



**BASTEI LÜBBE AG
CONSOLIDATED
HALF-YEARLY
FINANCIAL REPORT
1 APRIL –
30 SEPTEMBER 2019**

Tina Frennstedt
COLD CASE - DAS VERSCHWUNDENE MÄDCHEN

At a glance

	01/04/2019 – 30/09/2019	01/04/2018 – 30/09/2018**	Change
Key financial figures (IFRS) in EUR million			
Group sales	43.2	47.4	-8.9 %
EBIT	2.4	-0.2	–
EBIT margin in %	5.7 %	-0.4 %	6.0 Pp
Earnings per share in EUR	0.07	-0.08	–
	01/07/2019 – 30/09/2019	01/07/2018 – 30/09/2018**	
Key financial figures (IFRS) in EUR million			
Group sales	21.9	26.6	-17.4 %
EBIT	1.0	1.3	-24.3 %
EBIT margin in %	4.4 %	4.8 %	-0.4 Pp
Earnings per share in EUR	0.02	0.03	-33.3 %
	30/09/2019	31/03/2019	
Balance sheet total	89.2	85.9	3.9 %
Equity*	37.5	36.1	3.8 %
Equity ratio in %	42.0 %	42.0 %	0.0 Pp
Net debt	13.4	17.8	-24.3 %

* incl. equity capital shares of non-controlling shareholders

** adjusted

Economic report

General conditions

According to the economic forecast of the International Monetary Fund, the European Economic Area will grow by 1.2 % in 2019.¹ For Germany, the Federal Government expects only moderate growth of 0.5 % in 2019. The export-oriented industry in particular is suffering from the global decline in demand and the trade dispute between the USA and China. However, the German government does not anticipate a further downturn or recession.² The outlook for economic growth in the coming year has been revised downwards in the joint diagnosis of the leading economic research institutes and is forecast at 1.1 % for 2020.³

The industry environment in the Bastei Lübbe AG business segments

In **book retailing**, sales in the distribution channels of retail book retailing, e-commerce, railway station book retailing, department stores and electrical and drugstores combined were up 2.5 % from January to September 2019, well above the level of the same period of the previous year. While unit sales - the number of copies sold - rose slightly by 0.1 %, book prices rose by 2.4 % in the same period according to the German Publishers & Booksellers Association (Börsenverein des Deutschen Buchhandels).⁴

According to the German Publishers and Booksellers Association (Börsenverein des Deutschen Buchhandels), sales of **e-books** increased by 1.0 % in the first two quarters of 2019. In the first six months, sales of e-books fell by 2.3 % compared to the same period of the previous year. At 2.7 million, the number of e-book buyers in the first half of 2019 was exactly at the previous year's level. The purchasing intensity of existing e-book readers decreased by 3.2 %. However, the trend towards falling prices was halted. The average price paid for an e-book rose by 3.4 % in the first half of the year. At 6.0 %, the share of sales in the public market from January to June 2019 remained virtually unchanged compared with the same period of the previous year.⁵

In the months from January to September 2019, revenues from physical **audiobooks**/audio books fell sharply by 8.1 % compared to the same period of the previous year.⁶ No data are yet available for the digital formats for the 2019 calendar year. However, it can be assumed that the share of revenues generated by memory-saving audio streaming in the audio book market will continue to rise.

According to the Association of the German Games Industry, sales in the **games** market in Germany increased by 11 % in the first half of the year. It thus grew from EUR 2.5 billion (first half of 2018) to EUR 2.8 billion. The main drivers for this rapid growth were fees for online services (growth of 52 %) and in-game purchases (increase of 28 %). According to the industry association game, there are currently over 34 million active gamers in Germany. In the near future, they are placing particularly high expectations on cloud gaming, which will enable technically demanding and complex titles to be played on simply equipped devices such as laptops, tablets or smartphones. Another emerging trend is the growing popularity of indie games: games by independent game developers. The Bastei Lübbe subsidiary Daedalic will also be able to participate in these trends in the future.⁷

¹ <https://www.imf.org/-/media/Files/Publications/WEO/2019/October/English/text.ashx?la=en>

² <https://www.bmwi.de/Redaktion/DE/Dossier/wirtschaftliche-entwicklung.html>

³ http://gemeinschaftsdiagnose.de/wp-content/uploads/2019/10/GD_H19_Langfassung_online.pdf

⁴ <https://www.boersenverein.de/1739840/>

⁵ https://www.boersenverein.de/de/portal/Presse/158382?presse_id=1706025

⁶ <https://www.boersenverein.de/1686298/>

⁷ <https://www.game.de/deutscher-games-markt-waechst-im-ersten-halb-jahr-2019-deutlich/>

Business performance

Profit situation

Bastei Lübbe AG generated consolidated sales of EUR 43.2 million in the period from April to September of the 2019/2020 financial year, compared with EUR 47.4 million in the previous year. Sales were thus 8.9 % lower than in the previous year, in line with expectations. Group EBIT improved to EUR 2.4 million in the first half of 2019/2020 compared with EUR -0.2 million in the same period of the previous year. The previous year included expenses of EUR 1.4 million for personnel measures as part of the efficiency program and for the streamlining of the investment portfolio.

Sales revenues in the "Book" segment fell from EUR 37.5 million to EUR 34.2 million in the reporting period. This reflects the expected weakness of the 2019 autumn program in fiction. On the other hand, sales in the children's and youth titles and audio segments developed positively and were able to compensate for part of the decline. Segment EBIT improved to EUR 0.8 million in the current financial year, following EBIT of EUR 0.1 million in the same period of the previous year. The efficiency program launched in January 2018 led to a significant increase in profitability. In particular, personnel expenses were down on the previous year.

The "Novel Booklets" segment generated sales revenues of EUR 4.1 million in the first half of 2019/2020 compared to EUR 5.1 million in the previous year. Revenues for the current financial year are only comparable with those of the previous year to a limited extent, as Bastei Lübbe sold its puzzle division effective May 31, 2019. The negative sales effect from the sale amounted to approximately EUR 0.9 million in the reporting period. Segment EBIT increased from EUR 0.4 million to EUR 1.0 million in the current fiscal year. This includes the proceeds from the sale of the puzzle division in the amount of EUR 0.4 million.

Revenues in the "Games" segment amounted to EUR 4.8 million in the first six months of the financial year (previous year: EUR 4.8 million). Adjusted for the investments sold in the previous year, revenues in this segment increased by 18.8 %. Segment EBIT increased by EUR 1.3 million year-on-year to EUR 0.7 million in the first half of 2019/2020. In addition to the positive effect from the sale of unprofitable investments in the previous year (previous year: EUR -0.3 million), the increase in sales and the lower amortization of intangible assets (EUR +0.1 million) in particular contributed to the increased EBIT.

At EUR 19.6 million, the cost of materials in the period under review was below the level of the previous year (EUR 22.8 million). This is mainly due to the lower sales level and lower printing costs due to the optimization of circulation in the "Book" segment.

Personnel expenses fell from EUR 10.9 million in the previous year to EUR 9.2 million. The reduction in personnel expenses is attributable to personnel measures as part of the efficiency program at Bastei Lübbe AG. In addition, expenses for these measures amounting to EUR 1.2 million were included in the previous year.

Other operating expenses fell from EUR 11.1 million in the previous year to EUR 9.4 million. This is due on the one hand to the reduction in advertising, legal and consulting costs. On the other hand, the positive effect of the first-time application of lessee accounting in accordance with IFRS 16 from April 1, 2019 on other operating expenses amounted to EUR 0.7 million.

Depreciation increased by EUR 0.7 million due to the application of IFRS 16.

Group operating profit (EBIT) for the period from April to September amounted to EUR 2.4 million (previous year: EUR -0.2 million). The EBIT margin was 5.7 % after -0.4 % in the same period of the previous year. Income from investments accounted for using the equity method amounted to EUR 0.2 million (previous year: -).

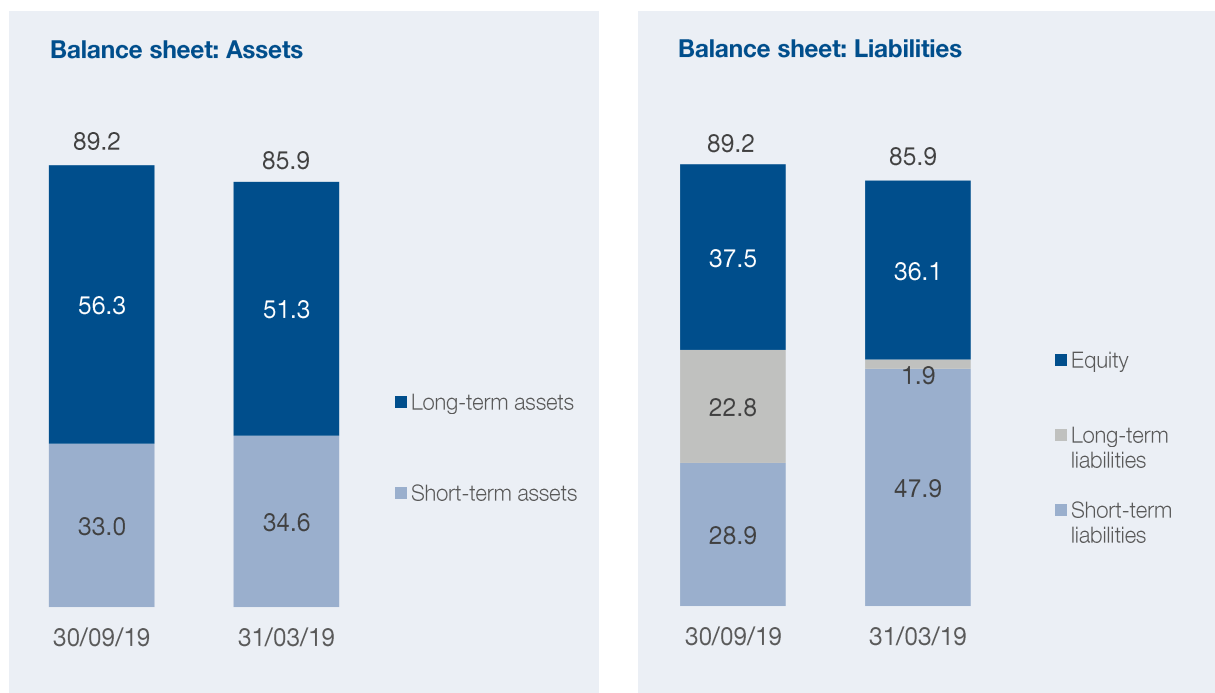
The other financial result amounted to EUR -0.8 million (previous year: EUR -0.5 million). Earnings before taxes (EBT) amounted to EUR 1.9 million (previous year: EUR -0.7 million). The consolidated result for the period attributable to

the shareholders of Bastei Lübbe AG amounted to EUR 1.1 million (previous year: EUR -0.9 million). Earnings per share amounted to EUR 0.07 after EUR -0.08 in the previous year. This was based on a number of 13,200,100 shares in circulation in the reporting period (unchanged from the previous year).

Asset position

As of the balance sheet date, the asset situation changed significantly compared to the last consolidated balance sheet date due to the first-time application of lessee accounting in accordance with IFRS 16 as of April 1, 2019.

The consolidated balance sheet total rose by EUR 3.3 million from EUR 85.9 million to EUR 89.2 million.



Non-current assets amounted to EUR 56.3 million compared with EUR 51.3 million as of March 31, 2019. On the one hand, intangible assets decreased by EUR 1.5 million due to the sale of the puzzle division and financial assets by EUR 1.5 million due to the unscheduled repayment of the loan to Räder GmbH. On the other hand, property, plant and equipment increased by EUR 8.1 million due to the introduction of lessee accounting in accordance with IFRS 16 as of April 1, 2019.

The 30 % interest in Community Editions GmbH was consolidated using the equity method as of April 1, 2019. The carrying amount as of September 30, 2019 was EUR 0.6 million.

At EUR 33.0 million as of September 30, 2019 (EUR 34.6 million as of March 31, 2019), current assets were EUR 1.6 million below the level of the balance sheet date. This is mainly attributable to the reduction in inventories (EUR -1.7 million).

At EUR 35.9 million, the share of equity attributable to the shareholders of the parent company is higher than in the previous year (EUR 34.7 million). The increase results from the positive result for the period of EUR 1.0 million and the first-time consolidation of the investment in Community Editions GmbH according to the equity method as of April 1, 2019. The difference of EUR 0.2 million was recognized directly in retained earnings.

Non-current liabilities amounted to EUR 22.8 million, compared with EUR 1.9 million as of March 31, 2019. The increase is mainly attributable to the reclassification of credit liabilities from Bastei Lübbe AG and Daedalic from current liabilities to non-current liabilities totaling EUR 15.2 million. In addition, they increased due to the recognition of the non-current portion of lease liabilities in the amount of EUR 5.6 million.

Current liabilities amounted to EUR 28.9 million as of September 30, 2019, compared with EUR 47.9 million as of March 31, 2019. Current liabilities decreased in the reporting year due to the reclassification of Daedalic's loan liabilities. In addition, the current portion of the credit liabilities of Bastei Lübbe AG amounting to EUR 2.0 million and the lease liabilities amounting to EUR 2.6 million are included in current liabilities.

At EUR 13.4 million, net debt as of September 30, 2019 was EUR 4.4 million below the figure as of March 31, 2019.

On June 27, 2019, the lenders agreed to an extension of the syndicated loan agreement until March 31, 2022. On August 30, 2019, a corresponding credit agreement with updated contractual provisions was signed.

Liquidity situation and investments

The cash flow from operating activities rose Group-wide from EUR 2.2 million in the previous year to EUR 5.5 million in the year under review. On the one hand, this reflects the improved result for the period and the lower funds tied up in prepaid royalties and inventories.

The cash flow from investing activities changed in the year under review to EUR 0.5 million compared with EUR -1.4 million in the previous year. As in the previous year, investments in intangible assets mainly relate to the development of games at Daedalic Entertainment GmbH. The disposal of intangible assets resulted in a cash inflow of EUR 1.9 million for the Bastei Lübbe Group.

The cash flow from financing activities amounting to EUR - 4.7 million (previous year EUR 1.0 million) includes in particular the repayment of loan liabilities amounting to EUR 4.0 million as well as the repayment of leasing liabilities within the framework of IFRS 16 amounting to EUR 0.6 million.

Supplementary report

No further events of particular significance for the assessment of the net assets, financial position and results of operations of the Bastei Lübbe AG Group occurred after the reporting period.

Opportunity and risk report

The risk situation of Bastei Lübbe AG and its opportunities have not fundamentally changed since the presentation in the Annual Report 2018/2019.

Forecast

The Management Board's forecast for the 2019/2020 financial year has not changed significantly from the presentation in the 2018/2019 Annual Report. Both the economic and the economic environment in Germany are expected to remain stable. The Management Board notes that the business figures for the first half of 2019/2020 are essentially in line with expectations.

In the current 2019/2020 financial year, Group sales are expected to be between EUR 85 and 87 million (previous year: EUR 95 million). A positive EBIT in a range between EUR 3.5 and 5.3 million (previous year: EUR 2.7 million) is still expected.

The current financial planning of the Bastei-Lübbe Group now assumes that net debt as of March 31, 2020 will be lower than in the previous year (EUR 17.8 million) at around EUR 15 million (previously: at the level of the previous year).

Cologne, November 14, 2019
Bastei Lübbe AG



Carel Halff
Chief Executive Officer



Ulrich Zimmermann
Chief Financial Officer



Klaus Kluge
Program Director,
Sales and Marketing

Consolidated profit and loss account and consolidated statement of income for the period from 01 April to 30 September 2019

	01/04/ – 30/09/19	01/04/ – 30/09/18*
	KEUR	KEUR
Sales revenue	43,169	47,407
Change in inventories of finished goods and work in progress	-1,778	-1,670
Other capitalised self-constructed assets	1,724	1,273
Other operating income	496	296
Material expenses		
a) Expenditure on raw materials and supplies and on purchased goods	-313	-58
b) Expenses for purchased services	-7,742	-10,268
c) Expenses for fees and amortisation of royalties	-11,518	-12,512
	-19,573	-22,838
Personnel expenses		
a) Wages and salaries	-7,913	-9,344
b) Social security contributions and expenses for pensions and support schemes	-1,330	-1,571
	-9,244	-10,915
Other operating expenses	-9,363	-11,098
Operating profit	42	41
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	5,473	2,495
Amortisation of intangible assets and property, plant and equipment	-3,026	-2,672
Earnings before interests and taxes (EBIT)	2,447	-177
Result from equity valuation	188	-
Other financial result	-764	-496
Earnings before taxes (EBT)	1,871	-673
Taxes on income and earnings	-730	-190
Results for the period	1,141	-863
Of which is attributable to:		
Shareholders of Bastei Lübbe AG	955	-1,017
Equity capital shares of non-controlling shareholders	186	154
Profit per share (undiluted = diluted) (with reference to the net period earnings attributable to shareholders of Bastei Lübbe AG)	0.07	-0.08

* adjusted (see segment reporting)

Consolidated profit and loss account and consolidated statement of income for the period from 01 July to 30 September 2019

	01/07/ – 30/09/19	01/07/ – 30/09/18*
	KEUR	KEUR
Sales revenue	21,943	26,580
Change in inventories of finished goods and work in progress	-346	-718
Other capitalised self-constructed assets	1,002	620
Other operating income	32	142
Material expenses		
a) Expenditure on raw materials and supplies and on purchased goods	-234	60
b) Expenses for purchased services	-3,973	-5,902
c) Expenses for fees and amortisation of royalties	-6,020	-6,796
	-10,227	-12,638
Personnel expenses		
a) Wages and salaries	-4,141	-3,987
b) Social security contributions and expenses for pensions and support schemes	-619	-793
	-4,760	-4,780
Other operating expenses	-4,953	-6,149
Operating profit	9	21
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	2,700	3,077
Amortisation of intangible assets and property, plant and equipment	-1,743	-1,813
Earnings before interests and taxes (EBIT)	957	1,264
Result from equity valuation	77	-
Other financial result	-380	-263
Earnings before taxes (EBT)	654	1,001
Taxes on income and earnings	-266	-410
Results for the period	388	591
Of which is attributable to:		
Shareholders of Bastei Lübbe AG	222	451
Equity capital shares of non-controlling shareholders	166	140
Profit per share (undiluted = diluted) (with reference to the net period earnings attributable to shareholders of Bastei Lübbe AG)	0.02	0.03

* adjusted (see segment reporting)

Consolidated statement of comprehensive income for the period from 1 April 2019 to 30 September 2019

	01/04/ – 30/09/19	01/04/ – 30/09/18*
	KEUR	KEUR
Results for the period	1,141	-863
Amounts that cannot be reclassified to the income statement in the future	-	-
Changes in fair value of available-for-sale financial assets	-	-
Amounts that can be reclassified to the income statement in the future	16	2
Currency differences	16	2
Other income	16	2
Total comprehensive income	1,157	-861
Of which is attributable to:		
Shareholders of Bastei Lübbe AG	972	-1,015
Equity capital shares of non-controlling shareholders	185	154

* adjusted (see segment reporting)

Consolidated statement of comprehensive income for the period from 1 July 2019 to 30 September 2019

	01/07/ – 30/09/19	01/07/ – 30/09/18*
	KEUR	KEUR
Results for the period	388	591
Amounts that cannot be reclassified to the income statement in the future	-	-
Changes in fair value of available-for-sale financial assets	-	-
Amounts that can be reclassified to the income statement in the future	0	1
Currency differences	0	1
Other income	0	1
Total comprehensive income	388	592
Of which is attributable to:		
Shareholders of Bastei Lübbe AG	223	452
Equity capital shares of non-controlling shareholders	164	140

* adjusted (see segment reporting)

Consolidated balance sheet as of 30 September 2019

	30/09/2019	31/03/2019
	KEUR	KEUR
Long-term assets		
Intangible assets	19,005	19,934
Inventory of pre-paid royalties	19,456	20,455
Tangible assets (incl. Leasing assets)	9,557	1,573
Investments accounted for using the equity method	587	-
Financial investments	3,549	4,603
Trade receivables	549	672
Deferred tax claims	3,551	4,053
	56,254	51,290
Short-term assets		
Inventories	13,804	15,509
Trade receivables	12,182	12,487
Financial assets	1,102	1,098
Income tax receivables	276	307
Other receivables and assets	1,884	1,847
Cash and cash equivalents	3,741	3,356
	32,989	34,604
Total assets	89,243	85,894
Equity		
Share of equity attributable to parent company shareholders:		
Subscribed capital	13,200	13,200
Capital reserves	26,804	26,804
Net profit/loss	-6,086	-7,245
Other comprehensive income	1,991	1,980
	35,910	34,739
Equity capital shares of non-controlling shareholders	1,571	1,363
Total equity	37,480	36,102
Long-term liabilities		
Accruals	84	84
Deferred tax liabilities	1,491	1,200
Financial liabilities	20,813	0
Other liabilities	440	577
	22,828	1,861
Short-term liabilities		
Financial liabilities	6,874	24,684
Trade payables	14,090	14,153
Income tax liabilities	4	4
Accruals	7,243	7,297
Other liabilities	723	1,793
	28,934	47,931
Total debt	51,762	49,792
Total liabilities	89,243	85,894

Consolidated cash flow statement for the period from 1 April 2019 to 30 September 2019

	01/04/- 30/09/19 KEUR	01/04/- 30/09/18* KEUR
Results for the period	1,141	-863
+/- Depreciation/appreciation of intangible assets and property, plant and equipment	3,026	2,673
+/- Depreciation/appreciation on author royalties	5,105	6,402
+/- Other non-cash expenses/income	-81	-45
+/- Result from financial investments accounted for using the equity method	-188	-
+ Dividends received from financial investments accounted for using the equity method	46	-
+/- Increase/decrease in provisions	-54	1,917
-/+ Profit/loss from the disposal of intangible assets and fixed assets	-365	1
-/+ Profit/loss from the sale of consolidated companies	0	4
-/+ Increase/decrease in income tax receivables and liabilities, incl. deferred tax claims and liabilities	728	838
- Investments in prepaid royalties	-4,106	-3,312
-/+ Increase/decrease in inventories, trade receivables and other assets not associated with investment or financing activities	2,156	-6,862
+/- Increase/decrease in trade liabilities and other liabilities not associated with investment or financing activities	1,893	1,475
Cash flow from current business activities	5,514	2,227
+ Payments received from the disposal of intangible assets	1,900	0
- Outflow of funds for investments in intangible assets	-2,332	-1,540
+ Income from the disposal of fixed assets	0	1
- Outflow of funds for investments in fixed assets	-595	-62
+ Income from the disposal of financial assets	809	42
- Outflow of funds for investments in financial assets	-271	0
+ Income from the sale of consolidated companies less cash and cash equivalents sold	0	131
Cash flow from investment activities	-489	-1,428
- Payments to non-controlling shareholders (dividends)	-38	-36
- Payments for the repayment of leasing liabilities	-636	-
+ Proceeds from the issuance of bonds and obtaining (financial) credit	0	2,809
- Outflow of funds for the repayment of bonds and (financial) credit	-4,000	-3,768
Cash flow from financing activities	-4,674	-995
Cash-effective changes in cash and cash equivalents	351	-196
+/- Consolidation-related change in cash and cash equivalents	35	700
+ Cash and cash equivalents at start of period	3,356	907
= Cash and cash equivalents at end of period	3,741	1,411

* adjusted (see segment reporting)

Consolidated statement of change in equity for the period from 1 April 2019 to 30 September 2019

(all sums in KEUR)	Parent company					Shares of non- controlling share- holders	Group equity capital	
	Sub- scribed capital	Capital reserves	Net profit	Other compre- hensive income	Cur- rency compen- sation items	Equity	Equity	
As at 01/04/2018	13,200	26,804	-8,863			31,141	1,202	32,343
Changes in the consolidated Group	-	-	1,190	-	-	1,190	78	1,268
Dividends paid	-	-	-	-	-	0	-36	-36
Other income	-	-	-1,017	-	-	-1,017	154	-863
Result of the periods	-	-	-	-	2	2		2
Total result	0	0	-1,017	0	2	-1,015	154	-861
As at 30/09/2018*	13,200	26,804	-8,690	0	2	31,316	1,398	32,714
As at 01/04/2019	13,200	26,804	-7,245	1,989	-11	34,737	1,363	36,100
Changes in the consolidated Group	-	-	201	-	-	201	60	261
Dividends paid	-	-	-	-	-	0	-38	-38
Result of the periods	-	-	955	-	-	955	186	1,141
Other income	-	-	-	-	17	17	-1	16
Total result	0	0	955	0	17	972	185	1,157
As at 30/09/2019	13,200	26,804	-6,090	1,989	6	35,910	1,570	37,480

* adjusted (see segment reporting)

Segment reporting for the period from 01 April to 30 September 2019

	Book		Games		Novel booklets		Total	
	04-09/ 2019	04-09/ 2018*	04-09/ 2019	04-09/ 2018	04-09/ 2019	04-09/ 2018*	04-09/ 2019	04-09/ 2018*
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Segment sales revenue	34,239	37,478	4,990	4,871	4,106	5,085	43,335	47,434
Internal sales	19	1	147	26	0	0	166	27
External sales	34,220	37,477	4,844	4,845	4,106	5,085	43,169	47,407
EBITDA	1,756	562	2,610	1,459	1,107	474	5,473	2,495
Amortisations	-966	-488	-1,937	-2,119	-123	-66	-3,026	-2,673
EBIT	790	74	673	-660	984	408	2,447	-177
Result from equity valuation							188	-
Other financial result							-764	-496
Result before income taxes							1,871	-673
Taxes on income and profit							-730	-190
Result for the period							1,141	-863

* the previous year's figures include the full consolidation of the Czech subsidiary Moba in the "Book" segment (see note 37 in the 2018/2019 Annual Report); as well as sales deductions within the scope of IFRS 15 (see note 3a) in the 2018/19 Annual Report)

Segment reporting for the period from 01 July to 30 September 2019

	Book		Games		Novel booklets		Total	
	07-09/ 2019	07-09/ 2018*	07-09/ 2019	07-09/ 2018	07-09/ 2019	07-09/ 2018*	07-09/ 2019	07-09/ 2018*
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
Segment sales revenue	17,544	21,852	2,641	2,231	1,925	2,543	22,109	26,588
Internal sales	19	0	147	8	0	0	166	8
External sales	17,524	21,852	2,494	2,223	1,925	2,543	21,943	26,580
EBITDA	723	1,956	1,702	782	275	339	2,700	3,077
Amortisations	-514	-235	-1,168	-1,536	-61	-43	-1,743	-1,814
EBIT	209	1,721	534	-754	214	296	957	1,264
Result from equity valuation							77	-
Other financial result							-380	-263
Result before income taxes							654	1,001
Taxes on income and profit							-266	-410
Result for the period							388	591

* the previous year's figures include the full consolidation of the Czech subsidiary Moba in the "Book" segment (see note 37 in the 2018/2019 Annual Report); as well as sales deductions within the scope of IFRS 15 (see note 3a) in the 2018/19 Annual Report)

Abridged notes on the consolidated statements for the Bastei Lübbe AG, Cologne as at 30 September 2019

General information

Bastei Lübbe AG (hereinafter also referred to as "parent company") has its registered office at Schanzenstraße 6 - 20, 51063 Cologne, Germany.

Bastei Lübbe AG is a German public publishing house based in Cologne, specializing in the publication of books, audio books and e-books with fiction and popular science content as well as periodicals in the form of novel issues. The licensing of rights and the distribution of computer games via Daedalic Entertainment GmbH are also part of Bastei Lübbe's business activities.

The interim financial statements and the interim management report have neither been audited in accordance with § 317 HGB nor reviewed by an auditor.

Accounting principles

The consolidated interim financial statements as of September 30, 2019 have been prepared in accordance with IAS 34 - Interim Financial Reporting and cover the period from April 1 to September 30, 2019.

The accounting and valuation methods applied are basically the same as those applied in the last consolidated financial statements at the end of the financial year. A detailed description of these methods is published in the 2018/19 Annual Report.

With regard to the contents of new standards and interpretations as well as amendments to existing standards, reference is made to the comments in the 2018/19 Annual Report. The application of the amended standards and interpretations has no material impact on the net assets, financial position, results of operations or cash flows of the Group. During the course of the year, cyclical items, if material, are deferred on the basis of corporate planning.

Consolidation principles

All consolidation principles are unchanged from fiscal 2018/2019 and can be found in the notes to the consolidated financial statements as of March 31, 2019.

Shareholding and consolidated companies

As of April 1, 2019, CE Community Editions GmbH, Cologne, a thirty percent holding of Bastei Lübbe AG, will be consolidated for the first time in the consolidated financial statements as an at-equity investment.

As of June 1, 2019, the acquired J.P. Bachem Editionen GmbH, Cologne, a seventy-five percent subsidiary of Bastei Lübbe AG, will be included in the consolidated financial statements as a fully consolidated company.

There have been no further changes in the scope of consolidation since the 2018/2019 consolidated financial statements.

Equity

Bastei Lübbe AG holds 99,900 treasury shares as of the date of this report. As a result, 13,200,100 shares of Bastei Lübbe AG were issued, fully paid up and without par value on the balance sheet date.

Information on relationships with associated persons

As presented in the notes to the 2018/19 consolidated financial statements, legal transactions are conducted with related parties as defined by IAS 24.5. There were no material changes as of the balance sheet date. The members of the Supervisory Board do not hold any shares or voting rights attributable to them. The number of shares held by members of the Management Board or the voting rights attributable to them amounts to 37,003 (=0.28 %).

Notes on the cash flow statement

The total amount (balance) of the income tax payments made in the first half of the financial year amounts to KEUR -35 (previous year: KEUR -702). Interest payments amount to KEUR 813 (previous year: KEUR 541).

Changes to the Management and Supervisory Boards

There have been no changes in the composition of the Management Board and the Supervisory Board.

Events after the reporting date for the interim financial statements

No events of particular significance for the assessment of the net assets, financial position and results of operations of Bastei Lübbe AG and the Group - as defined in IAS 10 - occurred after the end of the reporting period.

Assurance by the board of directors

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated financial statements of Bastei Lübbe AG, Cologne, as of September 30, 2019 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim 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 remaining months of the Group's financial year.

Cologne, November 14, 2019

Bastei Lübbe AG
The Executive Board



Carel Halff
Chief Executive Officer



Ulrich Zimmermann
Chief Financial Officer



Klaus Kluge
Program Director,
Sales and Marketing

Financial calendar 2019/2020

Date	Event
13 February 2020	Quarterly statement (Q3)

Legal Notice

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