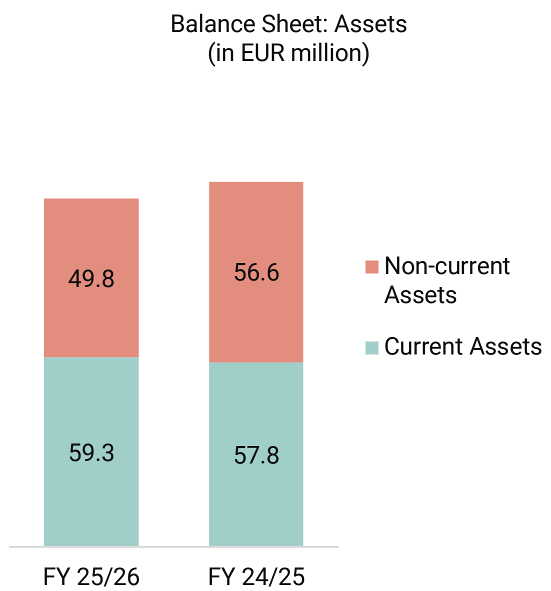
The cash flow of EUR -1.2 million from investing activities in the year under review (previous year:

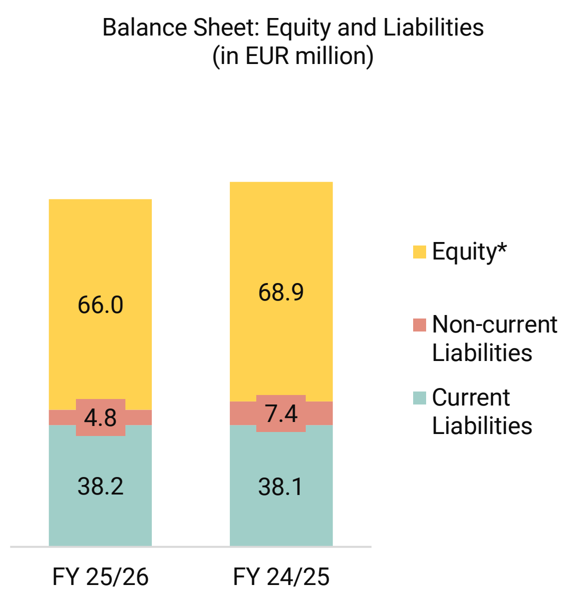
EUR 1.6 million) was mainly attributable to investments in intangible assets and property, plant and equipment totalling EUR 2.5 million (previous year: EUR 1.0 million). As in the previous year, this item primarily comprised investments in software and in operating and business equipment. The opposite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

The cash flow from financing activities showed a total outflow of €–7.2 million in the year under review (previous year: €–7.3 million). During the year under review, a dividend of €4.8 million (previous year: €4.0 million) was paid to the shareholders of Bastei Lübbe AG. In addition, loan liabilities of €0.8 million (previous year: €1.1 million) were repaid in full. Payments made to settle lease liabilities stood at €1.3 million (previous year: €1.3 million). Interest paid fell significantly during the year under review to €0.3 million (previous year: €0.8 million), this being mainly due to the elimination of interest expenses arising from the factoring programme, as well as lower interest expenses on loans as a result of scheduled repayments.

Free cash flow (cash flow from operating activities plus cash flow from investing activities) stood at €9.1 million, significantly higher than in the previous year (€–1.8 million), and thus slightly exceeded the forecast of €7 – 9 million.

NET ASSETS





Non-current assets fell to €49.8 million, down from €56.6 million as of 31 March 2025. The decline is primarily attributable to the scheduled reduction in author advances from €27.2 million to €25.2 million, with non-cash write-downs exceeding the advances made during the year under review. Conversely, intangible assets rose from €6.8 million to €7.3 million, mainly as a result of the acquisition of a stake in a company.

The investment in Räder GmbH, Bochum, (20%), was remeasured at its fair value during the year under review due to a persistently difficult market environment in the brick-and-mortar giftware and home accessories retail sector; the resultant impairment of €5.0 million was recognised in accumulated other comprehensive income within equity, with no effect on profit or loss. The carrying amount as of the reporting date was €10.1 million (previous year: €15.1 million).

Current assets rose slightly from €57.8 million to €59.3 million as of 31 March 2026. The main factors here were the increase in inventories from €16.8 million to €18.8 million and the increase in cash and cash equivalents from €9.3 million to €11.7 million. Conversely, trade receivables fell from €23.5 million to €20.2 million as of 31 March 2026, which partially offset the increase in receivables in the previous year resulting from the termination of the factoring programme. The increase in inventories is primarily due to higher revenues and the corresponding accumulation of inventories to ensure delivery capabilities; however, it also reflects the unexpectedly weak business performance in the final months of the financial year.

The share of equity attributable to the parent company's shareholders amounts to €65.7 million (previous year: €68.7 million). Despite the earnings achieved for the period, the decline is primarily attributable to the dividend payment of €4.8 million to the shareholders of Bastei Lübbe AG in September 2025, as well as the impairment of Räder GmbH recognised in the financial year through equity. As of 31 March 2026, the equity ratio stood at 60.5% (previous year: 60.3%) and thus remains well above the target of 40%.

Non-current liabilities were valued at €4.8 million as of the reporting date, compared with €7.4 million as of 31 March 2025. The decrease is primarily due to the instalment-by-instalment settlement of a non-current liability towards an author and the scheduled settlement of lease liabilities.

Current liabilities stood at €38.2 million as of 31 March 2026, compared with €38.1 million as of 31 March 2025. The decrease is primarily attributable to the reduction in current financial liabilities from €5.2 million to €3.6 million, following the scheduled repayment of the acquisition loan, and to the decline in income tax liabilities from €2.2 million to €1.9 million. In contrast, current provisions rose from €8.1 million to €9.8 million, mainly due to higher provisions for returns.

GENERAL STATEMENT ON BUSINESS PERFORMANCE AND ECONOMIC SITUATION

Confirming the sustained positive trend of previous years, Bastei Lübbe once again increased its revenues in the 2025/2026 financial year to €118.4 million (previous year: €114.0 million). This is a remarkable development, given that the difficult economic situation and consumer reluctance have now left considerable traces on the book market. Against this backdrop, there are also areas within the Group where revenue performance did not fully meet expectations, with the result that the revenue forecast issued at the beginning of the financial year (€120 – 125 million) was not achieved despite the unplanned positive effects arising from the additions to the reporting entity structure.

With regard to EBIT, the annual forecast for the year under review had already anticipated a decline to €14 – 16 million, compared with the previous year's figure of €17.1 million, as the product portfolio planned for the financial year would lead to a change in margins. This trend has become clearly evident and, as a result, has led in particular to an extraordinary increase in the cost of materials. Unexpectedly muted revenues, particularly in the high-margin segments, caused a further decline in the overall margin. To make matters worse, business performance deteriorated sharply towards the end of the financial year, and the corrective measures taken – particularly those aimed at reducing costs – were no longer able to exert any effect during the year under review. This poor performance towards the end of the financial year coincided with sector contraction, necessitating a revision of the full-year forecast immediately after the end of the financial year. The revised revenue forecast of €118 – 119 million was achieved, while the revised EBIT forecast of €10 – 11 million was not met due to the effect of certain remeasurement issues.

Despite the lower profits, Bastei Lübbe's economic position is still considered to be positive. This takes into account the fact that, with many new titles each year, a book publisher's business performance is often volatile. The consistently positive response on social media, at book fairs and at other events related to the imprints continues unabated, particularly for the community-driven publishing brands LYX, ONE, pola and Community Editions, demonstrating the loyalty and strength of these brands amongst their respective readerships. In the forward-looking digital segment – which has been identified as a further strategic growth area – measures and initiatives are continuing to be successfully implemented as planned, resulting in a €2.6 million increase in revenues and thus maintaining the share of digital business in total revenues at a high 32.2% (previous year: 31.1%). In addition, the Company has successfully entered new areas of growth via the new Pfaueninsel imprint, the acquisition of Papertoons, the launch of shelfie.audio and the expansion of Siebter Himmel's business. This further emphasises Bastei Lübbe's positioning as an innovative and progressive company with inherent growth potential.

MATERIAL EVENTS OCCURRING AFTER THE REPORTING DATE

No material events occurred after the end of the year under review liable to result in any change in the Bastei Lübbe Group's assessment of its net assets, financial position and results of operations.

OUTLOOK

MACROECONOMIC ENVIRONMENT

The general economic outlook for the 2026 calendar year remains characterised by a high degree of uncertainty. Ongoing trade disputes and geopolitical crises, such as the war waged by the United States and Israel against Iran – which began with the first military strikes on 28 February 2026 – have far-reaching economic consequences. In its April 2026 World Economic Outlook, the International Monetary Fund (IMF) therefore expects the global economy and world trade to deteriorate significantly, with emerging markets and developing countries particularly affected by this. Furthermore, there are fears of rekindled inflation. In its forecast, the IMF expects global economic growth to slow to 3.1% this year (2025: 3.4%). In the advanced economies, growth should reach 1.8% in 2026 compared to 1.9% in 2025.[22]

A comparable situation applies to Germany. In its spring forecast, the German government scaled back its growth forecast for 2026 to 0.5%, after its annual economic report of January 2026 had anticipated growth of 1.0%. The main reason for this is the negative fallout from the Iran War. At the same time, the German government expects the inflation rate to rise to 2.7% in 2026.[23] In its March 2026 forecast for the Eurozone, the European Central Bank projects GDP growth of 0.9% in 2026. The inflation rate is expected to climb to 2.6%.[24] Higher energy prices may have a direct impact on Bastei Lübbe AG and its group companies. The Group could be indirectly affected by the negative impact on consumer spending. These forecasts are subject to great uncertainties, and actual developments may deviate considerably due to the risk factors already mentioned.

[22] https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026
[23] https://www.bundesregierung.de/breg-de/aktuelles/fruehjahrsprojektion-2026-2422692
[24] https://www.ecb.europa.eu/press/projections/html/ecb.projections202603_ecbstaff~ebe291cd3d.en.html

INDUSTRY ENVIRONMENT IN THE BASTEI LÜBBE BUSINESS SEGMENTS

In the first three months of 2026, revenues in the German book market continued to trend downwards overall – despite the positive Easter effect in March. According to Media Control, the industry closed the first quarter of the 2026 calendar year with a 3.1% year-on-year decline in revenues in the main distribution channels.[25]

The experts at PricewaterhouseCoopers (PwC) project an average annual decline of 1.0% in revenues for books, e-books and audiobooks between now and 2029. Total revenues in the German Book market are expected to reach €7.7 billion in 2029. According to PwC, the strong preference for digital media formats will continue. Consequently, it projects an average annual growth rate of 2.9% for digital books and revenues of €580.0 million by 2029. [26]

In this subdued market environment, the Bastei Lübbe Group's commercial success depends less on general market trends than on the quality and appeal of its catalogue.

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

GENERAL STATEMENT ON THE GROUP'S EXPECTED PERFORMANCE

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

Accordingly, the Executive Board expects continued growth in revenues. The success of the LYX, ONE and pola imprints testifies to the wide-ranging opportunities and potential offered by community-driven models, which have been expanded to include the manhwa and manga genres with the launch of the new Papertoons imprint. We are also responding to the wishes and interests of our Baumhaus and Eichborn readers in close consultation with our authors to create a successful and reader-centric catalogue structure. The reorientation of the Lübbe imprint's content is continuing. Pfaueninsel marked the successful launch of a new imprint in the literary entertainment sector. We expect the profitability of Community Editions and MOBA to improve. Across all our imprints, we are implementing our strategy for e-books and audiobooks and are budgeting further growth in these areas too; in the case of audiobooks, this will also be supported by the new shelfie.audio product. The latest Siebten Himmel store opened in Leipzig is set to be additionally reinforced and will successfully complement the flagship stores in Cologne. In the "Novel Booklets" segment, the Executive Board projects lower earnings compared to the year under review due to the challenges facing press distribution.

Profitability is expected to increase significantly again following the decline in the year under review. In particular, the aim is to lower the cost of materials by optimising printing costs and reducing the proportion of royalties, thereby widening the gross profit margin once again. This will be supplemented by appropriate cost discipline across the entire Group. The Group's financial strength is also expected to be very satisfactory in the 2026/2027 financial year, providing the necessary scope for investments, including the plans for inorganic growth that are still being pursued.

With respect to the catalogue, the 2026/2027 financial year has already got off to a flying start thanks to a number of bestsellers. For the launch of our new Pfaueninsel imprint, we were able to secure the services of "Zeit" editor and bestselling author Florian Illies for a book about Pfaueninsel, which went straight to number one on the non-fiction bestseller list. Over the course of the financial year,

[25] Book Industry Monitor, April 2026 - https://www.boersenverein.de/markt-daten/marktforschung/branchen-monitor-buch/
[26] PWC, German Entertainment & Media Outlook 2025-2029

we expect Pfaueninsel to publish books by Andreas Wunn, editor-in-chief at the “Morgenmagazin” breakfast TV show, and the bestselling authors Julia Franck and Caroline Bernard. At Eichborn, we have also been in the Top 20 SPIEGEL bestseller list for weeks with the sensational debut “Die Namen” by Florence Knapp; alongside this, a new book by the international bestselling author Rebecca F. Kuang about Taiwan, entitled “Taipei Story”, is due to be published; another highlight is the outstanding fantasy novel by Naomi Ishiguro, “The Rainshadow Orphans”. We expect the cocktail book “Cheers Maus” by Tom and Bill Kaulitz, which was published by Community Editions in June, to be another bestseller. Through their podcast and via social media, they reach an audience in the millions; at the end of the year, they will also be hosting the TV show “Wetten, dass…?”. In addition, we will be launching new bestsellers by major social media names such as Paluten, ViktoriaSarina and Carmushka. At Lübbe, the paperback reissues of the previous year’s major bestsellers will particularly ensure a steady flow of revenues over the course of the financial year: Dan Brown, Ken Follett, Rebecca Gablé and Holly Jackson are guaranteed to generate large print runs. We have also managed to secure the award-winning thriller writer Vera Buck for our Company and will be showcasing her as a flagship title. LYX, our New Adult fiction imprint, has a whole host of number-one bestselling authors lined up with new books. These include new releases by Lena Kiefer, Sarah Sprinz, Annabelle Stehl and Thea Guanzon, as well as the new Formula 1 romance “Champagne Problems” by international bestselling author Hannah Grace. We are also publishing the French New Adult series “Campus Driver” by C.S. Quill, which is set to be released as a series on Amazon Prime later this year, as well as the hugely popular BookTok title “Daggermouth” by H.M. Wolfe. Via our Young Adult imprint, ONE, we have already shot to number one on the young adult bestseller list with Katie Kento’s “Missing Page” and expect further bestseller placements from authors including Alexandra Moody, Kira Licht and Jessica Felleman. Following on from the great success of our children’s books division, Baumhaus, last financial year, we are expecting further growth this year. Jeff Kinney is not only set to publish a new instalment in his globally successful series “Diary of a Wimpy Kid” but also another book featuring spooky stories told from the perspective of Greg’s best friend, Rupert. New sequels featuring our apple witch “Petronella Apfelmus” or the lovable friends “Stock and Stein” round off the children’s book catalogue. Finally, in the audiobook segment, we have just launched our innovative shelfie.audio product. We have re-imaged a digital product as a physical one – so you can give it as a gift, collect it, share it and buy it in high-street shops. The small “Shelfies” are modelled on the original books but contain NFC chips, which allow the purchased audiobook to be played via the corresponding app on a mobile phone. An exclusive, large-scale launch in partnership with Thalia began in mid-May, after which Shelfies will be widely available in stores. The first 50 titles will be available shortly, not only from the Bastei Lübbe AG catalogue, but from all the major audiobook publishers.

Business is exposed to risks arising from the challenging macroeconomic environment and the consumer restraint that this is likely to prompt. These have been factored into the forecast based on information available at the time the report was finalised. Any additional uncertainties beyond the Company’s control may cause actual developments to deviate either negatively or positively from the forecasts contained in this outlook. As usual, the Executive Board will review and, if necessary, revise the forecasts for the 2026/2027 financial year in future quarterly statements and the half-year report on the basis of the earnings figures reported.

EXPECTED EARNINGS AND FINANCIAL POSITION OF THE GROUP

The Executive Board expects the growth strategy to continue yielding positive results and forecasts revenues for the 2026/2027 financial year in a range of €118 million to €122 million (previous year: €118.4 million). Overall, it therefore anticipates revenue growth; only at the lower end of the forecast range would performance roughly on a par with the current financial year be possible.

Following the decline in the year under review, EBIT is expected to rise significantly more quickly than revenues in the 2026/2027 financial year, by around 10 – 30%. The EBIT forecast is therefore €10 – 12 million (previous year: €9.3 million). The expected EBIT margin is set to widen significantly once again towards the 10% mark.

This performance will be underpinned by the "Book" segment, with projected revenues of €111 – 115 million (year under review: €111.4 million) and EBIT of €9.5 – 11.5 million (year under review: €8.6 million). Growth is particularly expected in the community-driven models and from the first-time full consolidation of Papertoons, while the lack of comparable new releases from bestselling authors may have an adverse effect on revenue performance. Adjusted for the aforementioned consolidation effect, revenue growth would have been rather moderate and EBIT growth slightly weaker. In the challenging environment for the "Novel booklets" sector, stable revenues of around €7.0 million (previous year: €7.0 million) and EBIT of around €0.5 million (previous year: €0.7 million) are expected.

The financial plan for the 2026/2027 financial year indicates a free cash flow of €8 –10 million (current year: €9.1 million). The balance sheet ratios – equity ratio and gearing – will remain at an appropriate level.

RISK REPORT

GENERAL INFORMATION

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

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

RISK MANAGEMENT SYSTEM AND INTERNAL CONTROL SYSTEM

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

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

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

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

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

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

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

The internal control system (ICS) is used to monitor business processes, ensure the reliability of operational information, protect assets and secure compliance with statutory and internal requirements. The structure of the ICS takes into account the nature and extent of the Group's business and its risk profile. It is based on the principles of IDW PS 982 and comprises organisational arrangements, control and monitoring measures, as well as documented process and accountability structures. The internal control system (ICS) includes monitoring compliance with defined target processes, automated and system-based IT controls, the dual-control principle, the segregation of duties and preventive and post-transaction control measures. Key controls and responsibilities are documented in a central risk control matrix and reviewed on a regular basis. In addition, regular consultations are held with the relevant departments to continuously adapt the ICS to changing circumstances and process risks. The ICS forms an integral part of Bastei Lübbe AG's corporate governance structures and is closely linked to the Group's risk management and compliance system. The current focus areas within the internal control system (ICS) particularly entail processes relating to contract management, proofreading, IT and the accounting-related ICS (see below for details).[27]

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

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

ACCOUNTING-RELATED RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The enterprise-wide RMS also covers risks relating to accounting and financial reporting. To mitigate these risks, there is an internal control system relating to financial reporting, which comprises organisational measures, controls and process standards designed to ensure that financial reporting is carried out in accordance with the rules. The aim of the accounting-related internal control system is to ensure that accounts are prepared in accordance with the rules and to prevent or detect material errors in financial reporting at an early stage.

The accounting-related internal control system comprises organisational arrangements, control mechanisms and process standards designed to prevent or reduce significant risks of accounting errors. Its purpose is to ensure that the consolidated financial statements are drawn up in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union, and with the provisions of German commercial law to be observed in addition to this pursuant to Section 315e(1) of the German Commercial Code (HGB) and that the annual financial statements of Bastei Lübbe AG are prepared in accordance with the German Commercial Code (HGB).

The measures for limiting these risks include the recruitment and ongoing training of employees holding in-depth specialist knowledge, the use of suitable IT tools and the support of external consultants and service providers. Among other things, we have access to an external system consultant who is very familiar with the applications used and the underlying processes. In addition, we are supported by a specialist IFRS consultant, who advises us on technical matters and reviews our results for possible errors or irregularities.

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

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

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

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

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

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

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

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

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

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

With the exception of Business Hub Berlin UG, Moravská Bastei MOBA s.r.o., Papertoons GmbH and Siebter Himmel Bastei Lübbe GmbH, the accounting systems of the companies included in the consolidated financial statements are hosted within the Group's SAP environment. They are largely performed in accordance with uniform accounting plans, account assignment specifications and processes. In this connection, the above-mentioned separation of functions and the four-eyes principle are implemented appropriately by means of preventive and downstream controls. Papertoons GmbH and Siebter Himmel Bastei Lübbe GmbH were included in the consolidated financial statements for the first time during the year under review. The preparation of the financial statements and the consolidation of these companies are supported by additional reconciliation, plausibility checks and control measures as part of the accounting-related internal control system.

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

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

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

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

GENERAL ASSESSMENT OF THE ICS AND

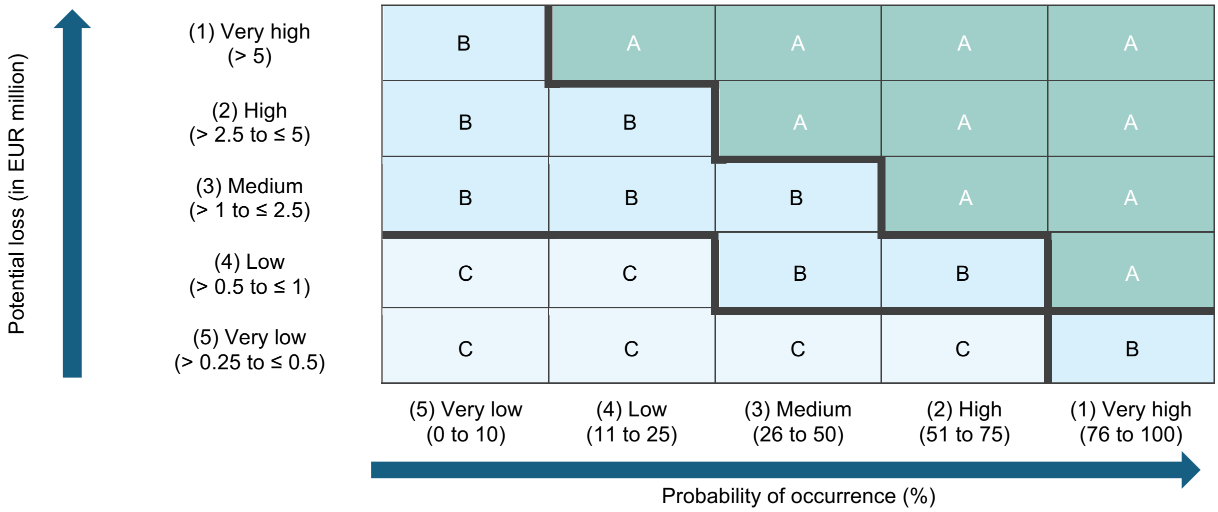
As of the date on which this report was prepared, the Executive Board is not aware of any material circumstances liable to impair the appropriateness and effectiveness of these systems.[28]

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

MATERIAL RISKS

In addition to the general business risks, the Group is exposed to the risks outlined below as of 31 March 2026. During an observation period of two years they are classified into categories A, B and C in descending order according to the expected potential loss, as shown in the chart below.

The potential loss stated is derived from a net analysis of the impact on EBIT and liquidity. The net view describes the risks in the light of the existing countermeasures and controls that have a risk-mitigating effect.



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

EDITORIAL AND MARKETING-RELATED CATALOGUE RISKS

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

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

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

Finally, there is a risk that titles may fail to meet the sales forecasts on which print run planning was based. This may lead to the accumulation of stock that cannot be adequately exploited, meaning that it would have to be written down or written off in the future. In particular, careful planning of print runs helps to mitigate this risk.

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

GEOPOLITICAL SUPPLY CHAIN AND COST RISKS

The Group's business performance also depends on the stability of international supply chains and trends in procurement, energy and transport costs. Geopolitical tensions and armed conflicts can lead to disruptions in global supply chains, rising raw material and energy costs, and increased transport and freight costs. Delays in deliveries or increases in costs may have a negative impact on the availability of products, project timelines and the Group's earnings performance.

Bastei Lübbe addresses these risks by continuously monitoring the procurement, energy and transport markets, and by liaising regularly with suppliers and service providers. In addition, alternative supply sources are being assessed, project-specific buffer times adjusted, and key cost and delivery indicators continuously monitored in order to identify potential impacts at an early stage and take appropriate countermeasures.

The risk is classified as an A risk, where the probability of occurrence is high, and the potential loss is moderate.

RISKS RESULTING FROM EXCESSIVE ADVANCES

In the determination of the author advances, there is a risk that impairments will need to be recognised should sales fall short of plans, something which may weigh on the Bastei Lübbe Group's EBIT. All rights are therefore calculated in advance and their expected earnings potential evaluated in a documented process. When the potential of a title to be acquired is assessed, previous titles and, particularly in the case of new authors, comparable titles from other publishers are taken into account. In addition, targets based on sales expectations are defined for future programmes, with the acquisition of new rights based on these structures.

High advances are paid to authors of international bestsellers in particular. There is, therefore, a high probability of correspondingly high impairments on author advances. A standardised impairment test is carried out annually and as required on the basis of expected cash flows. All other titles are also reviewed annually and as required for potential future negative contribution margins using a standardised process. The large number of titles under review may result in impairments.

The resultant risk is classified as a category B risk with a low probability of occurrence and high potential loss. (In the previous year, the risk was assigned to Category A due to individual titles subject to high guarantee payments; in the current year, the probability is assessed as lower, as there are currently no comparably high guarantee obligations arising from revenues and programme planning.)

RISKS ARISING FROM COMPETITION AND MARKET CHANGES

Bastei Lübbe's business performance depends largely on its ability to continually adapt its catalogue planning, marketing and sales strategies to changing market conditions and consumer habits. The book, e-book and audiobook market faces intense competition not only from other publishers but also from alternative media and entertainment offerings. Trends and target audience preferences are changing at an ever-faster pace, and this can give rise to risks affecting sales performance, reach and market positioning.

In addition, there are risks arising from changes in competitive structures in the book and digital markets. These include, in particular, the growing importance of English-language publications in the German market, the increasing level of competition in the New Adult sector and a growing concentration within book retailing. Similarly, there are dependencies and a concentration of business on digital platforms and distribution partners – particularly in the audio and e-book segments – whose pricing models, marketing mechanisms and product focus may change, and this could in turn affect revenues and margins.

Bastei Lübbe addresses these risks through ongoing market, competition and sales analyses, as well as a continuous review of its catalogue and marketing strategy. In addition, target audience and consumer trends are continuously monitored, marketing and pricing strategies flexibly adapted and relationships with authors, agencies and distribution partners continually developed. In order to reduce dependencies, alternative marketing and product strategies are also being explored, while existing distribution and commercial partnerships are being additionally expanded.

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

RISK OF ASSOCIATES NOT PERFORMING AS PLANNED

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

With the exception of the investment in Räder GmbH, over which Bastei Lübbe exerts no significant influence, these investments are managed by Bastei Lübbe on an earnings-oriented basis. Monthly business performance evaluations are submitted by the associates. They are regularly compared with the planned figures and analysed, as well as being discussed with the management of the associates.

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

With respect to the 2025/26 financial year, the fully consolidated associate Community Editions as well as Papertoons GmbH, which was fully consolidated for the first time on 1 January 2026, must be taken into account. Furthermore, the 20% stake in Räder GmbH, which is measured at fair value through other comprehensive income, was written down as of 31 March 2026 due to its poor business performance. The impairment of Räder GmbH and the performance of the fully consolidated associates may have a significant impact on the Group's equity ratio. With the impairment loss of €5 million recognised in the reporting year, the classification of the remaining residual risk remains unchanged.

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

RISK ARISING FROM THE REGULATORY FRAMEWORK

Bastei Lübbe's financial performance is also dependent on the regulatory framework governing the book market. This particularly includes the reduced VAT rate for books, e-books and audiobooks, as well as the statutory price fixing for printed and e-book products. Any changes to or a relaxation of these regulations at a national or European level could put pressure on profit margins, weaken the physical book retailing market and cause heightened pressure on the part of retail partners to offer more favourable terms.

Bastei Lübbe addresses these risks by playing an active role in industry-related committees and lobbies. Furthermore, compliance with statutory price fixing is monitored as part of our ongoing partnership with retail partners. In the event of non-compliance, appropriate measures are taken to ensure compliance with regulatory requirements.

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

COMPLIANCE RISKS

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

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

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

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

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

BAD DEBTS

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

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

IT RISKS

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

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

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

FINANCIAL RISKS

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

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

Liquidity risks result from the Bastei Lübbe Group's potential inability to meet existing or future payment obligations due to the insufficient availability of cash. As a publishing company, the Bastei Lübbe Group must prefinance most of its business. Authors usually receive their advances by the publication date of the book. Booksellers and platforms have long payment terms. The same principle applies to the secondary markets. To address the financing risk, Bastei Lübbe has access to working capital lines at well-known banks.

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

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

MACROECONOMIC DISLOCATIONS

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

OVERALL ASSESSMENT OF THE BASTEI LÜBBE GROUP'S

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

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

OPPORTUNITIES

The Executive Board of Bastei Lübbe AG employs strategic planning in particular as a basis for identifying opportunities and potential that ensure the Company's long-term success and further growth. Together with the management staff responsible for strategic planning, it additionally assesses existing and emerging options in the light of the constantly changing interests of our readers and the likewise changing practices of our competitors. This is complemented by analyses and initiatives relating to business development, as well as the ongoing assessment of technological developments, particularly artificial intelligence. Potential and opportunities are particularly seen in the following areas:

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

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

STRATEGIC OPPORTUNITIES

Media entertainment has been gaining in importance for decades, with consumers spending more time and money on it. Within the various types of entertainment, the book as a source of entertainment and as part of our cultural heritage, including its digital playback channels, is a reliable and future-proof constant. Bastei Lübbe is focusing on a consistent digital strategy, content tailored to specific target groups and the further expansion of community-driven marketing approaches in order to capitalise on growth opportunities in dynamic market segments. The digital audio market, in particular, offers attractive growth potential thanks to the sustained high demand for audiobooks, audio series and other digital audio formats. In doing so, Bastei Lübbe benefits from its long-standing market position and established expertise in this sector. In addition, new audiobook models are providing streaming providers with improved marketing and sales opportunities. Furthermore, innovative product and marketing approaches in the audio segment are opening up further potential. These include new concepts that reconnect digital audio content more closely with physical user experiences, thereby opening up additional target groups and new forms of customer loyalty.

Furthermore, the adaptation of content to create series and feature films continues to represent a significant strategic opportunity. Audiovisual adaptations of books can reach additional target audiences and heighten the visibility of the original works across various marketing channels. This may have a positive impact on sales of print, audio and digital formats, as well as creating additional revenue potential from licensing agreements. Furthermore, international streaming platforms generate additional opportunities for the exploitation of content and rights in foreign markets and can thus contribute to the further internationalisation of the business.

Additional opportunities arise through the targeted development and diversification of the catalogue, as well as through expansion into related business areas and new market segments. This also includes expanding activities in the manga and manhwa segment, which offers attractive market potential due to its growing international significance and strong appeal to the community.

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

OPPORTUNITIES THROUGH FURTHER EXPANSION OF THE DIGITAL DIALOGUE WITH READERS

Traditional publishing business currently offers only limited opportunities for direct contact with end customers. Bastei Lübbe is therefore using digital touchpoints with readers as an additional important building block to gain an even better understanding of their needs. These findings and the direct dialogue with the community are important factors in content and program development. In addition to the indispensable contact with our retail partners we therefore see attractive opportunities in the establishment of target group communities, primarily on the relevant social media channels. This is already the case, in particular, with our LYX, ONE, pola, Papertoons and Community Editions imprints. Finally, the dynamics of reviews and recommendations can create opportunities, allowing individual book titles and authors to achieve unexpectedly strong success.

The focus on community-driven business models offers further opportunities to expand existing revenue streams, particularly in the field of e-commerce and complementary product- and brand-related offerings. In this regard, Bastei Lübbe benefits from the strong sense of identification that selected target groups have with individual imprints and brand identities. Existing marketing strategies are being continuously refined in order to tap additional revenue potential and strengthen customer loyalty.

OTHER OPPORTUNITIES

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

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

Finally, developments in the field of artificial intelligence offer further opportunities to enhance existing business models and to boost efficiency, innovation and competitiveness. Artificial intelligence can, in particular, help to optimise administrative and operational processes, facilitate data-driven analysis of market and target audience trends, and support the marketing and evaluation of content. Bastei Lübbe keeps a close eye on technological developments in this field and is constantly exploring potential applications along the value chain. Existing applications and new technological solutions are assessed in terms of their practical suitability, cost-effectiveness and market readiness. The aim is to identify potential for technological innovation at an early stage, to amass relevant expertise within the Group and to create the organisational and technical conditions necessary for the responsible and value-enhancing use of artificial intelligence. Furthermore, Bastei Lübbe regards engaging with technological changes at an early stage as a key prerequisite for adapting to structural changes in the media and publishing sectors and for tapping into new digital business and marketing opportunities.

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

BUSINESS PERFORMANCE AND RESULTS OF OPERATIONS OF BASTEI LÜBBE AG

As the parent company of the Bastei Lübbe Group and, simultaneously, a significant Group company, Bastei Lübbe AG is dependent on the performance of the “Book” and “Novel booklets” segments, on the one hand, and on the performance of its associates, on the other hand, with respect to the course of its own business and expected development, including significant opportunities and risks.

The above explanations are therefore significantly influenced by Bastei Lübbe AG.

INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL 2025 UNTIL 31 MARCH 2026 IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE

€ k	2025/2026	2024/2025
Revenues	**107,682**	**104,009**
Changes in inventories of finished goods and work in progress	1,355	2,530
Other operating income	1,556	678
Cost of materials	-56,335	-48,593
Staff costs	-19,903	-20,250
Depreciation and amortisation	-1,633	-991
Other operating expenses	-25,348	-23,151
Share of profit of associates	1,174	1,572
Income from profit transfer agreements	400	1,124
Depreciation of financial assets and securities held as current assets	–	-407
Other interest and similar income	55	197
Interest and similar expenses	-36	-521
Income taxes	-2,358	-4,876
Refunded other taxes	–	48
Net profit for the period	**6,608**	**11,369**
Profit carried forward	24,181	17,564
Unappropriated surplus	**30,789**	**28,933**

Compared to the previous year's figure of €104.0 million, Bastei Lübbe AG's revenues rose by €3.7 million to €107.7 million.

The main reason for this was the new releases by the bestselling authors Dan Brown and Ken Follett, published by Lübbe. The audio, digital content and children's books sectors performed particularly well. The children's book imprint Baumhaus recorded particularly encouraging growth in revenues: driven by the sustained high demand for Jeff Kinney's "Diary of a Wimpy Kid" series, they rose significantly by 20.0% over the previous year. The LYX imprint, on the other hand, fell short of the previous year's figure, which had been largely driven by the extraordinary success of the Amazon Prime adaptation of Mona Kasten's novel "Save Me", released under the name "Maxton Hall".

In the "Book" segment, revenues amounted to €100.7 million (previous year: €96.9 million). The increase of €3.7 million was underpinned in particular by new releases with a wide reach from well-known bestselling authors, as well as by the continued positive performance of the audio and children's books sectors. In the "Novel Booklets" segment, revenues stood at €7.0 million (previous year: €7.1 million).

Bastei Lübbe AG's EBIT dropped to €8.9 million in the year under review (previous year: €16.9 million), falling well short of the forecast range of €14 – 15 million. This decline was primarily due to a higher ratio of material costs – resulting from a catalogue mix focused on high-circulation flagship titles, with correspondingly higher production and royalty costs – as well as higher operating expenses. In the "Book" segment, EBIT came to €8.2 million, significantly below the previous year's figure of €16.0 million. By contrast, the "Novel Booklets" segment posted EBIT of €0.7 million, which was below the previous year's figure of €0.9 million.

The business performance of the "Book" and "Novel Booklets" segments is described in the segment report (Note 35 to the consolidated financial statements).

The increase in inventories of finished goods and work in progress amounted to €1.4 million in the 2025/2026 financial year, compared with €2.5 million in the previous year. The smaller increase in inventories is also due to higher impairments compared with the previous year.

A significant component of other operating income is income arising from remeasurement gains on author advances (€0.8 million). These arose from the reversal of loss allowances that had been recognised in the previous year, the basis for which — the corresponding author advances — was additionally reduced during the reporting year as a result of book sales and scheduled depreciation. This also includes income from the reversal of provisions for sales rebates from previous years (€0.3 million) and remeasurement gains of €0.2 million in respect of the wholly-owned subsidiary Business Hub Berlin UG.

The increase in the cost of materials during the year under review is attributable to the catalogue mix: a higher proportion of high-reach flagship titles and lavishly produced print editions are typically associated with an above-average material cost ratio and a lower margin, and reflect the strategic focus on high-margin titles with high market visibility. Furthermore, the unexpectedly muted revenue performance in particularly high-margin areas contributed to an increase in the cost-of-materials ratio.

Staff costs fell from €20.3 million in the previous year to €19.9 million in the year under review. Opposing factors influenced the trend in staff costs. On the one hand, the across-the-board 2% pay rise that came into effect on 1 April 2025 led to an increase in staff costs. On the other hand, lower provisions for bonuses resulted in a reduction in staff costs.

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

The share of profit of associates of €1.2 million (previous year: €1.6 million) is composed of dividends received from Räder GmbH (€0.6 million) and Moba (€0.5 million). In the previous year, the figures also mainly comprised distributions from Räder (€1.0 million) and Moba (€0.5 million). In the year under review, income of €0.4 million was received under the profit and loss transfer agreement with the fully consolidated subsidiary CE Community Editions GmbH, which had a positive effect on the Company's results of operations despite the lower revenues.

Bastei Lübbe AG had an average of 286 employees in the 2025/2026 financial year (previous year: 275).

The revenue forecast of €106.0 – 110.0 million announced in the previous year was calculated on the basis of IFRS consolidated financial reporting, under which certain sales expenses are deducted from revenues, in contrast to the German Commercial Code (HGB). Due to this difference, the revenues reported under the German Commercial Code are only comparable to the forecast to a limited extent; adjusted for this effect, revenues were slightly below the forecast range. The forecast of €99.0 – 103.0 million for the "Book" segment was also based on IFRS consolidated financial reporting; adjusted for this, revenues in the "Book" segment were slightly below the forecast range. In the "Novel Booklets" segment, revenues stood at €7.0 million, in line with forecasts.

The EBIT forecast of between €14 –15 million, as set out in the most recent combined management report, was significantly missed, with actual EBIT[29] amounting to €8.9 million (previous year: €16.9 million). In the "Book" segment, the EBIT forecast anticipated a range of €13 –14 million; however, the actual figure was €8.2 million (previous year: €16.0 million). This was mainly due to revenues falling short of expectations in high-margin segments, resulting in a lower gross margin than expected. To make matters worse, business performance deteriorated sharply towards the end of the financial year, and the corrective measures taken – particularly those aimed at reducing costs – were no longer able to exert any effect during the year under review. This negative trend emerging towards the end of the financial year coincided with muted conditions in the sector as a whole. The "Novel Booklets" segment, on the other hand, exceeded its target of €0.5 million with EBIT of €0.7 million (previous year: €0.9 million); this was due in particular to an improved gross margin resulting from the lower cost of goods sold. Net profit for the year came to €6.6 million, down from €11.4 million in the previous year.

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

BASTEI LÜBBE AG'S FINANCIAL POSITION

As of 31 March 2026, Bastei Lübbe AG's liquidity reserves are composed of cash and cash equivalents of €8.8 million (previous year: €5.6 million). The year-on-year increase is primarily attributable to the positive cash flow from operating activities and the normalisation of receivables following the termination of the factoring programme. Credit facilities of a total of €10.0 million (previous year: €10.0 million) are also available but had not been drawn on as of the reporting date.

BASTEI LÜBBE AG'S NET

ASSETS (€ k)	31 March 2026	31 March 2025
Non-current assets		
Intangible assets	1,600	1,931
Property, plant and equipment	1,772	1,352
Financial assets	9,688	7,303
	13,060	**10,585**
Author advances	**23,502**	**26,326**
Current assets		
Inventories	16,520	15,098
Receivables and other assets	23,034	27,864
Cash at banks	8,841	5,566
	48,395	**48,528**
Prepaid expenses	1,194	1,240
Total assets	**86,150**	**86,681**

Total assets fell slightly compared with 31 March 2025, standing at €86.2 million (previous year: €86.7 million). The decrease is mainly attributable to reduced author advances and lower trade receivables following the termination of the factoring programme, which was partly offset by higher bank balances and an increase in inventories.

Author advances dropped from €26.3 million to €23.5 million. The decline is primarily due to the scheduled depreciation of the existing portfolio, which exceeded the additions made during the year under review.

Current assets remained virtually unchanged at €48.4 million (previous year: €48.5 million). Trade receivables returned to a normal level following the exceptional increase in the previous year, which resulted from the termination of the factoring programme. Conversely, bank balances rose from €5.6 million to €8.8 million. Inventories increased from €15.1 million to €16.5 million, primarily due to the higher revenues and the corresponding accumulation of inventories to ensure delivery capabilities; nevertheless, the increase in inventories also reflects the unexpectedly muted business performance in the final months of the financial year.

EQUITY AND LIABILITIES (€ k)	31 March 2026	31 March 2025
Equity		
Issued capital	13,200	13,200
Share premium	8,900	8,900
Retained earnings	100	100
Unappropriated surplus	30,789	28,933
	52,989	**51,133**
Provisions	**16,513**	**15,320**
Liabilities		
Liabilities to banks	–	750
Prepayments received	25	13
Trade payables	15,404	17,869
Other liabilities	1,176	1,474
	16,606	**20,107**
Deferred income	**42**	**120**
Total equity and liabilities	**86,150**	**86,681**

At €53.0 million, equity is higher than the previous year's figure of €51.1 million, primarily due to the net profit for the year of €6.6 million (previous year: €11.4 million). A dividend of €4.8 million was distributed from equity in September 2025.

Provisions are valued at €16.5 million, up from €15.3 million as of 31 March 2025. They include amounts of €6.6 million (previous year: €5.5 million) set aside for returns as well as provisions for outstanding invoices, bonuses and taxes. Tax provisions include taxes not yet assessed amounting to €2.1 million (previous year: €2.1 million).

Liabilities fell from €20.1 million to €16.6 million. The decline is largely attributable to the payment of royalties capitalised in the previous year, including, in particular, those paid to one top author. In addition, loan liabilities amounting to €0.8 million were repaid in full during the year under review.

BASTEI LÜBBE AG'S RISK SITUATION

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

FORECAST FOR BASTEI LÜBBE AG

Revenues of €103 – 106 million are expected for the 2026/2027 financial year (year under review: €107.7 million). The expected decline over the year under review is largely attributable to the absence of comparable new releases by bestselling authors, which had a particularly favourable impact on the year under review. This decline will exceed the growth expected in other publishing business.

The "Book" segment will contribute €96 – 99 million (previous year: €100.7 million), while revenues of around €7 million are expected for the "Novel Booklets" segment (previous year: €7.0 million). All in all, Bastei Lübbe AG forecasts earnings before interest and taxes (EBIT) of €9.5 – 10.5 million (year under review: €8.8 million). Of this, the "Book" segment should generate EBIT of €9 – 10 million (year under review: €8.1 million) and the "Novel Booklets" segment EBIT of around €0.5 million (year under review: €0.7 million).

MATERIAL EVENTS OCCURRING AFTER THE REPORTING DATE

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

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

COMPOSITION OF SUBSCRIBED CAPITAL

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

APPOINTMENT AND DISMISSAL OF THE MEMBERS OF THE EXECUTIVE BOARD

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

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

EQUITY INVESTMENTS OF MORE THAN 10%

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

MATERIAL AGREEMENTS SUBJECT TO A CHANGE-OF-CONTROL PROVISION

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

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

SPECIAL RIGHTS AND CONTROL OF VOTING RIGHTS

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

CORPORATE GOVERNANCE

The Company again considered the recommendations set out in the German Corporate Governance Code (the Code) in the 2025/2026 financial year. On 18 June 2026, the Executive Board and the Supervisory Board issued a declaration of conformity under Section 161 of the German Stock Corporation Act. Bastei Lübbe complies with the recommendations and suggestions of the Code with the exceptions described in the declaration of conformity. The current declaration of conformity as well as all previous ones have been made permanently available to shareholders on the Company's website (see bastei-luebbe.de/en/company/corporate-governance).

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

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

Cologne, 7 July 2026
Bastei Lübbe AG

Soheil Dastyari Chief Executive Officer	Mathis Gerkensmeyer Chief Financial Officer	Simon Decot Chief Programme Officer

CONSOLIDATED FINANCIAL STATEMENTS

OVERCOMING BOUNDARIES ACROSS ALL MEDIA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2026

€ k	Note	31 March 2026	31 March 2025
Non-current assets			
Intangible assets	5.	7,278	6,827
Author advances	6.	25,203	27,218
Property, plant and equipment (including right-of-use assets)	7.	6,592	6,587
Financial assets	8.	10,187	15,268
Deferred tax assets	9.	509	657
		49,771	**56,558**
Current assets			
Inventories	10.	18,843	16,770
Trade receivables[1)]	11.	20,221	23,536
Financial assets[2)]	8.	3,665	3,954
Income tax refund claims	9.	1,012	439
Other receivables and assets	12.	3,808	3,826
Cash and cash equivalents	13.	11,702	9,254
		59,251	**57,778**
Total assets		**109,022**	**114,336**
Equity			
Equity attributable to the Parent Company's equity holders			
Subscribed capital	14.	13,200	13,200
Share premium	14.	9,045	9,045
Unappropriated surplus/accumulated deficit	14.	33,276	31,301
Other comprehensive income	14.	10,208	15,130
		65,728	**68,676**
Shares held by non-controlling shareholders	14.	254	229
Total equity		**65,983**	**68,905**
Non-current liabilities			
Provisions	16.	589	1,068
Deferred tax liabilities	9.	281	301
Financial liabilities	17.	3,493	4,321
Trade payables	18.	448	1,675
		4,810	**7,365**
Current liabilities			
Financial liabilities	17.	3,602	5,163
Trade payables	18.	21,412	21,100
Income tax liabilities	9.	1,909	2,218
Provisions	16.	9,783	8,075
Other liabilities	19.	1,523	1,510
		38,229	**38,066**
Total liabilities		**43,039**	**45,431**
Total equity and liabilities		**109,022**	**114,336**

1) Previous year adjusted, see Note 11

2) Previous year adjusted, see Note 8

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 APRIL 2025 UNTIL 31 MARCH 2026

€ k	**Note**	**2025/2026**	**2024/2025**
Revenues	20.	118,382	114,010
Changes in inventories of finished goods and work in progress	21.	1,748	2,784
Other operating income	22.	1,587	696
Cost of materials	23.	-64,246	-55,519
Staff costs	24./25.	-22,671	-22,649
Other operating expenses	26.	-22,961	-20,753
Amortisation and depreciation	27.	-3,137	-2,468
Operating profit		**8,701**	**16,101**
Share of profit of associates	28.	626	1,016
Income from other investments	29.	79	222
Profit before financing and income taxes		**9,406**	**17,338**
Financing expense	30.	-295	-847
Profit before income taxes		**9,110**	**16,491**
Income taxes	31.	-2,677	-5,089
Consolidated net profit for the period		**6,433**	**11,402**
Of which attributable to:			
Equity holders of Bastei Lübbe AG		6,355	11,335
Shares held by non-controlling shareholders	32.	79	68
Earnings per share in euros (basic = diluted) (based on the net profit for the period attributable to the equity holders of Bastei Lübbe AG)	15.	0.48	0.86

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 APRIL 2025 UNTIL 31 MARCH 2026

€ k	**2025/2026**	**2024/2025**
Consolidated net profit for the period	**6,433**	**11,402**
Amounts that cannot be recycled to profit and loss in the future	**-5,000**	**–**
Changes in the fair value of equity instruments	-5,000	–
Amounts that can be recycled to profit and loss in the future	**87**	**-41**
Foreign currency translation differences	87	-41
Other comprehensive income	**-4,913**	**-41**
Consolidated comprehensive income	**1,521**	**11,362**
Of which attributable to:		
Equity holders of Bastei Lübbe AG	**1,433**	**11,295**
Shares held by non-controlling shareholders	**87**	**66**

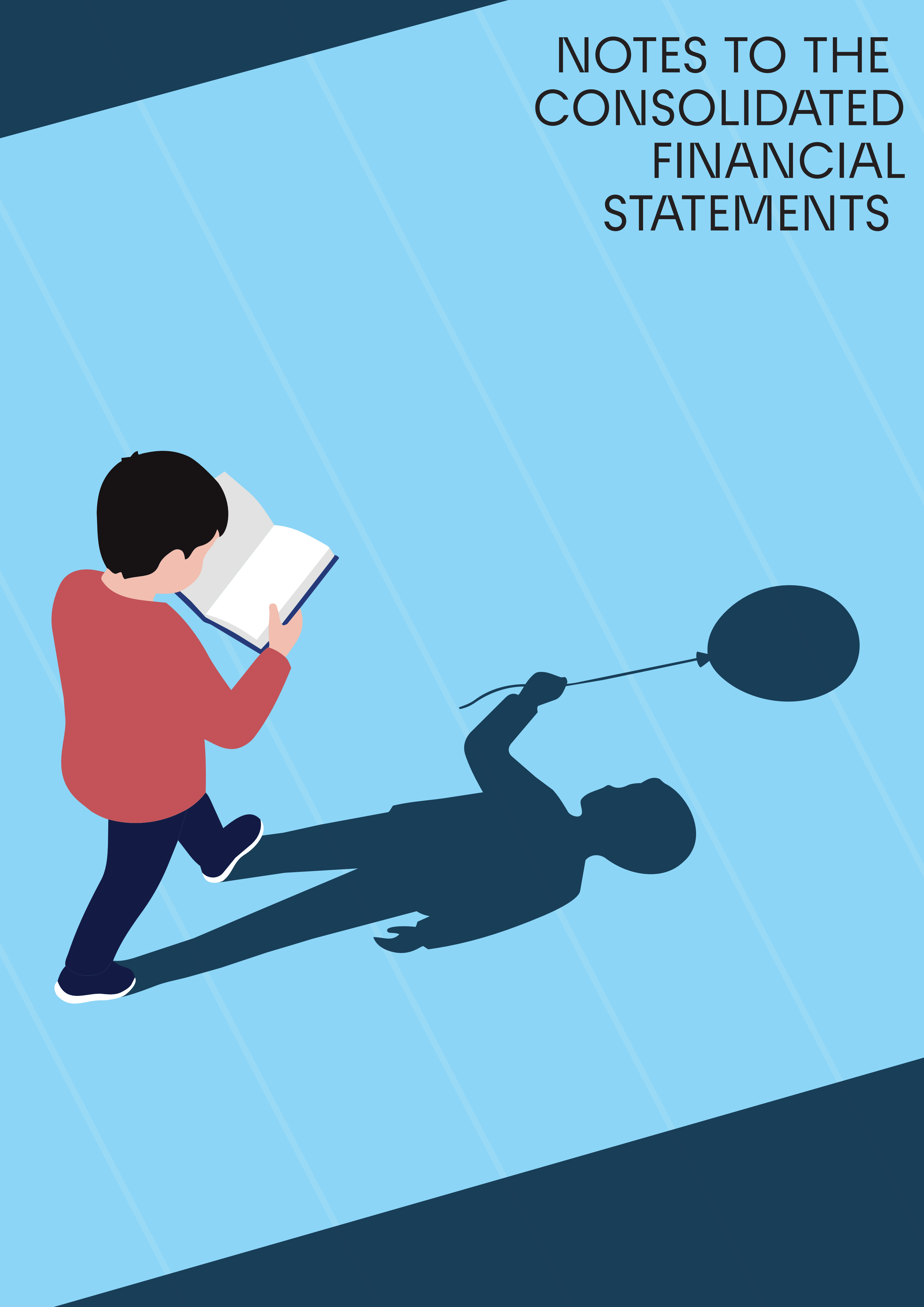
CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM 1 APRIL 2025 UNTIL 31 MARCH 2026

€ k		**2025/2026**	**2024/2025**
Net profit for the period		6,433	11,402
+/-	Depreciation and amortisation/remeasurement gains of intangible assets and property, plant and equipment	3,137	2,468
+/-	Impairment/remeasurement gains of financial assets	–	25
+/-	Depreciation/remeasurement gains of author royalties	18,189	11,539
+/-	Other non-cash expenses/income	–	-48
+/-	Increase/decrease in provisions	1,017	1,058
-/+	Profit/loss from the disposal of intangible assets and property, plant and equipment	–	-12
-	Author advances	-15,718	-19,189
-/+	Increase/decrease in inventories, trade receivables and other assets not attributable to investing or financing activities	2,366	-11,349
-/+	Decrease/increase in trade payables and other liabilities not attributable to investing or financing activities	-3,460	2,279
+/-	Interest expenses/income	217	625
+/-	Income tax expenses/income	2,677	5,089
+/-	Tax payments made	-3,477	-3,495
-	Other investment income	-626	-1,041
Cash flow from operating activities		**10,757**	**-648**
-	Payments made for purchases of intangible assets	-619	-1,106
+	Payments received from the disposal of property, plant and equipment	13	82
-	Payments made for purchases of property, plant and equipment	-1,158	-1,420
-	Payments made for the acquisition of fully consolidated companies, less cash and cash equivalents acquired	-550	–
+	Loans to other associates	626	1,041
+	Interest received	79	222
Cash flow from investing activities		**-1,609**	**-1,181**
-	Payments to the shareholders of the Parent Company (dividends)	-4,752	-3,960
-	Payments made to non-controlling interests (dividends)	-62	-64
-	Payments made for the discharge of loans	-750	-1,125
-	Payments made for lease liabilities	-1,345	-1,288
-	Interest paid	-295	-847
Cash flow from financing activities		**-7,204**	**-7,283**
	Changes to cash and cash equivalents recognised in the cash flow statement	1,944	-9,113
	Exchange-rate and valuation-related changes to cash and cash equivalents	53	-21
+/-	Increase/decrease in cash and cash equivalents due to consolidation-related changes	452	–
+	Cash and cash equivalents at the beginning of the period	9,254	18,387
=	**Cash and cash equivalents at the end of the period**	**11,702**	**9,254**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 APRIL 2025 UNTIL 31 MARCH 2026

	Parent Company						Non-controlling interests	Group equity
				Cumulative other comprehensive income				
€ k	**Subscribed capital**	**Share premium**	**Unappropriated surplus**	**Reserve from investments in equity instruments**	**Foreign currency translation reserve**	**Equity**	**Equity**	**Equity**
Amount on 1 April 2024	13,200	9,045	23,927	15,104	64	61,340	226	61,567
Dividend distributions to shareholders	–	–	-3,960	–	–	-3,960	-64	-4,024
Net profit for the period	–	–	11,335	–	–	11,335	68	11,402
Other comprehensive income	–	–	–	–	-39	-39	-1	-41
Comprehensive income	**–**	**–**	**11,335**	**–**	**-39**	**11,295**	**66**	**11,362**
Amount on 31 March 2025	**13,200**	**9,045**	**31,301**	**15,104**	**25**	**68,676**	**229**	**68,905**
Amount on 1 April 2025	13,200	9,045	31,301	15,104	25	68,676	229	68,905
Changes in reporting entity structure	–	–	372	–	–	372	–	372
Dividend distributions to shareholders	–	–	-4,752	–	–	-4,752	-62	-4,814
Net profit for the period	–	–	6,355	–	–	6,355	79	6,433
Other comprehensive income	–	–	-1	-5,000	78	-4,922	9	-4,913
Comprehensive income	**–**	**–**	**6,354**	**-5,000**	**78**	**1,433**	**87**	**1,521**
Amount on 31 March 2026	**13,200**	**9,045**	**33,276**	**10,104**	**103**	**65,728**	**254**	**65,983**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



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CONSOLIDATED NOTES

GENERAL DISCLOSURES

1. INFORMATION ABOUT THE GROUP

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

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

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

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

The consolidated financial statements for the financial year from 1 April 2025 to 31 March 2026 were prepared by the Executive Board and approved for publication on 7 July 2026 and will be submitted to the Supervisory Board on 8 July 2026 for approval.

Reference should be made to Note 47 with regard to events between the reporting date and 7 July 2026 that could be material for an assessment of the Group's net assets, financial position and results of operations as well as its cash flows.

2. BASIS OF PREPARATION

A) UNDERLYING ACCOUNTING RULES

The consolidated financial statements as of 31 March 2026 have been prepared in accordance with the accounting rules in force on the reporting date in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union (EU) and the interpretations of the IFRS Interpretations Committee (IFRS IC) and the Standing Interpretations Committee (SIC) of the International Accounting Standards Board (IASB), London. In addition, the German statutory provisions applicable pursuant to Section 315e (1) of the German Commercial Code (HGB) are observed.

B) MEASUREMENT OF ASSETS AND LIABILITIES

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

C) CURRENCY TRANSLATION

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

None of the amendments to the standards, clarifications and interpretations whose application has been mandatory since 1 April 2025 had any material impact on the presentation of the net assets, financial position and results of operations.

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

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

One accounting standard that is of particular importance for the Bastei Lübbe Group and will become mandatory in the future is IFRS 18 "Presentation and Disclosure in Financial Statements", which was published in April 2024. This contains new guidance on the presentation of the financial statements and the notes. This is expected to affect the presentation of the components of the financial statements and the disclosure requirements in the notes to the consolidated financial statements. This will particularly apply to the restructured income statement and the disclosure requirements relating to company-specific performance indicators. Implementation is not expected to have any material impact on the Group's net assets, financial position and results of operations.

G) CONSOLIDATION PRINCIPLES AND REPORTING DATE

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

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

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

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

One fully consolidated Group company has a financial year that matches the calendar year and thus differs from the Group's financial year. The annual financial statements of the fully consolidated company Moravská Bastei MOBA s.r.o. , which are prepared for the calendar year, are included in the consolidated financial statements. Material transactions between the reporting date of the Group company and the reporting date of the consolidated financial statements are duly taken into account where applicable. There were no corresponding adjustments in the year under review. No interim financial statements are prepared for the company as its inclusion has no material impact on the Group's net assets, financial position and results of operations despite its different financial year. For one thing, it makes only a small contribution to the Group's revenues and earnings for the period. For another, its revenues and earnings have been stable over the last few years.

H) INTANGIBLE ASSETS

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

	Useful life years	Amortisation rate (%)
Other intangible assets		
Software	3-7	14.29-33.33
Publishing and title rights	8-15	6.67-12.5
Licence rights	5	20

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

I) AUTHOR ADVANCES

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

Systematic depreciation is generally calculated on the basis of the revenue generated. If the revenues achieved fall short of a typified revenue trend, this is used as a basis for calculating depreciation. Author advances are generally amortised over five years. There is a close correlation between revenues and the consumption of the economic benefit of the exploitation rights. Author advances and prepayments made are also reviewed at least once a year (usually on the reporting date) to determine whether there are any indications of impairment in the case of all major contracts with guaranteed royalties of more than €250k and in the case of high-risk contracts. If there is any evidence of impairment, the expected net income before royalty expenses is compared with the guaranteed royalties on the basis of an estimate of future sales volumes and the revenue calculated on this basis. To test the guaranteed author royalties for any impairment, a DCF (discounted cash flow) method based on an average WACC (weighted average cost of capital) in a range of 4.9 – 5.2% (previous year: 5.9 – 6.0%) is applied. The WACC is calculated on the basis of the data for a group of suitable peers. In cases in which the guaranteed royalties exceed the expected net income before royalty expenses, corresponding impairments are made or - if necessary - provisions recognised for onerous contracts. The resulting expenses are recognised within the cost of materials. Remeasurement gains are recognised within other operating income. Income from reversals of impairment losses arising from royalties not only results from a reduced WACC or changed planning assumptions, but may also reflect the carrying amount less amortisation.

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

J) PROPERTY, PLANT AND EQUIPMENT (EXCLUDING RIGHT-OF-USE ASSETS)

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

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

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

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

K) IMPAIRMENT TESTING

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

DEFINITION OF CGUS

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

EXECUTION OF IMPAIRMENT TESTING

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

To determine the present value, the discount rate is calculated on the basis of the weighted cost of capital, applying an underlying interest rate which is currently (as of the reporting date) 3.5% (previous year: 2.8%), a market risk premium of 5.5% (previous year: 6.5%) and a beta factor derived from a peer group.

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

L) LEASES

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

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

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

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

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

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

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

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

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

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

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

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

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

M) FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

In accordance with IFRS 9, financial assets are assigned to one of the following three categories:

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

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

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

LOSS ALLOWANCES ON AND DERECOGNITION OF FINANCIAL ASSETS

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

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

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

CASH AND CASH EQUIVALENTS

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

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

TRADE RECEIVABLES

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

FINANCIAL LIABILITIES

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

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

N) INVENTORIES

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

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

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

O) PROVISIONS

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

The provisions for returns relate to returns of publishing products. Customers are issued with credit notes for the full invoice amount. In the case of booklets distributed via the “non-physical remission” process, goods are not returned. A corresponding credit note is merely issued. The return rate adjusted for any special effects in the last two financial years is used as a basis for determining the provisions for returns. A separate assessment is carried out for each area. The chronological course of returns has been recorded statistically for several years and is largely stable over time. It is therefore possible to estimate the provisions for returns reliably. The liability is mostly settled within the first eight months after the reporting date. Experience shows that returns are usually received within 18 months. No further revenues arose from the provisions set aside in the previous year, as the returns either actually occurred or are expected to occur.

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

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

P) RECOGNITION OF REVENUES AND EXPENSES

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

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

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

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

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

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

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

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

Q) INCOME TAXES

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

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

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

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

4. REPORTING ENTITY STRUCTURE AND SHAREHOLDINGS

The following table sets out the Group's main subsidiaries in the 2025/2026 financial year.

FULLY CONSOLIDATED COMPANIES

		Share held	
	Location	**31 March 2026**	**31 March 2025**
Moravská Bastei MOBA s.r.o. (Moba)1)	Brno, Czech Republic	89.76%	89.76%
CE Community Editions GmbH	Cologne	100.00%	100.00%
Business Hub Berlin UG	Berlin	100.00%	100.00%
Papertoons GmbH	Ludwigsburg	100.00%	0.00%
Siebter Himmel Bastei Lübbe GmbH	Cologne	100.00%	100.00%

1) Different financial year from 1 January 2025 until 31 December 2025 included in the consolidated financial statements

Compared with the previous year, the reporting entity structure has been expanded following the first-time full consolidation of Siebter Himmel Bastei Lübbe GmbH – which had previously not been consolidated on grounds of insufficient materiality – and the acquisition and consolidation of Papertoons GmbH. Further details are set out under "Changes to the reporting entity structure".

The activities of all subsidiaries are allocated to the "Book" segment.

NON-CONTROLLING INTERESTS

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

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

		Shares held by non-controlling shareholders	
	Location	**31 March 2026**	**31 March 2025**
Moravská Bastei MOBA s.r.o.1)	Brno, Czech Republic	10.24%	10.24%

1) Different financial year included in the consolidated financial statements: 1 January 2025 – 31 December 2025

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

€ k	Moba 31 Dec. 2025	Moba 31 Dec. 2024
Non-current assets	79	91
Current assets	3,008	2,656
Non-current liabilities	–	–
Current liabilities	599	507
Net assets	2,488	2,240
Net assets attributable to non-controlling interests	257	228
Revenues	3,065	2,663
Profit for the period = total profit	768	662
Total comprehensive income attributable to non-controlling interests	78	68

NON-CONSOLIDATED SUBSIDIARIES AND OTHER INVESTMENTS

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

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

€ k	Location	Share held	Equity	Net profit/loss
Bastei Ventures GmbH i.L.[1]	Cologne	100%	-2	-3

1) Figures taken from the annual financial statements as of 31 December 2024

Investments in non-consolidated companies (ownership stake of between 20% and 50%) are as follows:

€ k	Location	Share held	Equity	Net profit/loss
Räder GmbH[1]	Bochum	20%	16,742	1,737

1) Figures taken from the annual financial statements as of 31 December 2025

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

The “other investments” reported within financial assets relate to stakes held in “GROSSO” press distribution companies of less than 5%.

CHANGES TO THE REPORTING ENTITY STRUCTURE

Siebter Himmel Bastei Lübbe GmbH was fully consolidated for the first time in the 2025/2026 financial year. It had previously not been included in the consolidated financial statements due to its minor importance. It was consolidated for the first time during the year under review due to its growth and the addition of a further store in Leipzig. There was no business combination within the meaning of IFRS 3 during the financial year. The assets and liabilities of the subsidiary are included the consolidated financial statements using the carrying amounts from the separate financial statements. The difference over the previous carrying amount of the investment arising from the subsidiary’s retained earnings since acquisition was recognised with the Group share premium. During the financial year, the company contributed €2,385k to Group revenues and €414k to Group EBIT. Further effects on the consolidated statement of financial position and the consolidated statement of comprehensive income are explained – where material – under the relevant items.

Bastei Lübbe AG acquired all the shares in Papertoons GmbH, which is based in Ludwigsburg, with effect from 1 January 2026. This company specialises in licensing, marketing and distributing manga, webtoon and graphic novel content. With this acquisition, Bastei Lübbe is strengthening its market position in the manga and webtoon sector and expanding its licensing portfolio.

The consideration was paid in cash and amounted to €541k. In addition, contingent purchase price components were agreed, payment of which is conditional upon the achievement of contractually defined revenue and profit targets. On the basis of the current plans, there are no additional purchase price liabilities.

Legal and consultancy fees of €49k were incurred in connection with the business combination and are recognised under other operating expenses.

The fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition were as follows:

€ k	**Papertoons GmbH**
Intangible assets	34
Author advances	456
Trade receivables	341
Cash and cash equivalents	10
Other current assets	165
Financial liabilities	19
Provisions	233
Trade payables and other liabilities	1,027
Deferred tax liabilities	11
Total identifiable net assets acquired	-284

A comparison of the consideration paid and the net assets acquired resulted in goodwill of €824k. Goodwill arises primarily from expected synergies, future growth opportunities in the manga and webtoon segment and intangible assets that cannot be identified separately. Goodwill is not tax-deductible.

Allocation of the purchase price is still provisional as of the reporting date, as not all the information required for the final measurement of the assets acquired was available at that time. As part of the purchase price allocation process, the “Papertoons” brand and exploitation rights (author royalties) were identified as significant assets and recognised at provisional amounts. In addition, the analysis of the unused tax losses with regard to usability and value due to the transfer of control is still ongoing. With respect to trade receivables and other current assets, the fair value corresponds to the contractually agreed gross amounts; no significant credit risks were identified at the time of acquisition.

Since the date of acquisition, Papertoons GmbH has contributed revenues of €354k and earnings after tax of €-136k to the consolidated financial statements. In the 2025/2026 financial year, Papertoons GmbH generated revenues of €1,479k and earnings after tax of €-733k. Had the company already been included in the consolidated financial statements as of 1 April 2025, Group revenues would have amounted to €119,508k and Group earnings after tax to €5,815k.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5. INTANGIBLE ASSETS

€ k	Goodwill	Title and trademark rights	Software	Prepayments made	Total
Historical cost					
Amount on 1 April 2024	5,671	2,310	7,994	569	16,544
Additions	–	134	972	–	1,106
Reclassifications	–	–	569	-569	–
Currency-translation differences	–	–	-1	–	-1
Amount on 31 March 2025	**5,671**	**2,444**	**9,535**	**–**	**17,650**
Cumulative depreciation, amortisation and impairment losses					
Amount on 1 April 2024	1,727	1,030	7,338	–	10,096
Depreciation and amortisation	–	161	566	–	727
Amount on 31 March 2025	**1,727**	**1,191**	**7,904**	**–**	**10,822**
Carrying amounts					
Amount on 1 April 2024	3,943	1,279	656	569	6,448
Amount on 31 March 2025	**3,943**	**1,253**	**1,631**	**–**	**6,827**
Historical cost					
Amount on 1 April 2025	5,671	2,444	9,535	–	17,650
Changes to the reporting entity structure	824	34	–	–	858
Additions	–	–	619	–	619
Disposals	–	–	-2	–	-2
Currency-translation differences	–	–	1	–	1
Amount on 31 March 2026	**6,495**	**2,478**	**10,153**	**–**	**19,126**
Cumulative depreciation, amortisation and impairment losses					
Amount on 1 April 2025	1,727	1,191	7,904	–	10,822
Depreciation and amortisation	–	168	859	–	1,026
Disposals	–	–	-2	–	-2
Currency-translation differences	–	–	1	–	1
Amount on 31 March 2026	**1,727**	**1,359**	**8,761**	**–**	**11,847**
Carrying amounts					
Amount on 1 April 2025	3,943	1,253	1,631	–	6,827
Amount on 31 March 2026	**4,768**	**1,119**	**1,391**	**–**	**7,278**

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

€ k	**31 March 2026**	**31 March 2025**
Book		
Community Editions	3,908	3,908
Papertoons*	824	–
Eichborn	35	35
Total	**4,768**	**3,943**

*provisional

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

The key assumptions used for estimating the recoverable amount are presented below. The recoverable amount was determined by calculating the value in use using cash flow projections on the basis of financial plans approved by the Executive Board for a detailed planning period of three years. The values assigned to the key assumptions represent the Executive Board's assessment of future developments and are based on historical data obtained from external and internal sources as well as recent information on medium-term business performance. Under the Company's assumptions, the growth rates do not exceed the long-term average growth rates of the business segment in which the respective cash-generating unit operates. Average annual revenue growth in the upper single-digit range is expected for the Community Editions cash-generating unit until the commencement of the perpetual annuity. Over the same period, the EBITDA margin is expected to widen by around 6 percentage points to a low double-digit percentage. For the cash-generating unit Papertoons, management is forecasting a sustainable nominal annual cash surplus in the low three-figure € k range. In connection with the calculation of the value in use of the cash-generating units, the greatest estimation uncertainties relate to the budgeted revenues, the EBITDA margin as well as the growth rate of the perpetual annuity and discount rates. The following parameters and sensitivities are used for the main cash-generating unit Community Editions:

Cash-generating unit	**Community Editions**
Measurement date	31 March 2026
Annual growth after the end of the planning period	1.0%
Discount rate (before taxes)	10.22%
Discount rate (after taxes)	7.60%
Carrying amount (€ k)	8,885
Recoverable amount (€ k)	10,615
Difference between recoverable amount and carrying amount (€ k)	1,730
Change in revenues in the perpetual annuity causing the recoverable amount to equal the carrying amount	-17.8%
Change in the EBITDA margin in the perpetual annuity causing the recoverable amount to equal the carrying amount	-1.8 percentage points
Change in the growth rate causing the recoverable amount to equal the carrying amount	-1.4 percentage points
Change in WACC causing the recoverable amount to equal the carrying amount	1.3 percentage points

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

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

Other intangible assets mainly include title rights and trademarks totalling €219k (previous year: €301k) as of the reporting date, which are amortised over a useful life of 15 years. The hidden reserves on the acquired brands and domains that were recognised as assets in connection with purchase price allocation for Community Editions and smarticular, which are also amortised over a useful life of 15 years, amounted to €868k as of the reporting date (previous year: €952k). In addition, hidden reserves on the brand (carrying amount as of the reporting date: €32k) were recognised as part of the allocation of the purchase price paid for Papertoons GmbH. These are being written down over a period of 5 years. Depreciation, amortisation and impairment losses are presented in the consolidated income statement within the item entitled "Amortisation and depreciation".

6. AUTHOR ADVANCES

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

Historical cost			
Amount on 1 April 2025	152,845	4,298	157,143
Change to the reporting entity structure	456	–	456
Additions	12,866	2,877	15,744
Disposals	-1,264	-5	-1,269
Reclassifications	1,228	-1,228	–
Currency-translation differences	16	–	16
Amount on 31 March 2026	**166,145**	**5,943**	**172,088**
Cumulative depreciation, amortisation and impairment losses			
Amount on 1 April 2025	129,755	169	129,924
Depreciation and amortisation	18,887	–	18,887
Impairment losses	48	20	68
Reversals of impairment losses	-666	-101	-766
Disposals	-1,243	–	-1,243
Currency-translation differences	15	–	15
Amount on 31 March 2026	**146,796**	**89**	**146,885**
Carrying amounts			
Amount on 1 April 2025	23,089	4,129	27,218
Amount on 31 March 2026	**19,349**	**5,854**	**25,203**

In the year under review, impairment losses amounting to €68k (previous year: €257k) were recognised where it was deemed likely that the present value of the future net income to be generated from the asset in question, before royalties for the title concerned, would not offset the amount still capitalised. In the year under review, reversals of impairment losses amounting to €766k (previous year: €373k) were recognised in respect of previously impaired author advances and prepayments, to the extent that future sales-related royalties from the titles in question will cover the amounts still capitalised. Significant portions of impairment losses and remeasurement gains are based on changes in the estimates of future expected revenues. Income from remeasurement gains on royalties is not only due to a reduced WACC or changed planning assumptions, but also to the fact that the residual carrying amount of a manuscript has dropped as a result of monthly success-tied depreciation, necessitating a corresponding correction.

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

€ k	Land and buildings	Technical equipment and machinery	Operating and business equipment	Prepayments towards assets under construction	Total
Historical cost					
Amount on 1 April 2024	12,237	38	6,460	53	18,788
Additions	705	–	1,260	19	1,984
Disposals	-217	–	-844	–	-1,060
Reclassification	–	–	22	-22	–
Currency-translation differences	–	–	-3	–	-3
Amount on 31 March 2025	**12,725**	**38**	**6,896**	**50**	**19,708**
Cumulative depreciation, amortisation and impairment losses					
Amount on 1 April 2024	6,581	38	5,755	–	12,374
Depreciation and amortisation	1,157	–	584	–	1,741
Disposals	-182	–	-809	–	-991
Currency-translation differences	–	–	-2	–	-2
Amount on 31 March 2025	**7,556**	**38**	**5,528**	**–**	**13,122**
Carrying amounts					
Amount on 1 April 2024	5,656	–	705	53	6,414
Amount on 31 March 2025	**5,169**	**–**	**1,368**	**50**	**6,587**
Historical cost					
Amount on 1 April 2025	12,725	38	6,895	50	19,709
Change to the reporting entity structure	526	–	337	–	863
Additions	543	–	707	16	1,266
Disposals	–	–	-144	–	-144
Reclassification	50	–	–	-50	–
Currency-translation differences	–	–	6	–	6
Amount on 31 March 2026	**13,844**	**38**	**7,802**	**16**	**21,700**
Cumulative depreciation, amortisation and impairment losses					
Amount on 1 April 2025	7,556	38	5,528	–	13,122
Depreciation and amortisation	1,314	–	798	–	2,112
Disposals	–	–	-131	–	-131
Currency-translation differences	–	–	5	–	5
Amount on 31 March 2026	**8,870**	**38**	**6,199**	**–**	**15,107**
Carrying amounts					
Amount on 1 April 2025	5,169	–	1,368	50	6,587
Amount on 31 March 2026	**4,974**	**–**	**1,603**	**16**	**6,592**

All depreciation of property, plant and equipment is included under “Depreciation and amortisation” in the consolidated income statement.

Property, plant and equipment include right-of-use assets of €4,467k (previous year: €5,171k) in connection with leased assets.

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

8. FINANCIAL ASSETS

€ k	31 March 2026	31 March 2025
Non-current financial assets		
Other investments	10,187	15,187
Shares in affiliated companies	–	81
	10,187	**15,268**
Current financial assets		
Creditors with debit accounts	165	180
Loan receivable from affiliated companies	0	149
Settlement claim against VVA*	3,455	3,613
Other	45	13
	3,665	**3,954**

* Previous year adjusted, see Note 11

The previous year's figure for the shares in affiliated companies was attributable to Siebter Himmel Bastei Lübbe GmbH, which was consolidated in the 2025/2026 financial year.

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

The annual impairment test of the investment in Räder GmbH identified an impairment loss as of 31 March 2026. The fair value of the investment was reduced from €15,100k in the previous year to €10,100k. The resulting impairment loss of €5,000k was recognised in other comprehensive income, without affecting profit or loss, in accordance with the accounting treatment for FVOCI equity instruments. A dividend of €600k (previous year: €1,000k) was received in the year under review.

The settlement claim against VVA arises from the pre-financing arrangement, which has been in place since 1 January 2025. Further details are set out in Note 11.

Current financial assets are due for settlement within one year.

9. INCOME TAX ASSETS AND LIABILITIES

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

€ k	31 March 2026	31 March 2025
Deferred tax assets	509	657
Income tax refund claims	1,012	439
Deferred tax liabilities	-281	-301
Income tax liabilities	-1,909	-2,218
Balance	**-668**	**-1,423**

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

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

	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	Deferred taxes		Deferred taxes	
€ k	**31 March 2026**		**31 March 2025**	
Other intangible assets	307	292	462	309
Property, plant and equipment	149	–	155	–
Trade receivables	74	52	68	69
Provisions	27	–	25	–
Financial liabilities	15	–	24	–
	572	**344**	**734**	**378**
Offsetting	-63	-63	-77	-77
Carrying amounts	**509**	**281**	**657**	**301**

It is still assumed that the unused tax losses of Business Hub Berlin UG cannot currently be used. For this reason, the resulting deferred tax assets of €299k were not recognised. In addition, the deferred tax assets of €206k resulting from the unused tax losses attributable to Papertoons GmbH were initially disregarded in accordance with IAS 12.35.

The deferred tax liabilities on property, plant and equipment arise from leases in accordance with IFRS 16. As of 31 March 2026, these consist of deferred tax assets on lease liabilities of €1,552k (previous year: €1,678k) and deferred tax liabilities on right-of-use assets of €1,403k (previous year: €1,833k).

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

€ k	**31 March 2026**		**31 March 2025**	
Deferred tax assets 1 April	657		757	
Deferred tax liabilities 1 April	-301	356	-331	426
Deferred tax assets 31 March	509		657	
Deferred tax liabilities 31 March	-281	228	-301	356
= change in the net amount		-128		-70
+/- disposals/additions from changes to the reporting entity structure		11		–
= Net deferred tax assets/liabilities as shown in the income statement		**-117**		**-70**

10. INVENTORIES

€ k	31 March 2026	31 March 2025
Raw materials, supplies and consumables	138	117
Work in progress	505	457
Finished goods	18,200	16,196
Inventories	**18,843**	**16,770**

The impairment losses on inventories as of 31 March 2026 result from the subsequent measurement of €2,280k (previous year: €-690k).

11. TRADE RECEIVABLES

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

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

Trade receivables break down as follows:

€ k	31 March 2026	31 March 2025
Trade receivables		
Trade receivables from third parties*	21,305	24,534
Lifetime expected credit losses (stage 2)	-242	-211
12-month credit losses (stage 3)	-842	-787
Trade receivables	**20,221**	**23,536**

*) Previous year adjusted

LOSS ALLOWANCES IN THE YEAR UNDER REVIEW

€ k	2025/2026		2024/2025	
	Lifetime expected credit losses (stage 2)	12-month credit losses (stage 3)	Lifetime expected credit losses (stage 2)	12-month credit losses (stage 3)
Lifetime expected credit losses				
Amount at the beginning of the period	211	787	193	498
Net remeasurement	30	55	18	289
Amount at the end of the period	**242**	**842**	**211**	**787**

Lifetime expected credit losses for trade receivables (stage 2) as of 31 March 2026 break down by customer group as follows:

€ k	Average default rate	Carrying amount	Lifetime expected credit losses
Wholesale book trade	0.8%	9,184	71
Digital portals	1.0%	6,420	62
Other retail book trade	1.0%	3,036	29
Other customers	4.3%	1,823	79
Total	**1.2%**	**20,463**	**242**

Disclosures on lifetime expected credit losses on trade receivables as of 31 March 2025 (stage 2):

€ k	Average default rate	Carrying amount*	Lifetime expected credit losses
Wholesale book trade	0.4%	9,354	38
Digital portals	0.3%	9,872	33
Other retail book trade	1.1%	2,272	25
Other customers	5.1%	2,250	115
Total	**0.9%**	**23,747**	**211**

* Previous year adjusted

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

On 31 December 2024, the non-recourse factoring programme (sale of receivables with transfer of the credit risk to VVA) was terminated. Since 1 January 2025, a pre-financing arrangement has been in place with VVA, under which the Group transfers trade receivables to VVA in exchange for cash. These receivables are not derecognised because, due to contractual provisions, essentially all risks and opportunities, these primarily being the credit risk, are retained by the Group. Under the agreement with VVA, customers settle their liabilities by remittance to VVA directly. Where, as a result of the contractually agreed payment terms with VVA, there are differences between customer receivables outstanding as of the reporting date and payments made under the agreement, any resulting surplus or shortfall is recognised as a settlement balance and classified as other financial assets or other financial liabilities, as the case may be. As of 31 March 2026, there was a positive settlement balance of €3,455k (previous year: €3,613k). To ensure comparability, the figures for the previous year have been restated in accordance with IAS 8. As a result of the reclassification, the trade receivables dropped to €23,536k as of 31 March 2025. Reclassification was executed solely within the assets and is neutral in terms of income, equity and total assets.

12. OTHER RECEIVABLES AND ASSETS

€ k	31 March 2026	31 March 2025
Assets from expected returns	1,662	1,582
Claims for VAT refunds	709	886
Other prepaid expenses	1,274	1,301
Other	163	56
Other receivables and assets	**3,808**	**3,826**

All amounts can be collected within one year.

13. CASH AND CASH EQUIVALENTS

€ k	**31 March 2026**	**31 March 2025**
Cash at banks	11,664	9,221
Cash on hand	39	32
Cash and cash equivalents	**11,702**	**9,254**

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

14. EQUITY

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

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

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

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

A dividend of €4,752k was distributed to the equity holders of Bastei Lübbe AG in the year under review, equivalent to a payout of €0.36 per share.

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

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

The Executive Board and the Supervisory Board will propose to the Annual General Meeting that an amount of €3.3 million be distributed to the shareholders as a dividend from the unappropriated surplus of the 2025/2026 financial year, based on the 13,200,100.00 shares of subscribed capital as of 31 March 2026, corresponding to €0.25 per share.

15. EARNINGS PER SHARE

Earnings per share (€0.48, previous year: €0.86) are calculated by dividing the net profit for the period attributable to the shareholders of the Parent Company by the number of shares outstanding (13,200,100 shares) less treasury shares.

There was no dilution effect in the year under review or in the previous year.

16. PROVISIONS

Movements in other provisions break down as follows:

€ k	Amount on 1 April 2025	Changes to reporting entity structure	Reclassified	Utilised	Added	Amount on 31 March 2026
Non-current						
Archiving costs	87	2	–	–	–	88
Provisions for long-service benefits	96	–	–	–	40	136
LTIP provisions	885	–	-640	–	119	364
	1,068	**2**	**-640**	**–**	**159**	**589**
Current						
Returns	7,636	210	–	-7,667	8,906	9,084
LTIP provisions	439	–	640	-439	59	699
	8,075	**210**	**640**	**-8,106**	**8,964**	**9,783**
	9,143	**212**	**–**	**-8,106**	**9,124**	**10,372**

17. FINANCIAL LIABILITIES

€ k	Amount on 31 March 2026 of which due for settlement in			Amount on 31 March 2025 of which due for settlement in		
	Total	up to 1 year	over 1 year, up to 5 years	Total	up to 1 year	over 1 year, up to 5 years
Liabilities (to / from)						
Banks	–	–	–	750	750	–
Lease liabilities	4,942	1,450	3,493	5,649	1,328	4,321
Employees	1,398	1,398	–	2,180	2,180	–
Debtors with credit balances	58	58	–	79	79	–
Prefinancing liabilities	694	694	–	826	826	–
Other	3	3	–	0	0	–
	7,095	**3,602**	**3,493**	**9,484**	**5,163**	**4,321**

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

18. TRADE PAYABLES

Trade payables (€21,860k, previous year: €22,775k) mainly relate to royalty liabilities to authors and agencies, liabilities to printers, liabilities to other publishers and liabilities from consulting services and rental agreements. The non-current liabilities of €461k (previous year: €399k) to licensors were discounted to their present value of €448k (previous year: €380k) as they are not subject to any interest.

19. OTHER LIABILITIES

€ k	**31 March 2026**	**31 March 2025**
Liabilities (to/under)		
Employees	628	581
Other taxes	510	615
Deferred income	53	131
Prepayments received	25	13
Other	307	171
Other liabilities	**1,523**	**1,510**

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

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

NOTES ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

20. REVENUES

	2025/2026			2024/2025		
€ k	**Book**	**Novel booklets**	**Total**	**Book**	**Novel booklets**	**Total**
Physical	70,444	6,295	76,739	67,788	6,396	74,185
Digital	37,503	586	38,089	34,931	573	35,503
Other	3,412	142	3,554	4,239	83	4,322
Revenues	**111,359**	**7,023**	**118,382**	**39,170**	**7,051**	**114,010**

The physical revenues in the “Book” segment mainly comprise revenues of €70,444k (previous year: €67,788k) from the sale of physical books and audiobooks to retailers less discounts. They also include e-commerce revenues of €3,178k (previous year: €3,104k). Revenues from digital business in the “Book” segment comprise income of €15,467k (previous year: €14,225k) from the sale of e-books less discounts as well as sales of digital audiobooks of €22,035k less discounts (previous year: €20,706k). Other revenues in the “Book” segment mainly include licence revenues of €3,143k (previous year: €3,712k).

Physical revenues in the “Novel Booklets” segment are derived from sales of physical novel booklets via retailers and the segment’s own e-commerce shop of €6,295k (previous year: €6,396k). Revenues from digital business in the “Novel Booklets” segment come from the sale of e-books of €586k (previous year: €573k). Other revenues in the “Novel Booklets” segment mainly include license revenues of €141k (previous year: €82k).

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

	Inventories		Changes in inventories	
€ k	**31 March 2026**	**31 March 2025**	**2025/2026**	**2024/2025**
Work in progress	505	457	48	7
Finished goods	18,200	16,196	2,004	2,771
			2,051	**2,777**
Currency-translation differences			-15	7
Changes in the reporting entity structure			-290	–
Total			**1,747**	**2,784**

22. OTHER OPERATING INCOME

€ k	**2025/2026**	**2024/2025**
Income from reversals of impairments of author advances	766	373
Income from the reversal of loss allowances	180	36
Income from the derecognition of liabilities	424	162
Currency translation gains	11	39
Other income from other periods	31	12
Income from asset disposals	2	13
Income from the reversal of provisions	–	3
Other	173	57
Other operating income	**1,587**	**696**

23. COST OF MATERIALS

€ k	**2025/2026**	**2024/2025**
Author royalties and amortisation of author royalties	37,444	31,872
Expenses for services purchased	24,847	23,303
Costs of raw materials, consumables and supplies, and goods purchased	1,954	344
Cost of materials	**64,246**	**55,519**

24. PERSONNEL EXPENSES

€ k	**2025/2026**	**2024/2025**
Wages and salaries	19,102	19,311
Social security contributions	3,569	3,338
Staff costs	**22,671**	**22,649**

The employer contributions to statutory pension insurance amounted to €1,616k in the year under review (previous year: €1,489k).

25. SHARE-BASED PAYMENTS

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

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

Number of virtual shares as of 31 March 2026	2023 - 2026	2024 - 2027	2025 - 2028
Soheil Dastyari, Chief Executive Officer	47,281	61,030	13,745
Mathis Gerkensmeyer, Chief Financial Officer	–	13,482	5,113
Sandra Dittert, Chief Marketing and Sales Officer	48,387	13,192	5,003
Simon Decot, Chief Programme Officer	27,650	14,496	5,498
Total	**123,318**	**102,200**	**29,359**

Number of virtual shares as of 31 March 2026	2022 - 2025	2023 - 2026	2024 - 2027
Joachim Herbst, Chief Financial Officer (1 August 2020 - 31 July 2023)	29,862	–	–
Total	**29,862**	**–**	**–**

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

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

Measurement parameters in accordance with IFRS 2	Grant date	Measurement date	Measurement date
	1 April 2024	**31 March 2026**	**31 March 2025**
Fair value of cap of 375% (€)	6.36	6.77	10.61
Fair value of cap of 250% (€)	6.13	6.32	9.39
Share price (€)	6.45	6.32	11.10
Expected volatility (weighted average, %)	35.5%	23.3%	30.9%
Expected duration (in years)	3	1	2
Expected dividends (%)	6.8%	5.7%	4.0%
Risk-free interest rate (based on government bonds, %)	2.4%	2.1%	2.1%

Measurement parameters in accordance with IFRS 2	**Grant date**	**Measurement date**
	1 April 2025	**31 March 2026**
Fair value of cap of 375% (€)	10.86	6.77
Fair value of cap of 250% (€)	10.28	6.32
Share price (€)	11.10	6.32
Expected volatility (weighted average, %)	33.7%	28.5%
Expected duration (in years)	3	2
Expected dividends (%)	3.3%	5.7%
Risk-free interest rate (based on government bonds, %)	2.1%	2.2%

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

The total expenses under cash-settled share-based payments come to €178k (previous year: €1,020k).

The total carrying amount of the liabilities under share-based payments is €1,062k (previous year: €1,324k).

26. OTHER OPERATING EXPENSES

€ k	**2025/2026**	**2024/2025**
Marketing expenses	8,061	7,462
Advertising costs	5,513	5,243
Legal, consultancy and accounting costs	1,977	1,890
IT expenses	2,829	2,524
Rents, leases and other costs of premises	977	699
Currency translation losses	73	27
Other expenses	3,531	2,909
Other operating expenses	**22,961**	**20,753**

27. DEPRECIATION AND AMORTISATION

€ k	**2025/2026**	**2024/2025**
Planned depreciation and amortisation		
Intangible assets	-1,026	-727
Property, plant and equipment	-2,112	-1,741
Total	**-3,137**	**-2,468**

28. SHARE OF PROFIT OF ASSOCIATES

The share of profit of associates comprises dividends distributed by Räder GmbH (€600k) and a dividend distributed by wholesale press distribution companies.

The business operations of Bastei Ventures GmbH i. L. were terminated in the previous year due to a revised strategic focus. In this context, an impairment loss was recognised on financial assets in the previous year (previous year: €25k).

29. INCOME FROM OTHER INVESTMENTS

€ k	**2025/2026**	**2024/2025**
Income from other investments		
Interest income	79	222
	79	**222**

30. FINANCING EXPENSE

€ k	**2025/2026**	**2024/2025**
Financing expense		
Interest expense on bank loans	-40	-124
Interest expense arising from factoring	0	-410
Interest expense on lease liabilities	-252	-321
Other	-4	8
	-295	**-847**

31. INCOME TAXES

€ k	**2025/2026**	**2024/2025**
Income taxes refunded, paid or owed		
for the current year	-2,635	-5,053
for previous years	75	35
	-2,560	**-5,019**
Deferred taxes		
on temporary differences	-117	-70
	-117	**-70**
Total	**-2,677**	**-5,089**

Actual income tax expense can be derived from the expected tax expense for the year under review as follows:

€ k	**2025/2026**	**2024/2025**
Earnings before taxes	9,110	16,491
Expected income tax expense (32.45%)	2,956	5,351
Differences in tax rates	-125	-107
Non-deductible business expenses / tax-free income / special category	-117	-247
Adjustments to trade tax	23	39
Non-recognition of deferred tax assets	41	83
Taxes for previous years	-75	-34
Adjustment for previous years	–	-7
Other	-26	11
Actual income tax expense	**2,677**	**5,089**

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

Deferred taxes are calculated using the tax rates that are expected to apply at the time of the reversal of temporary differences or the use of the unused tax losses. The tax rate applied for the calculation of deferred taxes varies between 32.45% and 27.18%. This is due to the gradual reduction in the corporate tax rate from 15% to 10% from the assessment period 2028 to 2032. The changes in the tax rate did not have any material impact in the year under review.

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

The share of profit of €79k (previous year: €68k) attributable to non-controlling interests relates to Moba.

OTHER DISCLOSURES

33. NOTES TO THE CASH FLOW STATEMENT

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

34. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

€ k	**Carrying amount on 31 March 2025**	**Recognised in the cash flow statement**	**Not recognised in the cash flow statement**	**Additions to the reporting entity structure**	**Carrying amount on 31 March 2026**
Liabilities to banks	750	-750	-	-	–
Lease liabilities	5,649	-1,345	109	530	4,942
Total	**6,399**	**-2,095**	**109**	**530**	**4,942**

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

35. SEGMENT REPORT

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

BOOK

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

NOVEL BOOKLETS

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

The segments were as follows in the year under review:

	Book		**Novel booklets**		**Group**	
€ k	**2025/ 2026**	**2024/ 2025**	**2025/ 2026**	**2024/ 2025**	**2025/ 2026**	**2024/ 2025**
Segment revenues	112,128	107,429	7,023	7,051	119,151	114,480
Internal revenues	-768	-470	–	–	-768	-470
External revenues	111,359	106,959	7,023	7,051	118,382	114,010
EBITDA	**11,526**	**18,551**	**938**	**1,058**	**12,464**	**19,609**
Depreciation and amortisation/impairment of intangible assets and property, plant and equipment	-2,941	-2,310	-196	-158	-3,137	-2,468
Impairment/remeasurement gains of financial assets	–	-25	–	–	–	-25
EBIT	**8,585**	**16,216**	**742**	**900**	**9,327**	**17,116**
These include the following material non-cash items:						
Impairment losses on author royalties	-68	-257	–	–	-68	-257
Reversion of impairments of author royalties	766	373	–	–	766	373
Impairments of inventories	–	-184	–	–	–	-184

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

The following table breaks down the segment revenues geographically:

	Germany		Abroad		Total	
€ k	**2025/2026**	**2024/2025**	**2025/2026**	**2024/2025**	**2025/2026**	**2024/2025**
External revenues	92,865	89,327	25,517	24,683	118,382	114,010

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

The Bastei Lübbe Group generates more than 20% of its revenues with its largest customer. The total revenues generated with this customer stand at €31,558k and relate to the "Book" segment.

Assets, liabilities and investments are not assigned to the individual segments, as these figures are not used as performance indicators at the segment level. The segment assets and liabilities are predominantly located in Germany.

36. CAPITAL MANAGEMENT

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

As part of capital management, the Executive Board strives to achieve a strong equity base to reinforce the confidence of current and potential investors and contractual partners in the sustainability of Bastei Lübbe's business activities and to guarantee the future development of its business. One of Bastei Lübbe AG's aims is also to pursue a dividend policy aligned to continuity in which the shareholders are able to participate in the Company's success through a dividend ratio of 40 to 50% of the Group's distributable profit as long as this is warranted by the Group's funding and earnings situation and its long-term sustainable business performance. No employee participation in the form of employee share schemes is currently planned.

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

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

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

Bastei Lübbe generally strives for an equity ratio of greater than 40% and a ratio of net debt (liabilities to banks less cash and cash equivalents) to consolidated EBITDA (= gearing) of 2.5 or less. The Group equity ratio stood at 60.5% as of 31 March 2026; the gearing was zero as of the same date as there was no net debt as of the reporting date. As of 31 March 2026, net financial assets (cash and cash equivalents less liabilities to banks) were valued at €11,702k and EBITDA at €12,464k.

Bastei Lübbe AG has a currently unused working capital facility of €10,000k.

Under the existing loan agreements, covenants were defined and must be observed so as to ensure that the required financial resources can be obtained on the agreed terms. This entailed a contractually agreed definition of gearing (adjusted financial liabilities / adjusted EBITDA) at the Group level. Bastei Lübbe met its financial targets for the financial year.

37. FINANCIAL INSTRUMENTS

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table sets out the carrying amounts and fair values of the financial instruments by type and breaks them down into the different categories of financial instruments in accordance with IFRS 9 as of 31 March 2026 and 31 March 2025.

			Measurement category in accordance with IFRS 9			
€ k	**Measurement category in accordance with IFRS 9**	**Carrying amount on 31 March 2026**	**At amortised cost**	**At fair value through other comprehensive income**	**At fair value through profit and loss**	**Fair value on 31 March 2026**
Assets						
Cash and cash equivalents	AC	11,702	11,702	–	–	–
Trade receivables	AC	20,221	20,221	–	–	–
Other originated financial assets	AC	3,665	3,665	–	–	–
Shareholdings	FVOCI (Level 3)	10,100	–	10,100	–	10,100
Shareholdings	FVPL (Level 3)	87	–	–	87	87
Equity and liabilities						
Trade payables	AC	21,860	21,860	–	–	–
Lease liabilities*	n/a	4,942	–	–	–	–
Other originated financial liabilities	AC	2,152	2,152	–	–	–

* Measured in accordance with IFRS 16

			Measurement category in accordance with IFRS 9			
€ k	**Measurement category in accordance with IFRS 9**	**Carrying amount on 31 March 2025**	**At amortised cost**	**At fair value through other comprehensive income**	**At fair value through profit and loss**	**Fair value on 31 March 2025**
Assets						
Cash and cash equivalents	AC	9,254	9,254	–	–	–
Trade receivables[1]	AC	23,536	23,536	–	–	–
Other originated financial assets[1]	AC	3,954	3,954	–	–	–
Shareholdings	FVOCI (Level 3)	15,100	–	15,100	–	15,100
Shareholdings	FVPL (Level 3)	168	–	–	168	168
Equity and liabilities						
Trade payables	AC	22,775	22,775	–	–	–
Liabilities to banks	AC	750	750	–	–	–
Lease liabilities[2]	n/a	5,649	–	–	–	–
Other originated financial liabilities	AC	3,085	3,085	–	–	–

[1] Previous year adjusted, see Note 11
[2] Valuation in accordance with IFRS 16

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

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

FAIR VALUE HIERARCHY

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

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

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

MEASUREMENT OF FINANCIAL INSTRUMENTS AT FAIR VALUE

The fair value of the 20% share held in Räder GmbH is calculated using the discounted cash flow (DCF) method. The fair value calculation was based on Räder GmbH's earnings forecast for the financial years 2026 to 2035; assumptions were made regarding sustainable growth and margins for the financial years 2036 and beyond ("perpetual annuity") and the forecast EBIT was reconciled with the free cash flows to be discounted. The enterprise value was derived on the basis of the free cash flows to be discounted and the weighted average cost of capital (WACC) of 6.8% and a sustainable growth rate of 1.0%. As this company has neither financial liabilities nor excess liquidity, the enterprise value corresponds to the equity value of Räder GmbH.

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

In addition, the fair value determined was verified using the multiple method of valuation. To this end, an EBIT multiple was derived from comparable peer-group transactions (transaction multiples) on the basis of capital market data. The fair value calculated for the 20% share held by Bastei Lübbe in the company was verified on the basis of its enterprise value, which had been calculated as the product of the EBIT multiple and Räder GmbH's risk-adjusted EBIT forecast for 2026, less a marketability discount.

In the 2025 financial year, Räder GmbH's overall performance continued to decline due in particular to the protracted economic weakness, especially in the core markets of Germany and Austria and in the product categories of gift, porcelain and ceramic articles, as well as declines in branch business. The lower revenues were duly reflected in EBIT. Total revenues and EBIT are expected to decline significantly in 2026 due to the continuing deterioration in the economic situation. They are expected to grow again in the following years. The targeted growth is to be achieved on the basis of an expected recovery in the economic situation and through a reorganisation of the sales channels.

The carrying amount of the 20% stake, which is valued at €15.1 million, exceeds Räder GmbH's calculated equity of €10.1 million this year, resulting in a write-down of €5.0 million.

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

Measurement methods	**Material input factors**	**Impact of changes in inputs on the fair value**
DCF model	Revenue levels in the perpetual annuity	An increase (decrease) of 10 percentage points in the revenues in the perpetual annuity would result in an increase (decrease) of €0.8 million in the fair value.
	EBITDA margin of the perpetual annuity	An increase (decrease) of 5% percentage points would result in an increase (decrease) of €1.8 million in the fair value.
	Growth rate of perpetual annuity	An increase (decrease) of 0.5 percentage points would result in an increase (decrease) of €0.6 million in the fair value.
	WACC	An increase (decrease) of 0.5 percentage points would result in a decrease (increase) of €1.0 million in the fair value.
	Discount for reduced marketability	An increase (decrease) of 5% percentage points would result in a decrease (increase) of €0.7 million in the fair value.

NET GAINS OR LOSSES

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

	From interest	**From subsequent measurement**		
€ k		**Change in fair value**	**Loss allowance**	**Net gain/ loss**
Financial assets measured at amortised cost (AC)	–	–	-85	-85
Financial investments in equity instruments, measured at fair value through other comprehensive income (OCI)	–	-5,000	–	-5,000
Financial liabilities measured at amortised cost (AC)	-5	–	–	-5

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

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

38. FINANCIAL RISK MANAGEMENT

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

CREDIT RISK

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

The books sold are delivered via VVA (Arvato Media GmbH, Bertelsmann subsidiary in Gütersloh). VVA provides this service for a large number of publishers, including the Random House Group. It has its own risk management system that monitors the creditworthiness of the individual debtors based on the total payments. VVA issues regular and timely warnings to its contractual partners, including Bastei Lübbe, in the event of any change or deterioration in the payment practices of individual customers. Subject to prior consultation with Bastei Lübbe, further deliveries to these customers are suspended.

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

LIQUIDITY RISK

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

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

		Amount on 31 March 2026 Undiscounted cash outflows		
€ k	**Carrying amount**	**Total**	**Up to 1 year**	**1 - 5 years**
Trade payables	21,860	21,874	21,412	461
Lease liabilities	4,942	5,352	1,647	3,705
Other originated financial liabilities	2,152	2,152	2,152	–
Total	**28,955**	**29,378**	**25,212**	**4,166**

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

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

FOREIGN CURRENCY RISK

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

INTEREST RATE RISK

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

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

39. LEASES

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

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

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

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

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

€ k	Land and buildings	Operating and office equipment	Total
Historical cost			
Amount on 1 April 2024	10,596	1,117	11,713
Additions	381	210	590
Disposals	-217	-697	-913
Amount on 31 March 2025	**10,760**	**630**	**11,390**
Cumulative depreciation, amortisation and impairment losses			
Amount on 1 April 2024	4,983	763	5,745
Depreciation and amortisation	1,130	221	1,351
Disposals	-182	-696	-877
Amount on 31 March 2025	**5,931**	**288**	**6,219**
Carrying amounts			
Amount on 1 April 2024	5,613	354	5,968
Amount on 31 March 2025	**4,829**	**342**	**5,171**
Historical cost			
Amount on 1 April 2025	10,760	630	11,390
Change to the reporting entity structure	526	4	530
Additions	-62	184	122
Disposals	–	-116	-116
Amount on 31 March 2026	**11,224**	**703**	**11,926**
Cumulative depreciation, amortisation and impairment losses			
Amount on 1 April 2025	5,931	288	6,219
Depreciation and amortisation	1,117	225	1,343
Disposals	–	-103	-103
Amount on 31 March 2026	**7,048**	**410**	**7,459**
Carrying amounts			
Amount on 1 April 2025	4,829	342	5,171
Amount on 31 March 2026	**4,175**	**292**	**4,467**

Amounts recognised in the consolidated income statement:

€ k	2025/2026	2024/2025
Depreciation of right-of-use assets	-1,343	-1,362
Interest expense on lease liabilities	-252	-321
Expenses relating to short-term leases	-149	-86

40. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

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

Author royalty commitments are valued at €7,382k as of the reporting date (previous year: €6,376k). The payment dates depend on the occurrence of certain contractual events, e.g. the acceptance of the manuscript for a purchased work.

OTHER FINANCIAL OBLIGATIONS

The settlement periods of the remaining other financial obligations, particularly maintenance contracts, are as follows:

€ k	31 March 2026	31 March 2025
Less than one year	1,751	1,776
Between 1 and 5 years	1,066	1,054
Other financial obligations	**2,817**	**2,830**

Other financial obligations mainly comprise operating costs for Bastei Lübbe AG's office building. In addition, the other financial obligations due for settlement within one year include maintenance contracts (year under review: €1,374k; previous year: €1,402k). However, these are only included in other financial obligations due for settlement within one year because of the short contract periods.

41. RELATED PARTY DISCLOSURES

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

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

Siebter Himmel Bastei Lübbe GmbH, which was reported as an unconsolidated affiliated company in the previous year, was fully consolidated in the year under review. The loan of €150k granted in the previous year, including accrued interest, was fully repaid in the year under review.

Related parties as defined in IAS 24 also include members of the Executive Board and the Supervisory Board. In the year under review, there were no transactions other than the remuneration for the members of the Executive Board and the Supervisory Board (see note 43).

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

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

[1] On the basis of the most recently available voting rights notification
[2] On the basis of the most recently available voting rights notification

43. EXECUTIVE BOARD AND SUPERVISORY BOARD

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

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

The total annual remuneration to be paid to the members of the Supervisory Board (solely fixed) in accordance with Bastei Lübbe AG's articles of association totalled €265k in the 2025/2026 financial year (previous year: €225k).

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

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

In the 2025/2026 financial year, the total remuneration (expense-based) paid to the members of the Executive Board amounted to €1,573k (previous year: €2,764k); of this amount, short-term benefits were valued at €1,454k (previous year: €2,033k) and long-term benefits at €119k (previous year: €731k). Short-term and long-term benefits include expenses for share-based payments of €178k (previous year: €1,020k).

44. EMPLOYEES

In the year under review, the average number of Group employees stood at 345 (previous year: 318), including 345 salaried employees (previous year: 318). As of 31 March 2026, the Group had 351 employees (previous year: 322) (including 351 salaried employees; previous year: 322).

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

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

€ k	2025/2026	2024/2025
Auditing services	267	256
Other assurance services	5	10
Fees for services provided by the Group auditor	**272**	**266**

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

46. GROUP RELATIONS

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

47. EVENTS AFTER THE REPORTING DATE

No events have occurred since the reporting date that are of material significance to the Bastei Lübbe Group and that could lead to a change in the assessment of the Group.

Cologne, 7 July 2026

Bastei Lübbe AG
The Executive Board

Soheil Dastyari	Mathis Gerkensmeyer	Simon Decot
Chief Executive Officer	Chief Financial Officer	Chief Programme Officer

SUPPLEMENTARY INFORMATION

ENABLING MOBILITY

RESPONSIBILITY STATEMENT

STATEMENT OF THE EXECUTIVE BOARD

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements of Bastei Lübbe AG, Cologne as of 31 March 2026 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Cologne, 7 July 2026
The Executive Board

Soheil Dastyari	Mathis Gerkensmeyer	Simon Decot
Chief Executive Officer	Chief Financial Officer	Chief Programme Officer

INDEPENDENT AUDITOR'S REPORT

To Bastei Lübbe AG, Cologne

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

OPINIONS

We have audited the consolidated financial statements of **Bastei Lübbe AG, Cologne**, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of March 31, 2026, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 April, 2025 until 31 March 2026 and the notes to the consolidated financial statements, including a summary of the significant accounting policies. In addition, we have audited the combined management report of Bastei Lübbe AG, Cologne, for the financial year from 1 April 2025 until 31 March 2026. In accordance with German legal requirements, we did not audit the content of the corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code or the declaration of conformity pursuant to Section 161 of the German Stock Corporation Act reproduced in the annual report and published on the Company's website, as well as the information contained in the section entitled "Risk report" in the combined management report and designated as unaudited in accordance with Recommendation A.5 of the German Corporate Governance Code.

In our opinion based on the knowledge obtained in the audit,

- the enclosed consolidated financial statements comply in all material respects with the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as endorsed by the EU (hereinafter referred to as the "IFRSs") and the supplementary provisions of German commercial law in accordance with Section 315e (1) of the German Commercial Code and, in the light of these provisions, provide a true and fair view of the net assets and the financial position of the Group as of 31 March 2026 and of the results of the Group's operations for the period from 1 April 2025 until 31 March 2026, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not include the content of the components of the combined management report mentioned above.

Pursuant to Section 322 (3) Sentence 1 of the German Commercial Code, we declare that our audit of the consolidated financial statements and the combined management report has not led to any reservations relating to the legal compliance of the consolidated financial statements.

BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and the combined management report in accordance with Section 317 of the German Commercial Code and the EU regulation on specific requirements regarding the statutory audit of public-interest entities (No. 537/2014, hereinafter referred to as the "EU Audit Regulation") in the light of the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are described in the section entitled "Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report" of our 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, we declare in accordance with Article 10 (2) f) of the EU Audit Regulation that we have not provided any non-auditing services that are prohibited in accordance with 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 combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are such matters that in the exercise of our professional discretion we consider to be the most significant in our audit of the consolidated financial statements for the period from 1 April 2025 until 31 March 2026. 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.

The matters that we consider to be key audit matters are presented below:

1. Measurement of author advances
2. Measurement of the investment in Räder GmbH at fair value

1) Measurement of author advances

a) Risk to the financial statements

On the reporting date, the statement of financial position included author advances with a carrying amount totalling €25.2 million (previous year: €27.2 million). This carrying amount corresponds to 22% (previous year: 24%) of the total assets. In the financial year, scheduled depreciation of €18.9 million (previous year €11.7 million) and impairments of €0.1 million (previous year: €0.3 million) were recognised. This is offset by reversals of impairment losses of €0.8 million (previous year: €0.4 million). As of the reporting date, there are – as in the previous year – no provisions for onerous author contracts. Author advances comprise guarantees and prepayments for manuscripts for which Bastei Lübbe AG or one of its subsidiaries included in the consolidated financial statements has acquired exploitation rights. They are measured at amortised cost. Systematic depreciation is generally calculated on the basis of the revenue generated. If the revenues achieved fall short of a typified revenue trend, this is used as a basis for calculating depreciation. In addition, all major contracts with guaranteed royalties of more than €250k and high-risk contracts are reviewed for any evidence of impairment. An impairment is recognised if the expected net income before royalty expenses determined for an author's contract on the basis of an estimate of future revenues falls below the carrying amount. The Company's disclosures on author advances are set out in the sections entitled "Accounting policies", "Significant accounting policies" and "Author advances" in the notes to the consolidated financial statements and in the sections entitled "Assets" and "Assets of Bastei Lübbe AG" in the combined management report.

The calculation of the systematic depreciation as well as any additional impairments materially requires the use of estimates and discretionary judgements. Given the material importance and scale of the author advances as well as the uncertainty inherent in estimates and discretionary judgments, this matter was considered to be a key audit matter.

b) Audit approach and conclusions

Systematic depreciation of author royalties is calculated on the basis of performance or on the basis of typified revenue data for categorised exploitation forms. In our audit, we reviewed the determination of the performance-related amortisation calculated by the executive directors in addition to analysing the accounting and measurement requirements. To this end, we tracked the processes applied by the executive directors and tested the effectiveness of the key controls implemented in this process. In addition, we reviewed the determination of amortisation via interface tests and by testing the calculation logic. We also examined the appropriateness of the typified revenue trajectories by reviewing the Company's annual retrospective review of the typified depreciation rates against current revenue trajectories. We also reviewed the calculation of the typified depreciation using data analyses.

We examined the methods and data applied by Bastei Lübbe AG to identify evidence of impairment for their appropriateness and computational accuracy. We then checked the plausibility of the executive directors' plans and significant assumptions on which the impairment tests were based and reconciled them arithmetically. In doing so, we also sought to identify a possibly unilateral exercise of discretion. Where the titles had already been exploited, we also checked whether the planning assumptions for the previous year had eventuated.

Overall, our audit leads us to conclude that the determination of the planned depreciation is comprehensible and was derived appropriately. The assumptions applied by the executive directors within the framework of the required impairment tests are within a reasonable range.

Our audit procedures did not give rise to any objections as to the author advances.

2) Measurement of the investment in Räder GmbH at fair value

a) Risk to the financial statements

Bastei Lübbe AG holds a 20% (previous year: 20%) stake in Räder GmbH, a company based in Bochum. The disclosures of Bastei Lübbe AG regarding the investment in Räder GmbH can be found in the sections entitled "Accounting principles", "Significant accounting policies", "Reporting entity structure and shareholdings", "Financial assets" and "Financial instruments" of the notes to the consolidated financial statements. In accordance with IFRS 9.4.1.4 in conjunction with IFRS 9.5.7.5, the shares in Räder GmbH are measured at a fair value of €10.1 million (previous year: €15.1 million) through other comprehensive income. The impairment of the shares in Räder GmbH of €5.0 million resulting from the change in fair value is reported in other comprehensive income. The executive directors determine the fair value using the discounted cash flow method oriented to the net capital value. The detailed corporate planning for Räder GmbH and an extrapolation phase derived from it form the basis for determining the fair value. The forecast cash inflows were discounted at a weighted capitalisation rate (WACC) to derive Räder GmbH's fair value. The fair value determined in this way was tested using a multiple method oriented to market prices based on expected operating earnings (EBIT) and transaction multiples.

The equity value of Räder GmbH resulting from the increase in net financial assets or the deduction of net financial liabilities was multiplied by the size of the shareholding to obtain the fair value of the investment from the Group's perspective. A tradability discount was applied to the fair values determined.

Bastei Lübbe AG engaged an external expert to perform this work. In our opinion, the determination of fair value is a particularly important audit matter in view of its material importance, the complexity of the valuation models and the reasonable assumptions made by the executive directors.

b) Audit approach and conclusions

In our audit, we analysed the process used by the executive directors of Bastei Lübbe AG as well as the accounting and valuation requirements for determining the fair value and gained an understanding of the process steps. In order to review the determination of the fair value of Räder GmbH, we assessed the applicability of the valuation model used and satisfied ourselves of the plausibility of the assumptions underlying the earnings planning. In doing so, we also reviewed how closely past plans had been adhered to. We also reviewed the valuation calculated using the discounted cash flow method and satisfied ourselves of the appropriateness of the multiples used and the tradability discount. In doing so, we also took account of the professional qualifications of the external experts engaged. We were satisfied that the valuation of the investment in Räder GmbH is appropriate, adequately documented and substantiated with regard to the method, assumptions and data used and that the fair value recognised is within a plausible valuation range.

Our audit procedures did not give rise to any objections with respect to the calculation of the fair value of Räder GmbH.

OTHER INFORMATION

The executive directors and/or the Supervisory Board are responsible for the other information. Other information comprises:

- the components of the combined management report mentioned in the section "Audit opinions" which have not been audited
- the Group corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code published on the Bastei Lübbe AG website and the declaration of conformity pursuant to Section 161 of the German Stock Corporation Act likewise published on the Bastei Lübbe AG website, to which reference is made in the section entitled "Corporate governance" in the combined management report,
- the information contained in the "Risk report" section of the combined management report and marked as unaudited in accordance with Recommendation A.5 of the German Corporate Governance Code,
- the report of the Supervisory Board,
- the other parts of the published annual report with the exception of the consolidated financial statements, the audited parts of the combined management report and our opinion on these,
- the statement provided in accordance with Section 297 (2) Sentence 4 of the German Commercial Code on the consolidated financial statements and the statement provided in accordance with Section 289 (1) Sentence 5 of the German Commercial Code in connection with Section 315 (1) Sentence 5 of the German Commercial Code on the combined management report.

The Supervisory Board is responsible for the Report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the statement provided in accordance with Section 161 of the German Stock Corporation Act which forms part of corporate governance statement included in the section entitled "Corporate Governance" in the combined management report. The executive directors are responsible for the other information.

Our opinions on the consolidated financial statements and the combined management report do not include the other information and, accordingly, we do not express any opinion or draw any other types of conclusion on such information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in so doing, to consider whether it

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

If on the basis of the work we have performed we conclude that such other information contains a material misstatement, we are required to report this. We have nothing to report in this connection.

RESPONSIBILITIES OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors are responsible for preparing the consolidated financial statements in material conformance to the IFRSs as endorsed for application in the EU and the additional German statutory provisions to be applied in accordance with Section 315e (1) of the German Commercial Code and for ensuring that the consolidated financial statements provide a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with these requirements. Moreover, the executive directors are responsible for the internal controls that they consider necessary to ensure that the consolidated financial statements are duly prepared free of any material intentional (i.e. manipulation of the accounts and financial loss) or unintentional misrepresentations.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined 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, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group’s financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR’S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue a report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance but is no guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code, the EU Audit Regulation and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always reveal any material misrepresentations. Misstatements may arise from fraud or error and are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the combined 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 audit opinions. The risk of not detecting a material misrepresentation resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the Group's internal controls and these precautions and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our audit opinion. 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 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 provide a true and fair view of the Group's assets, liabilities and financial performance in compliance with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code.
- Plan and perform the audit of the consolidated financial statements in such a way as to 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 combined management report. We are responsible for the direction, supervision and review of the audit activities performed for the purposes of the audit of the consolidated financial statements. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group’s position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors 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 audit 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 controls 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 relevant, the actions or protections taken to eliminate threats to our independence.

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 AUDIT OF THE ELECTRONIC REPRODUCTIONS OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR THE PURPOSE OF DISCLOSURE PURSUANT TO SECTION 317 (3 a) OF THE GERMAN COMMERCIAL CODE

AUDIT OPINION

In accordance with Section 317 (3a) of the German Commercial Code, we performed a reasonable assurance engagement to determine whether the reproductions of the consolidated financial statements and the combined management report (hereinafter also referred to as the "ESEF documents") contained in the file entitled "529900F1RRY8J20M2I79-2026-03-31-1-de-4.xbri" and prepared for disclosure purposes comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit only covers the conversion of the information in the consolidated financial statements and the combined management report into the ESEF format and therefore neither the information contained in these reproductions nor any other information contained in the above-mentioned file is considered.

In our opinion, the reproductions of the consolidated financial statements and the combined management report contained in the attached file and prepared for the purpose of disclosure comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code regarding the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying combined management report for the fiscal year from 1 April 2025 until 31 March 2026 contained in the preceding "Report on the audit of the consolidated financial statements and the combined management report", we do not express any audit opinion on the information contained in these reproductions or on the other information contained in the aforementioned file.

BASIS FOR THE OPINION

We conducted our audit of the reproductions of the consolidated financial statements and the combined management report contained in the above-mentioned file in accordance with Section 317 (3a) of the German Commercial Code and in compliance with the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purposes of Disclosure pursuant to Section 317 (3a) of the German Commercial Code (IDW PS 410 (06.2022)). Our responsibility in this regard is largely described in the section entitled "Auditor's responsibility for auditing the ESEF documents". Our auditing practice has applied the quality management system requirements of the IDW Quality Management Standard: Requirements for Quality Management in the Auditing Practice (IDW QMS 1 (09.2022)).

RESPONSIBILITY OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The Company's executive directors are responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the combined management report in accordance with Section 328 (1) Sentence 4 No. 1 of the German Commercial Code and the mark-up of the consolidated financial statements in accordance with Section 328 (1) Sentence 4 No. 2 of the German Commercial Code.

Furthermore, the Company's executive directors are responsible for the internal controls which they consider necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of Section 328 (1) of the German Commercial Code.

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

AUDITOR'S RESPONSIBILITY FOR AUDITING THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance as to whether the ESEF documentation is free of material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) of the German Commercial Code. We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material non-compliance with the requirements of Section 328 (1) of the German Commercial Code, 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 audit opinion.
- Obtain an understanding of internal control relevant to the audit of the ESEF documents 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 those controls.
- Assess the technical validity of the ESEF documentation, i.e. whether the file containing the ESEF documentation meets the requirements of Delegated Regulation (EU) 2019/815, in the version applicable as of the reporting date, for the technical specification for that file.
- Assess whether the ESEF documents provide a consistent XHTML representation of the audited consolidated financial statements and the audited combined management report.
- Assess whether the mark-up of the ESEF documents with inline XBRL technology (iXBRL) provides an adequate and complete machine-readable XBRL copy of the XHTML reproduction in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815 in the version applicable on the date of the financial statements.

OTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor of the consolidated financial statements at the annual general meeting held on 17 September 2025. We were engaged by the Supervisory Board on 8 December 2025. We have been the auditor of the consolidated financial statements of Bastei Lübbe AG, Cologne, without interruption since the 2016/2017 financial year.

We declare that the audit opinions expressed in this report are consistent with the additional report to the Supervisory Board pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTERS – USE OF THE AUDIT OPINION

Our audit opinion must always be read in connection with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and the combined management report, which have been converted into the ESEF format – including the versions to be submitted to the company register – are only electronic representations of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF report and our opinions contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German public auditor responsible for the engagement is Mr. Marcus Lauten.

Cologne, 7 July 2026

Ebner Stolz GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Nikolaus Krenzel	Marcus Lauten
Wirtschaftsprüfer (German Public Auditor)	Wirtschaftsprüfer (German Public Auditor)

FINANCIAL CALENDAR 2026/2027

Date	Event
14 July 2026	Annual press conference
6 August 2026	Quarterly statement (Q1)
9 September 2026	Annual general meeting
5 November 2026	Financial report for the first half of the year (HY1)
4 February 2027	Quarterly statement (Q3)

LEGAL NOTICE

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

Bastei Lübbe AG's annual report ist available as a PDF file on the Internet at www.unternehmen.bastei-luebbe.de/en.

Further information can also be found on the Internet at http://www.unternehmen.bastei-luebbe.de/en.

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In addition to the employees of Bastei Lübbe AG, the following have contributed to the preparation of this annual report:

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