ANNUAL REPORT 2019

Roularta Media Group

Contents

This annual report is available in English and Dutch.
In the event of differences the Dutch text of the annual report is legally binding.

STATEMENT ON NON-FINANCIAL INFORMATION [*]

For more than two decades, Roularta Media Group has been committed to sustainable and eco-efficient entrepreneurship.

The aim of sustainable and socially responsible entrepreneurship is to achieve a harmonious balance between three pillars: People, Planet and Profit.

Customers and our stakeholders in general attach increasing importance to transparency about the origin of our products and services, as well as the extent to which a company deals eco-efficiently with raw materials and energy.

The social dimension is also gaining in importance. Committed and involved employees and independent contractors take more initiative, allowing us to realise our objectives together with them.

Good communication about the efforts and achievements of our company in the area of sustainable and socially responsible entrepreneurship is a must in a competitive market.

In this statement, we briefly discuss our efforts and achievements in the field of corporate social responsibility. This statement is based on the GRI guidelines for sustainability reporting. For our detailed sustainability report, we refer you to our corporate website.

[*] Part of the annual report of the board of directors.

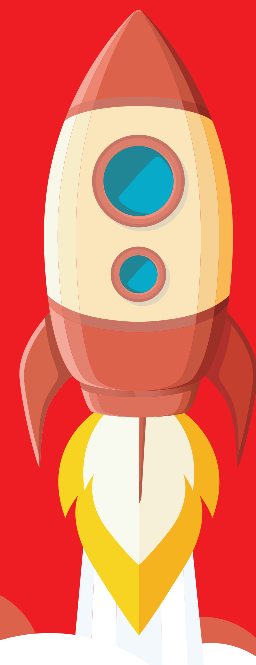
Flower border with footpath along the Roularta car park on the Meiboomlaan in Roeselare.

Mission, vision and values

"One Team, One Family."

✓ "Passion for the media consumer, and the rest will follow."

✓ "Go for brand and quality."



✓ "Strive for value, innovation and growth."

✓ "Consider each challenge as an opportunity."

MISSION

"As a multimedia company, Roularta Media Group creates and distributes quality, independent and relevant content for the general public and for specific target groups. It links to this advanced marketing and advertising platforms for its partners. Roularta Media Group aims to create sustainable added value for its stakeholders and for all of society."

VISION

"Roularta Media Group aims to remain the most relevant media partner for the long term."

How Roularta Media Group *creates* value

INPUT

Financial capital

- 80 million EUR registered capital
- 13,141,123 shares, listed on Euronext Brussels
- 228 million EUR equity
- 96 million EUR net cash position

Manufactured capital

- Offices in Belgium: Brussels, Zellik, Roeselare (head office), Antwerp, Ghent, Hasselt
- Office in The Netherlands: Baarn
- 6 advanced full-colour offset printing presses
- 650 data servers
- 1 petabyte storage capacity
- 2,000 computers

Social capital

- Different memberships e.g. Council for Journalism, Febelgra
- Chairmanship of WE MEDIA (Belgian magazine association) and EMMA (European magazine association)
- Relationship with suppliers and professional organisations
- 23,597 advertisers
- 792,247 subscribers

Intellectual capital

- Innovation Lab and Roularta Digital Hub
- Strong media brands

Human capital

- 1,265 permanent employees
- 712 men, 553 women
- 186 recognised professional journalists
- Network in excess of 1,300 freelancers

Natural capital

- An average of 70,000 tonnes of 100% TCF paper
- 1,383 tonnes of ink
- 19,746 m^3 water
- 159,000 m^2 aluminium plates
- 36,416 litres of cleaning agents
- 164,919 litres of dampening additives
- 35,720 MWh energy
- 66,000 m^2 area of greenery beside the company plant

OUTPUT

Financial capital

- 296 million EUR turnover
- 95 million EUR personnel
- 6.8% growth in turnover

Manufactured capital

- 557,322,827 rotations rotary presses
- More than 100 events (Trends Manager of the Year, Trends Summer University, She goes ICT, ...)
- Printed copies: 299,314,608 magazines and 184,772,778 newspapers

Spreading quality, relevant, and independent content for our readers and advertisers

Intellectual capital

- 48 innovative projects tested by the Innovation Lab
- 70 magazine titles
- 5 newspaper titles

Human capital

- 14,500 hours of training for personnel
- 63 new recruitments

Taking care of our people and community

Connecting people locally through providing free regional news, digital platforms and the organisation of events

Social capital

- Websites: more than 9 million unique visitors per month and more than 30 million page views per month
- 3,031,631 readers of local media
- 9,504,539 magazine readers (CIM) in Belgium, The Netherlands and Germany
- 98% reader client satisfaction rate
- Weekly 1,100,000 viewers for Kanaal Z/Canal Z
- Co-creator 'Een Hart voor West-Vlaanderen'

Lowering our footprint with high-tech printing facilities

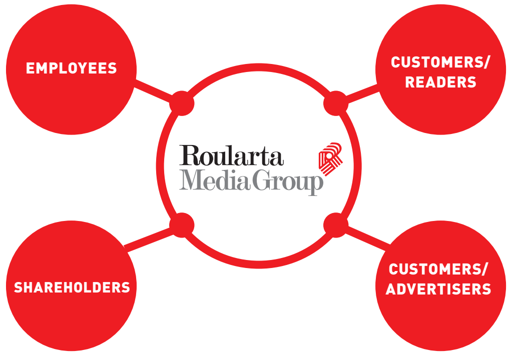
Natural capital

- 3.57% energy saving* on the site in Roeselare = 390 tonnes less CO_2 emission or an average yearly consumption of 89 families

(*) Compared to reference year 2016

Stakeholders

Goals can only be achieved with good cooperation on the part of all stakeholders. They each in their own way are influenced by our activities or products, or build on them. For us they are all important.



The special attention that Roularta Media Group devotes to its stakeholders can be illustrated by means of the 'Customer Journey'.

Roularta Media Group puts with its 'Customer Journey' project, which started in 2017, the customer at the heart of the company's entire operation under the motto **together we aim not for 'good' or 'better', but for 'best'.**

In the project 'Customer Journey' is in a first phase, the focus on 2 types of customers: the reader and the advertiser. Different 'customer journeys' are developed for each type of customer. During a customer journey, an analysis is made of the operation of the organisation from the customer's point of view.

FOCUS ON QUALITY CONTENT FOR THE READER

In the media landscape, Roularta Media Group is known for its quality content. With the 'Customer Journey', Roularta Media Group wants to significantly increase the level of service it provides to its readers. Readers potentially have many questions that they want to see answered quickly and correctly.

Under the impetus of the 'Customer Journey', the internal work processes are adapted to achieve this goal. Transparent and clear communication with the reader are the building blocks to achieve the desired level of service and to increase customer satisfaction.

THE BEST MEDIA PARTNER FOR ADVERTISERS

Roularta Media Group has for many years succeeded in offering custom multimedia solutions to advertisers. The many possibilities sometimes make it very complex for the customer to make the right choices. The 'Customer Journey' therefore aims to put the advertiser at the centre and to offer the right media solution to customers based on their desires and wishes.

Advertisers more than ever are looking for creative ways to communicate credibly and reliably with their target groups about their brand, especially in times of fake news and fake advertising.

Therefore Roularta has bundled all of its expertise in native advertising, cross-media creativity and content marketing in one competence centre that can develop total solutions for the advertiser: the **Roularta Brand Studio**.

In close collaboration with Roularta Media Group's sales teams, Roularta Brand Studio offers creative cross-media total solutions for advertisers, tailor-made for the advertiser, and in line with the target groups and the DNA of the various media brands of Roularta Media Group.

Environment

Roularta Media Group has been striving for years to use the best available and most efficient techniques in its production process. The various measures that are taken with regard to eco-investments are concentrated mainly in the print shop environment at the head office in Roeselare.

Energy

Energy in the production environment

Energy is and remains an important factor in the production process. Thanks to numerous interventions, Roularta Media Group has already realised significant reductions in the use of gas and electricity and thus also in the area of CO_2 emissions.

In 2016, Roularta Media Group was the only graphics company to become party to the Flemish Government's Energy Policy Covenant (EBO) 2015-2020. The EBO is the successor to the energy benchmark and audit covenant. In the framework of the EBO, in addition to an energy plan and the associated reporting, an energy management system must also be put in place. In the context of organising this energy management system, it was decided to start the process for an ISO 50001 certification. This certificate was obtained in the autumn of 2019. It also extends the scope from the print shop activities to the entire Roeselare site. Thus all employees at this site are involved in the project.

Energy in office environments

In recent years, good results in the area of energy efficiency have been realised through the introduction of diverse measures in the office environments. Some examples:

- At the Brussels Media Centre site in Haren, 832 275 watt peak solar panels were installed.
- On the Roeselare site, 1,138 330 watt peak solar panels were installed on the roof of the production halls.

Water

Water is an important and costly raw material in the world and in the production process. The aim thus is to be as economical as possible with its use. In recent years, various interventions took place in the production process, as a result of which the consumption of mains water declined systematically.

The cooling installation was converted to reuse a part of the cooling water in the production environment. This has allowed us to save more than 7,000 m^3 of water per year.

Paper

Paper is the basic raw material for printing newspapers and magazines. We purchase an average of 70,000 tonnes of paper per year. All paper is chlorine-free (100% TCF).

Roularta obtained both FSC and PEFC 'chain of custody' certification in 2009. The certificate is awarded for periods of 5 years. In 2019, we passed an audit conducted by an independent monitoring body, allowing us to renew our certificates.

In order to obtain the certificates, we had to demonstrate that we were able to organise a chain of custody in the company. The chain of custody is a reliable system for tracking certified wood flows, step by step, from tree management to the finished products. This is a closed chain, which means that each link must have a chain of custody certificate (which is verified annually by an independent certification body). Only then may the product carry the PEFC label and does the end user receive the assurance that the product comes from sustainably managed forests.

By obtaining the certificates, Roularta Printing is able to purchase, process and sell certified paper with the FSC or PEFC label.

The PEFC and FSC certificates guarantee responsible forest management.

PEFC (Programme for the Endorsement of Forest Certification Schemes) is a forest certification system that was established in Europe in 1999. Products with the PEFC logo are guaranteed to come from responsibly managed forests. In concrete terms, this means forest management that is economically viable, environmentally friendly as well as socially beneficial.

The PEFC label guarantees consumers that the product they buy comes from sustainably managed forests.

- **Ecologically:**
  Harvesting a tree = replanting a tree.
  Preserving biodiversity in the forest.
- **Socially:**
  Respecting the rights of people who live from and in the forest. Foreseeing strict safety requirements for forest workers.
- **Economically:**
  Paying forest managers a fair price for their timber.
  Stimulating the local economy.

PEFC Belgium, the non-profit association that promotes the PEFC label in our country, has published a 'Guide to PEFC-certified companies'. This guide contains the details of all companies that are allowed to produce and sell products with the PEFC label. Our print shop is in the list (under 'Roularta Printing').

Complete information about PEFC and the guide can be found at **www.pefc.be.** *(source: PEFC Belgium)*

The FSC (Forest Stewardship Council) also promotes ecologically suitable, socially correct and economically viable forest management of forests worldwide. It has set the bar very high. The FSC is an international organisation that was founded in 1993. It sets global standards for forest management, with a quality mark attached to compliance.

The FSC has also published a guide for FSC-certified companies, in which you will find our print shop (Roularta Printing).

Complete information about the FSC and the guide can be found at **www.fsc.be**.

Ink, additives and solvents

As with paper, the efficient use of ink, additives and solvents in the production process is always a priority.

- Approximately 1,400,000 kg of ink is consumed each year on average. We constantly strive for the minimum use of ink, without sacrificing quality.
- In addition to ink, there are also the cleaning agents (about 35,000 litres per year) and the dampening additives. We use approximately 165,000 litres of dampening additives per year. In recent years, much effort has been made to reduce the use of isopropyl alcohol (IPA). Its use has dropped by 40% since 2008.

Fully alcohol-free printing is not feasible since it compromises the quality of the printed matter.

Packaging

Each company producing a certain volume of packaging waste is obliged to submit a three-yearly prevention plan to the Interregional Packaging Commission. Companies can submit their own plan or register via a sector federation. In 2019, Roularta once again subscribed to the Febelgra/Fedustria sector plan. Specific points of attention are regularly addressed, resulting in substantial accomplishments with respect to ecology.

Mobility

Mobility is becoming increasingly important in business. This aspect also deserves our eco-attention.

Initiatives supporting bicycling, carpooling and free train use are offered to personnel and promoted by the company. In recent years, Roularta Media Group started a Blue-bike bicycle sharing service. In the context of the flexible remuneration plan introduced at Roularta Media Group in 2019, some 50 company bicycles were selected, a significant proportion of which were electric. These company bicycles include theft and damage insurance as well as a voucher for maintenance up to a certain amount (valid for the term of the lease).

We also aim for an eco-efficient purchasing policy with regard to our vehicle fleet. This has resulted in a constant decrease in average CO_2 emissions from our company cars. Since 2014, CO_2 emissions have remained more or less stable. Since 2018 Roularta Media Group included petrol-hybrid vehicles in the selection of company cars.

Companies and Biodiversity Green Deal

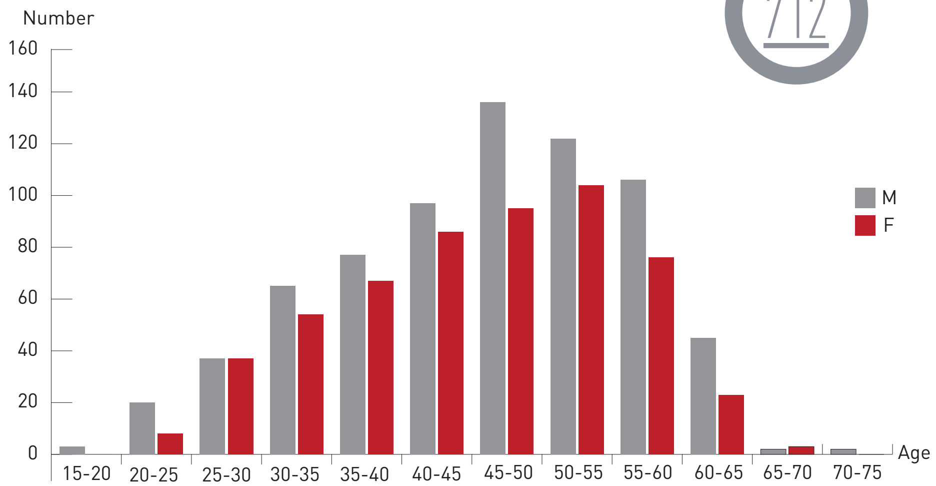
Roularta Media Group has subscribed to the Companies and Biodiversity Green Deal. This is an initiative of among others the Flemish Government (the Department of Environment, and the Nature and Forest Agency), Natuurpunt and Corridor. The Companies and Biodiversity Green Deal aims to increase biodiversity in business parks and strengthen support for this. Attention to biodiversity can bring many benefits to the company, employees, customers, stakeholders, etc. With the Green Deal, Roularta wants to further stimulate biodiversity at its sites by implementing a number of biodiversity projects over the coming years. These include the further planting of trees and berry-bearing shrubs, installing nesting boxes, beehives, insect hotels, etc.

Personnel

Roularta Media Group focuses on human capital, employees and freelance professionals.

On 31/12/2019, Roularta Media Group (Roularta Media Group and its 100% subsidiaries) was home to 1,265 permanent employees – 712 men and 553 women – in diverse age categories.

In addition, Roularta Media Group relies on an extensive group of more than 1,300 freelance journalists, graphic artists and photographers to deliver high-quality content.



One Team, One Family

Our employees are the great strength and driving force behind everything the company realises. We therefore strive for sustainable interaction with our personnel. We want to spark their energy, capabilities, competences, talents, commitment and dedication. The big ambition is to also ensure that they are able to continuously renew themselves at Roularta Media Group.

We work here as one team, as one big family, in which everyone has their own, specific and important place. Hence our slogan 'One Team, One Family'.

Training, information and documentation

Ongoing attention is paid to the personal development of all employees. To this end, we provide much training each year, both in-house and external.

We also regularly organise no-obligation evening information sessions on general topics, especially in the area of health. Past topics have included nutrition, burn-out, sleep, ...

Speakers' Corners and Academies are also organised at the various sites in which departments present themselves and new initiatives.

BAR HR

A 'BAR HR' for employees was introduced in 2019. This is a flexible remuneration system whereby employees can spend their BAR HR budget on specific remuneration elements related to the pillars Mobility, ICT & Mobile Devices and Work-Life Balance. The budget is created by replacing the end-of-year and purchasing power bonuses with a flexible remuneration budget at company level.

Fun@Work

The company set up a Sports Committee a decade ago. Originally, this committee organised initiation lessons in various sports in order to allow employees to sample a sport unknown to them. From 2013, the Sports Committee went a step further and also organised moments for relaxation and social interaction among colleagues in workshops on flower arranging or colour analysis. In addition, the Sports Committee was also responsible for organising diverse presentations on current health issues such as sleep, nutrition, ...

Because the title Sports Committee no longer covered all the diverse activities it organised, a new name was sought. Since September 2018, all these activities have been offered to colleagues under the name Fun@Work.

The social role of Roularta Media Group

Roulactief

For employees, Roularta Media Group has developed 'Roulactief'. Roulactief obtains the resources for its work from activities and from contributions from employees.

Roulactief organises numerous activities each year. We look for activities that appeal to employees. Examples of such activities that take place each year are the New Year's reception, the Saint Luke party (staff party, named after St. Luke, the patron saint of printers and the graphic industry), St. Nicholas day and the St. Nicholas party, excursions to a specific region, a museum visit,...

In addition, Roulactief is also a solidarity fund. In the case of special events or emergency situations, support can be given via campaigns or the Roulactief 'cash desk'. Finally, Roulactief donates to the senior citizen activities of the company.

We also fulfil a social, non-company-related role by investing in talent, culture and new initiatives.

For example, Roularta Media Group is one of the founding partners of 'A Heart for West Flanders', dedicated to vulnerable young people up to 18 years of age.

'A Heart for West Flanders' supports various initiatives by associations or organisations (non-profits, voluntary activities, community or parent committees, etc.) that focus on socially vulnerable children and young people in their neighbourhood, district or city. The focus here is on projects that – sometimes quite locally – can make a difference and that can also be a lever for broader initiatives that create new opportunities for this vulnerable target group. 'A Heart for West Flanders' is an initiative of the West Flanders Regional Fund in collaboration with Roularta Media Group, regional television channels Focus & WTV, the publications *De Krant van West-Vlaanderen*, *De Streekkrant/De Zondag*, and with the support of the Province of West Flanders.

RESPECT FOR HUMAN RIGHTS – FIGHT AGAINST CORRUPTION AND BRIBERY

Roularta ensures that its management, employees, freelancers and business partners respect human rights, including fundamental labor standards.

To prevent corruption and bribery, a code of ethics has been developed by Roularta Media Group, which is signed by all employees and freelancers.

Innovation

Roularta in the graphic and media sector

Roularta aims to play a pioneering role in the graphic and media sectors. We also defend the interests of the sector through various channels and through our membership in numerous associations (Council for Journalism, Conseil de déontologie journalistique, WE MEDIA, JEP, the Belgian federation for the graphic industry Febelgra, EMMA ...) and we strive for innovation.

Roularta Innovation Lab

In September 2018, the Innovation Lab (IL) was established within Roularta Media Group. The Innovation Lab is at the service of all business units of Roularta Media Group (RMG) and performs a radar function. It searches 'beyond the horizon' for the latest technologies and trends, and functions as a crossroads of digital and technological innovation.

The IL investigates new technologies, tools and software, and evaluates their possible added value for Roularta Media Group.

The Innovation Lab scans the world of start-ups, develops a strong network within this environment and thus is the first point of contact for start-ups within the world of media tech.

In addition, the Innovation Lab enters into partnerships with technological suppliers and research groups from colleges and universities. With these partners Roularta Media Group forms a *triple helix* (collaboration between government or private fund organisations, business and education) with the aim of bringing to the market advanced technological solutions that users truly need.

An example of such collaboration is reflected in 'Trendify'. The goal is to provide a solution to help journalists be more creative and efficient using a collection of AI media-monitoring tools. This will enable them to discover surprising perspectives and opinions, thereby further improving the quality of the content while reducing research time.

TRENDIFY

These tools will consist of a trend detection engine (detecting time-bound changes in the themes or topics), an opinion mining engine (bringing to light opinions related to these trends) and a trending content detection engine (finding content that is generating a lot of user interaction over a short period of time).

The research results and new technologies increase cost efficiency and offer innovative tools for high-quality content.

For this project, the Roularta Innovation Lab has concluded partnerships with ML2Grow (AI service provider), YesItCan.be (technology provider) and research groups imec-SMIT-VUB and VUB Artificial Intelligence Research Group.

In addition, Roularta Media Group together with the Vrije Universiteit Brussel (VUB) introduced the new chair 'Personalisation, trust and sustainable media'. In this initiative, chair holders Prof. Dr. Karen Donders, Prof. Dr. Ike Picone and PhD researcher Pauljan Truyens of the VUB will conduct and stimulate research into ways in which news media companies can sustainably innovate. The 4-year chair will take a largely holistic approach to innovation in positioning (brand strategy), mindset (editorial focus, relationship of trust with the public) and social impact (investigative journalism, fact-checking).
Therefore in the context of the new 'Personalisation, trust and sustainable media' chair, Prof. Dr. Donders and Prof. Dr. Picone, both affiliated with the Smart Media unit of research group imec-SMIT-VUB, will search for sustainable information media innovations. In this, they will also take into account the dual nature of news media: media companies are both commercial in nature and social actors.

The Roularta Media Group Share

CAPITAL AND SHARES

The registered capital of NV Roularta Media Group amounts to EUR 80,000,000.00. It is represented by 13,141,123 shares paid up in full, without par value, representing each an equal part of the capital.

All shares representing the registered capital have the same social rights.

Purchase of own shares

In the course of the financial year 2019, the company did not purchase any own shares on the basis of the statutory authorisation of the board of directors.

The company has 588,960 of its own shares in portfolio, representing 4.482% of the registered capital.

Shareholding structure

The shareholding structure is as follows:

	Number of shares	%
Koinon Comm.VA [1]	9,352,977	71.173%
S.A. West Investment Holding [1]	522,136	3.973%
Bestinver Gestión S.G.I.I.C. S.A.	998,725	7.600%
Capfi Delen Asset Management NV	394,201	2.999%
Own shares [2]	588,960	4.482%
Individual and institutional investors	1,284,124	9.772%

(1) The Comm.VA Koinon and the S.A. West Investment Holding, in their capacity as persons acting in concert who have concluded an agreement concerning the possession, the acquisition and transfer of shares, have made a definitive notification.
(2) Situation on 31/03/2020.

9,407,428 of the total number of outstanding shares are nominative.

Takeover Bid law

In the context of the Law of 1 April 2007 concerning public takeover bids, Comm.VA Koinon, as the direct holder of more than 30% of the Roularta Media Group shares, updated its registration with the FSMA on 30 August 2018 pursuant to Article 74 § 6 of the above-mentioned law.

STOCK MARKET TREND

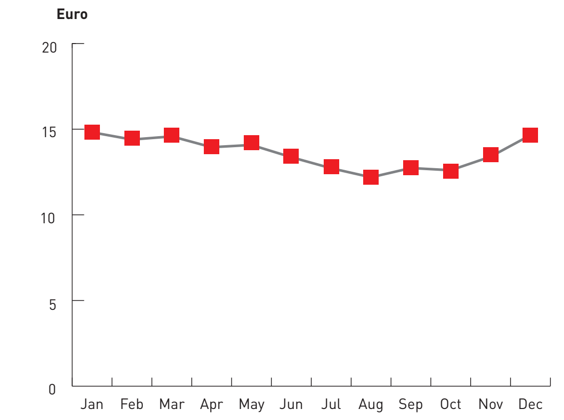
Roularta Media Group's shares are listed on Euronext Brussels under the section Media - Publishing, ISIN Code BE0003741551 and Mnemo ROU.

The Roularta share is included in the BEL Small Cap Index (BE0389857146).

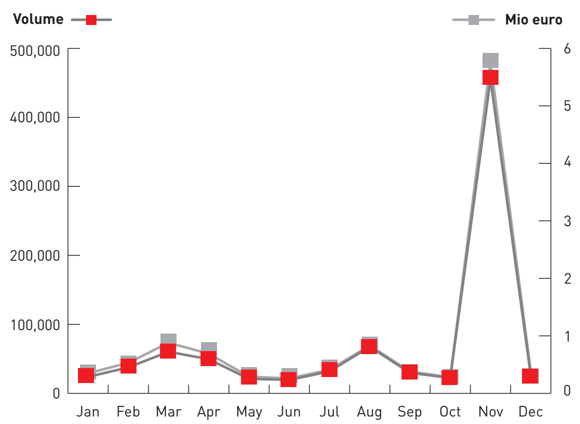
Volumes and closing prices in 2019

Month	Average closing price	Volumes	in EUR millions
Jan 19	14.818	23,950	0.35
Feb 19	14.395	37,585	0.53
Mar 19	14.579	60,290	0.88
Apr 19	13.948	49,483	0.69
May 19	14.080	21,002	0.29
Jun 19	13.365	19,501	0.26
Jul 19	12.720	31,897	0.41
Aug 19	12.193	67,558	0.83
Sep 19	12.733	29,754	0.38
Oct 19	12.605	22,322	0.28
Nov 19	13.395	455,885	5.77
Dec 19	14.653	26,113	0.38
		845,340	11.05

Average closing price - 2019



Volumes and figures in EUR millions - 2019



The highest price during 2019 was EUR 15.500 on 1 March. The lowest price during 2019 was EUR 11.600 on 12 August. The largest daily trading volume was 366,350 shares on 14 November 2019.

Liquidity of the share

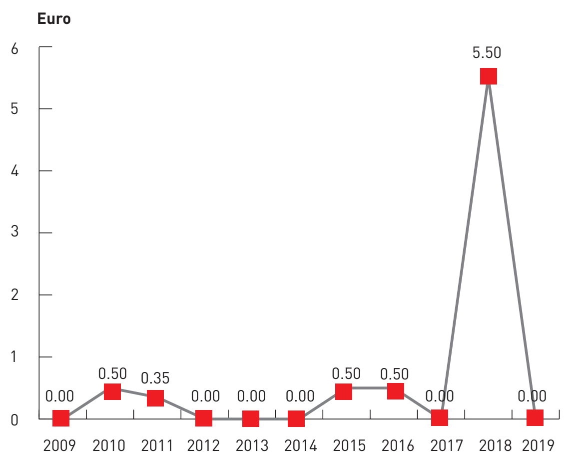
Roularta Media Group has a proactive investor relations policy, aimed at increasing the visibility of the share and in this way supporting its liquidity.

Dividend policy

The general assembly pursues – as advised by the executive board – a policy which tries to pay out a dividend, whilst keeping a close watch on preserving the healthy balance between a distribution of dividends and the investment possibilities.

The spread of the COVID-19 virus and the strict precautions taken by governments worldwide to combat the virus are having a huge impact on our society. The stagnation of economic life will clearly have an unpredictable impact on the company, its activities and its financial results. For these reasons, the board of directors decided not to pay a dividend for the financial year 2019.

Gross dividend



THE COMPANY'S CAPITAL

Roularta Media Group was founded on 11 May 1988 as Roularta Financieringsmaatschappij. The table on the following page lists the events that have affected the company's capital and the securities representing it.

Year	Month	Transaction	Number of shares	Capital	BEF / EUR
1988	May	Foundation as Roularta Financieringsmaatschappij	12,510	381,000,000	BEF
1993	July	Merger - capital increase	13,009	392,344,000	BEF
1997	December	Split - capital increase	18,137	546,964,924	BEF
1997	December	Merger - capital increase	22,389	675,254,924	BEF
1997	December	Capital increase	24,341	734,074,465	BEF
1997	December	Name changed into Roularta Media Group			
1998	June	Issue of 300,000 warrants - amendment of articles of association	2,434,100	734,074,465	BEF
1998	June	Merger - capital increase	2,690,400	1,545,457,541	BEF
1998	June	Contribution of debt receivable - capital increase	8,277,700	2,496,457,541	BEF
1998	December	Contribution of debt receivable - capital increase	9,611,034	4,479,791,791	BEF
2001	June	Conversion of capital into euros - capital increase by conversion of 61,950 warrants	9,672,984	111,743,000.00	EUR
2001	October	Destruction of 119,305 own shares	9,553,679	111,743,000.00	EUR
2002	June	Capital increase by conversion of 35,350 warrants	9,589,029	112,138,000.00	EUR
2003	June	Capital increase by conversion of 43,475 warrants	9,632,504	112,623,000.00	EUR
2003	July	Capital increase by contribution in kind	9,884,986	118,463,000.00	EUR
2004	June	Capital increase by conversion of 43,625 warrants	9,928,611	118,950,000.00	EUR
2005	June	Capital increase by conversion of 28,350 warrants	9,956,961	119,267,000.00	EUR
2006	January	Capital increase by conversion of 39,090 warrants	9,996,051	120,054,000.00	EUR
2006	February	Capital increase by contribution in cash	10,985,660	131,939,204.09	EUR
2006	May	Incorporation of an issue premium	10,985,660	170,029,300.00	EUR
2006	June	Capital increase by conversion of 19,825 warrants	11,005,485	170,250,500.00	EUR
2007	January	Capital increase by conversion of 9,340 warrants	11,014,825	170,439,000.00	EUR
2007	June	Capital increase by conversion of 22,225 warrants	11,037,050	170,687,000.00	EUR
2008	January	Capital increase by conversion of 7,864 warrants	11,044,914	170,846,000.00	EUR
2008	May	Capital increase by conversion of 17,375 warrants	11,062,289	171,040,000.00	EUR
2008	December	Capital increase by contribution in cash	13,131,940	203,040,000.00	EUR
2011	January	Capital increase by conversion of 9,183 warrants	13,141,123	203,225,000.00	EUR
2015	May	Capital decrease	13,141,123	80,000,000.00	EUR
2015	June	Merger - Roularta Media Group NV with Roularta Printing NV, Biblo NV, De Streekkrant - De Weekkrantgroep NV, Euro DB NV, Le Vif Magazine SA, New Bizz Partners NV, Press News NV, Regie De Weekkrant NV, Roularta Business Leads NV, Roularta IT-Solutions NV, Roularta Publishing NV and West-Vlaamse Media Groep NV	13,141,123	80,000,000.00	EUR

Analysts who follow the Roularta share:

- Bank Degroof Petercam: Michael Roeg m.roeg@degroofpetercam.com
- KBC Securities: Ruben Devos ruben.devos@kbcsecurities.be
- Kepler Cheuvreux: Kris Kippers kkippers@keplercheuvreux.com
- Merodis Equity Research: Arnaud W. Goossens ago@merodis.com

Consolidated key figures

Income statement	in thousands of euros	2015	2016(*)	2017	2018	2019	Trend
Sales		**290,226**	**276,464**	**256,768**	**277,008**	**295,798**	**+6.8%**
EBITDA [1]		**33,598**	**16,930**	**1,927**	**6,336**	**22,989**	**+262.8%**
	EBITDA - margin	*11.6%*	*6.1%*	*0.8%*	*2.3%*	*7.8%*	
EBIT [2]		**31,363**	**7,412**	**-12,035**	**-65,547**	**9,978**	**+115.2%**
	EBIT - margin	*10.8%*	*2.7%*	*-4.7%*	*-23.7%*	*3.4%*	
Net finance costs		-5,441	-4,687	-4,858	-5,075	-75	-98.5%
Operating result after net finance costs		**25,922**	**2,725**	**-16,893**	**-70,622**	**9,903**	**+114.0%**
Income taxes		46,089	72	-14,578	-1,539	429	-127.9%
Net result from continuing operations		72,011	2,797	-31,471	-72,161	10,332	+114.3%
Result from discontinued operations		-7,770	17,475	18,510	151,093	0	-100.0%
Net result		**64,241**	**20,272**	**-12,961**	**78,932**	**10,332**	**+86.9%**
Attributable to minority interests		-127	-1,201	-2,030	-1,010	-521	+48.4%
Attributable to equity holders of RMG		**64,368**	**21,473**	**-10,931**	**79,942**	**10,854**	**+86.4%**
Net result attributable to equity holders of RMG - margin		***22.2%***	***7.8%***	***-4.3%***	***28.9%***	***3.7%***	

Balance sheet	in thousands of euros	2015	2016	2017	2018	2019	Trend
Non-current assets		319,007	307,445	166,259	184,108	182,720	-0.8%
Current assets		130,674	135,756	250,849	171,000	170,695	-0.2%
Balance sheet total		449,681	443,201	417,108	355,108	353,414	-0.5%
Equity - Group's share		207,649	222,293	202,999	222,561	227,846	+2.4%
Equity - minority interests		1,868	1,762	1,906	1,100	578	-47.4%
Liabilities		240,164	219,146	212,203	131,447	124,990	-4.9%
Liquidity [3]		1.1	1.4	1.3	1.5	1.6	+6.0%
Solvency [4]		46.6%	50.6%	49.1%	63.0%	64.6%	+2.6%
Net financial debt		75,680	57,443	62,552	-95,658	-95,937	+0.3%
Gearing [5]		36.1%	25.6%	30.5%	-42.8%	-42.0%	-1.8%

(*) Restated for retrospective application of IFRS 5 Discontinued Operations.

(1) EBITDA = EBIT + depreciations, write-downs and provisions.
(2) EBIT = operating result, including the share in the result of associates and joint ventures.
(3) Liquidity = current assets / current liabilities.
(4) Solvency = equity (Group's share + minority interests) / balance sheet total.
(5) Gearing = net financial debt / equity (Group's share + minority interests).

Highlights per share [1]

Description	in euros	2015	2016(*)	2017	2018	2019
Equity - Group's share		16.63	17.76	16.19	17.75	18.16
EBITDA		2.69	1.35	0.15	0.51	1.83
EBIT		2.51	0.59	-0.96	-5.23	0.80
Net result RMG		5.16	1.72	-0.87	6.37	0.87
Net result RMG after dilution		5.14	1.70	-0.87	6.35	0.86
Gross dividend		0.50	0.50	0.00	5.50	0.50
Price/Earnings (P/E) [2]		**10.12**	**15.01**	**-21.23**	**2.33**	**17.06**
Number of shares at 31/12		13,141,123	13,141,123	13,141,123	13,141,123	13,141,123
Weighted average number of shares		12,486,031	12,515,767	12,534,766	12,541,645	12,545,621
Weighted average number of shares after dilution		12,517,300	12,611,966	12,609,509	12,597,381	12,560,022
Highest share price		25.10	26.93	28.95	25.40	15.50
Share price at year-end		24.50	24.32	21.95	14.65	14.05
Market capitalisation in million EUR at 31/12		321.96	319.59	288.45	192.52	184.63
Yearly volume in million EUR		25.90	25.66	30.55	15.58	11.06
Yearly volume in number		1,516,330	1,069,743	1,342,752	753,405	845,340

(*) Restated for retrospective application of IFRS 5 Discontinued Operations.

(1) On the basis of the weighted average number of shares.
(2) Earnings = current net profit of the consolidated companies. From 2016 it is assumed that the current net profit equals net result.

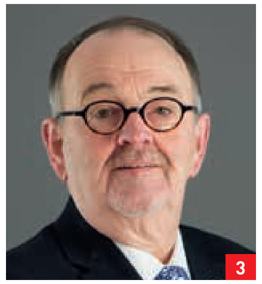
Executive Management Committee




1. Rik De Nolf Chairman
2. Xavier Bouckaert CEO
3. Katrien De Nolf Director Human Resources
4. Jeroen Mouton CFO

Board of Directors RMG








1. Rik De Nolf I Executive Chairman of the Board of Directors (2022)
2. Xavier Bouckaert I Permanent Representative of Koinon Comm.VA I Executive Director I Managing Director (2022)
3. Carel Bikkers I Independent Director (2022) I Chairman of the Audit Committee I Member of the Appointments and Remuneration Committee
4. Lieve Claeys I Non-executive Director (2022)
5. Coralie Claeys I Permanent Representative of Verana NV I Non-executive Director (2020)
6. Francis De Nolf I Permanent Representative of Alauda NV I Executive Director (2023)
7. Koen Dejonckheere I Permanent Representative of Invest at Value NV I Independent Director (2022) I Member of the Audit Committee I Member of the Appointments and Remuneration Committee
8. Caroline Pauwels I Independent Director (2022)

DECLARATION REGARDING THE INFORMATION GIVEN IN THIS 2019 ANNUAL REPORT

The undersigned declare that, to their knowledge:

- the annual accounts, prepared in accordance with the standards applicable to annual accounts, give a true and fair view of the assets, financial condition and results of Roularta Media Group NV and the consolidated companies;
- the annual report gives a true and fair view of the development, the results and the position of Roularta Media Group NV and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with.

Xavier Bouckaert, CEO I Jeroen Mouton, CFO

Annual report of the board of directors

to the ordinary general meeting of shareholders of 19 May 2020 concerning the consolidated financial statements for the period ended 31 December 2019.

Dear Shareholders,
This annual report should be read in conjunction with the audited financial statements of Roularta Media Group NV (hereinafter 'the Group') and the accompanying notes. These consolidated financial statements were approved by the board of directors on 3 April 2020. Roularta Media Group, with its registered offices at 8800 Roeselare, Meiboomlaan 33, has been listed on Euronext Brussels since 1998. Roularta Media Group operated in 2019 in the media business, in particular in magazines, newspapers, local media, TV, internet, line extensions, exhibitions and graphic production.

COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the IASB's International Financial Reporting Interpretation Committee (IFRIC), which have been ratified by the European Commission. The consolidated financial statements give a general overview of the Group's activities and the results obtained. They give a true and fair view of the entity's financial position, financial performance and cash flows, and have been prepared on the assumption that continuity is guaranteed.

MAIN CHANGES IN THE GROUP DURING THE 2019 FINANCIAL YEAR

- In March 2019, the companies Tvoj – Magazin D.O.O., Vogue Trading NV and Living & More Verlag GmbH were liquidated.
- A small magazine 'Leben & Erziehen' was sold by our joint venture Bayard Media GmbH on 1 April 2019. This had a negligible impact on the consolidated figures.
- Bright Communications BVBA was merged with Roularta Media Group in July 2019.
- In November 2019, Woonkijker NV was liquidated.

KEY FINANCIAL DATA

Income statement	in thousands of euros	31/12/2019	31/12/2018	Trend (%)
Sales		**295,798**	**277,008**	**6.8%**
EBITDA (1)		**22,989**	**6,336**	**262.8%**
	EBITDA - margin	*7.8%*	*2.3%*	
EBIT (2)		**9,978**	**-65,547**	**-115.2%**
	EBIT - margin	*3.4%*	*-23.7%*	
Net finance costs		-75	-5,075	-98.5%
Income taxes		429	-1,539	-127.9%
Net result from continuing operations		**10,332**	**-72,161**	**-114.3%**
Net result from discontinued operations		**0**	**151,093**	**-100.0%**
Net result		**10,332**	**78,932**	**-86.9%**
Attributable to minority interests		-521	-1,010	-48.4%
Attributable to equity holders of RMG		**10,854**	**79,942**	**-86.4%**
	Net result attributable to equity holders of RMG - margin	*3.7%*	*28.9%*	
Balance sheet	**in thousands of euros**	**31/12/2019**	**31/12/2018**	**Trend (%)**
Non-current assets		182,720	184,107	-0.8%
Current assets		170,695	171,000	-0.2%
Balance sheet total		353,415	355,107	-0.5%
Equity - Group's share		227,846	222,561	2.4%
Equity - minority interests		578	1,100	-47.5%
Liabilities		124,990	131,447	-4.9%
Liquidity (3)		1.6	1.5	8.1%
Solvency (4)		64.6%	63.0%	2.6%
Net financial debt		-95,937	-95,658	0.3%
Gearing (5)		-42.0%	-42.8%	-1.8%

(1) EBITDA = EBIT + depreciations, write-downs and provisions.
(2) EBIT = operating result, including the share in the result of associates and joint ventures.
(3) Liquidity = current assets / current liabilities.
(4) Solvency = equity (Group's share + minority interests) / balance sheet total.
(5) Gearing = net financial debt / equity (Group's share + minority interests).

CONSOLIDATED INCOME STATEMENT

Consolidated revenue for 2019 enjoyed an increase of 6.8%, from € 277.0 to € 295.8 million. This is mainly due to the acquisition of the Women Brands in June 2018, which made a positive contribution of € 67.1 million to revenue. Part of this is advertising income that was partly able to compensate for a declining market in Local Media (-20.1%) and the pay-to-read newspapers (-13.7%).

On the one hand, driven by rising 'consumer' sales, adequate cost control and, on the other hand, due to the better net result of the joint ventures (which is included in EBITDA), **EBITDA** increased from € 6.3 million to € 23.0 million in 2019. EBITDA as a percentage of revenue increased from 2.3% to 7.8%.

The EBITDA of the fully consolidated entities amounts to € 20.5 million compared to € 8.2 million last year; the net result of joint ventures is € 2.5 million compared to - € 1.8 million in 2018. The normalisation in 2019 comes after major impairments in 2018 in the German activities for the entities J.M. Sailer Verlag GmbH and Bayard Media GmbH & Co KG, in which Roularta owns 50% of the shares.

As of January 2019 IFRS 16 *Lease Agreements* is applied, giving rise to a € 1.2 million positive impact on EBITDA in the 2019 figures.

EBIT contains no impairment losses this year, unlike in 2018 where an impairment of € 69.2 million was booked on brands with an indefinite lifetime. Due to this, EBIT evolved from - € 65.5 million in 2018 to € 10.0 million or 3.4% of revenue.

Thanks to full repayment of the bond loan in 2018 and the early repayment of other financial debts, almost no **net financial expenses** were incurred in 2019 (- € 0.1 million).

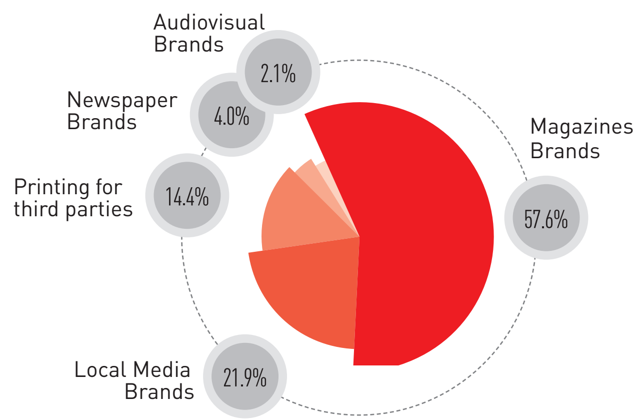
Taxes include, on the one hand, expected cash-out payments (- € 0.5 million) and, on the other hand, deferred tax income of € 0.9 million. The latter is due to the merger of Roularta Media Group with one of its 100% subsidiaries, Bright Communications BVBA, which had a net deferred tax liability of € 1.0 million. The deferred tax revenues that will result from this will ensure a higher recovery of tax losses brought forward. A deferred tax asset of € 1.0 million has been booked for this.

There will be no discontinued operations in 2019, where in 2018 the **net result from discontinued operations** was related to the sale of 50% of the shares in Medialaan (the TV channels VTM, Q2, Vitaya, CAZ, the radio channels Qmusic and Joe FM, Mobile Vikings, etc.) to DPG (De Persgroep).

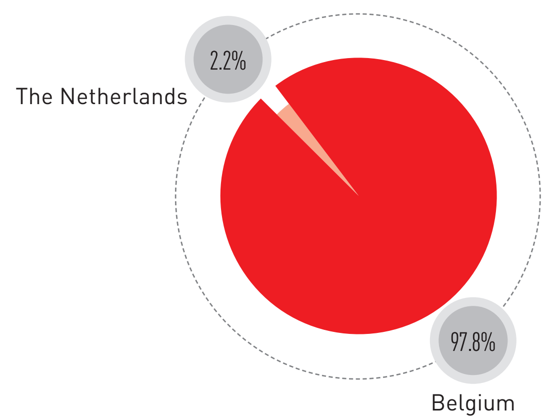
Of the amount of - € 0.5 million **minority interest** in 2019, - € 0.6 million comes from the loss at Storesquare NV, where RMG owned 65% of the shares at the end of 2019. This loss-making activity was stopped in the course of 2020.

The **net result attributable to RMG shareholders** thus amounts to € 10.9 million or € 0.87 per share.

Consolidated sales by various activity categories 31/12/2019



Consolidated sales regional 31/12/2019



2019 CONSOLIDATED RESULTS BY SEGMENT

Consolidated sales by segment

in thousands of euros	31/12/2019	31/12/2018	Trend (%)
Media Brands	258,520	241,570	+7.0%
Printing Services	77,222	78,180	-1.2%
Intersegment sales	*-39,944*	*-42,742*	
Consolidated sales	**295,798**	**277,008**	**+6.8%**

Roularta Media Group reports on two segments. The first segment, **Media Brands**, refers to all brands that are operated by RMG and its participations. It includes all sales of advertising, subscriptions, newsstand sales and line extensions of the brands. The second segment, **Printing Services**, is responsible for pre-media and printing activities for in-house brands and external customers. Reporting on the segments in consolidated figures is done to Gross Margin level. There is a strong interrelation between these segments, and supporting services are extensively shared.

Media Brands

in thousands of euros	31/12/2019	31/12/2018	Trend (%)
Sales	**258,520**	**241,570**	**+7.0%**
Gross margin	**198,547**	**179,269**	**+10.8%**
Gross margin on sales	*76.8%*	*74.2%*	

Revenue from the Media Brands segment increased by 7.0% or € 17.0 million to € 258.5 million.

Advertising revenue fell by 3.1% compared to 2018. Advertising revenue from the complimentary magazines decreased by 20.1% compared to 2018; that of the pay-to-read newspapers fell by 13.7%. These declines were slowed by the 5.2% increase in advertising in magazines thanks to the acquired Women Brands. Advertising income from the various internet sites fell slightly by 0.9%.

Revenue from the **readership market** (newsstand sales and subscriptions) increased by 22.8% compared to 2018. This is fully thanks to the Women Brands that are now included in revenue for a full year, while in 2018 this was only for half a year. Without these magazines, the readership market would have fallen by -3.8%, mainly due to a fall in newsstand sales.

Subscriptions account for 70% of the total readership revenues and newsstand sales for 30%.

Revenue from **Line Extensions and miscellaneous** rose by 8.9%.

Gross margin increased from 74.2% to 76.8%, partly due to lower printing costs and partly due to higher selling prices within the Women Brands.

Printing Services

in thousands of euros	31/12/2019	31/12/2018	Trend (%)
Sales	**77,222**	**78,180**	**-1.2%**
Gross margin	**38,959**	**40,286**	**-3.3%**
Gross margin on sales	*50.5%*	*51.5%*	

Revenue for the Printing Services segment was stable and amounted to € 77.2 million. The lower amounts (- € 2.4 million) invoiced to the Media Brands segment were largely offset by higher external sales (+ € 1.5 million).

Gross margin compared to revenue decreased slightly by 1% due to the lower charges passed on to the Brands segment. The margins on external sales remained stable or increased slightly.

BALANCE SHEET

On 31 December 2019 **equity - Group share** was € 227.8 million compared to € 222.6 million on 31 December 2018. The movement in equity mainly consists of the result over 2019 (+€ 10.9 million) less the dividend (- € 6.3 million).

As of 31 December 2019, the **consolidated net financial cash position** (= current cash less financial debts) was € 95.9 million vs. € 95.7 million the year before. The slight improvement is due to the cash generated of € 5.5 million, which is mainly offset by the financial debts that have been on the balance sheet since 2019 as a result of IFRS 16 *Lease Agreements* with a value of € 5.0 million.

INVESTMENTS (CAPEX)

Total consolidated investments in 2019 amount to € 9.6 million compared to € 39.9 million in 2018. This amount was mainly invested in tangible fixed assets (€ 6.2 million, of which an advance on the new printing press of € 2.6 million) and software (€ 3.4 million). The high amount in 2018 was due to the acquisition of the Sanoma Women Brands (€ 32.9 million), € 2.8 million in investments in software and € 4.2 million in tangible fixed assets (mainly machines for the Printing Services segment).

MAIN EVENTS AFTER THE BALANCE SHEET DATE

At the beginning of January 2020, Roularta Media Group and its co-shareholders (KBC, ING and Unizo) decided to stop the Storesquare activity by the end of February 2020.

In February 2020, RMG received an offer for its 50% investment in Regionale Media Maatschappij (RMM). The statutory procedure of pre-emptive and resale rights was initiated by the RMM Board of Directors. The sale of RMG's investment in RMM will be completed in the month of April.

At the end of February 2020, RMG acquired the 50% shares of Senior Publications NV (Plus Magazine in Belgium), owned by Bayard Groupe. Bayard Groupe likewise acquired the 50% shares of Sailer (children's magazines Bimbo, Olli & Molli,...), owned by RMG.

INFORMATION ON CIRCUMSTANCES THAT CAN SIGNIFICANTLY INFLUENCE THE DEVELOPMENT OF THE GROUP

The spread of the COVID-19 virus and the strict precautions taken by governments worldwide to combat the virus are having a huge impact on our society.

Roularta Media Group too has taken important and far-reaching safety measures to ensure the safety and health of its employees, customers and business partners.

In these difficult times, Roularta – together with all its employees – continues to assume its civic responsibility as a media company and independently and reliably provide high-quality information to the population about COVID-19 and other important topics. As One Team, One Family, we continue to produce and distribute all our brands via press outlets and by post, as requested by the government. Our digital channels also continue to provide 24/7 reporting.

The stagnation of economic life will clearly have an unpredictable impact on the company, its activities and its financial results.

RESEARCH AND DEVELOPMENT

As a multimedia company Roularta Media Group operates in various high-tech sectors. Within these it is constantly seeking new opportunities, with a reputation as a major innovator.

In 2019 Roularta Media Group decided to make a replacement investment in its machinery by purchasing a new eco-efficient rotary press, a Lithoman IV 72-page printing press. This will solve the current shortage of printing capacity. The total investment amounts to € 12 million. The new printing press is expected to be operational by the end of November 2020.

Roularta Media Group attaches paramount importance to research and development. These efforts obviously benefit the Group's own internal operating processes, but in many cases also drive fundamental market developments.

STATEMENT REGARDING THE COMPANY'S USE OF FINANCIAL INSTRUMENTS WHERE SIGNIFICANT FOR THE ASSESSMENT OF ITS ASSETS, LIABILITIES, FINANCIAL POSITION AND PROFIT OR LOSS

In the past financial year, the Group did not make use of financial instruments as referred to in Article 3:6, 8° of the Companies and Associations Code.

STAFF

As at 31 December 2019, the Group has 1,217 full-time equivalent (FTE) employees, compared with 1,287 full-time equivalent (FTE) employees the previous year. These figures exclude joint ventures.

MAIN RISKS AND UNCERTAINTIES

Economic conditions

Changes in general, global or regional economic conditions or economic conditions in areas where the Group operates and which could impact consumers' consumption patterns, can negatively impact the Group's operating results.

Risks relating to market developments

The media market is constantly changing. The profit generated by the Group is largely determined by the advertising market, the readers market and viewing figures.

The Group tracks market developments in the media world so that it can capitalise at all times on changes and new trends in the environment in which the company operates. Thanks to the Group's multi-media offer, it can suitably respond to a shift in focus in the advertising world and on the part of its readership from one form of media to another.

Strategic risk associated with markets and growth

The Group may be faced with unfavourable market conditions or unfavourable competitive developments.

Risks relating to suppliers

The various costs that to a large extent determine the total cost in the Printing Services division, such as printing, distribution and staff costs, can fluctuate according to the economic situation.
The evolution of international paper prices is uncertain and may adversely affect the business, operating results and/or financial position of the Group if price increases cannot be passed on in time to its customers. To manage the paper price risk, the Group concludes periodical contracts for newspaper and for magazine paper.

Disturbances or disruptions of the IT system

The Group is exposed to potential disturbances or disruptions in its computer systems.
Computer systems are a central part of the Group's business. A disturbance in the Group's computer systems due to malfunctioning, malicious attacks, viruses or other factors could seriously impact various aspects of its activities, including but not limited to sales, customer service and administration. Computer system disturbances can have an adverse effect on the Group's activities or operating results. To date, the company has not experienced substantial problems with its computer systems. Year after year the Group invests substantial means to optimise its IT systems and to reduce possible disturbances.

Risks associated with intellectual property

The enforcement of intellectual property rights is costly and uncertain. The Group cannot guarantee that it will be successful in preventing abuse of its intellectual property rights.

Risk of reduced brand recognition or negative brand image

The Group's position could be significantly adversely affected if brand recognition were significantly to reduce or if the Group's leading brands, publications and products were to suffer reputational damage.

Risk of non-renewal of licences for TV activities

The Group has the necessary approvals for undertaking its television activities in Belgium. An inability to extend these could potentially negatively impact the Group's financial position and/or results.

Risks related to current and future acquisitions

In takeover situations, the Group is exposed to risks related to the integration of the entities acquired.

Innovation risk

The Group needs to develop new applications on an ongoing basis. Without this, it runs the risk of falling behind its competitors and being unable to catch up again, which could negatively impact the Group's financial position and/or results.

Currency risks

The Group is exposed to a minimal currency risk as both purchases and sales are primarily made in euros.

Interest rate risk

The Group's level of debt and the related interest expense can have a major influence on the Group's result and/or the financial position. In order to hedge the risks of unfavourable interest rate fluctuations the Group may use financial instruments. Since the end of 2018 this risk became minimal because of the low debt ratio.

Credit risk

The Group is exposed to the credit risk on its customers, which could lead to credit losses. To control this credit risk, credit investigations are performed on customers which request major credit facilities. Where the outcome is negative, credit is refused or restricted.

In addition, the Group also uses trade finance instruments, such as letters of credit, to cover part of its credit risk and credit insurances are concluded for a small percentage of foreign clients of the printing works.

There is no significant concentration of credit risks with a single counterparty.

Despite the Group's intention of limiting its credit risk, it can face a deterioration of the creditworthiness of its customers. Any failure to conclude a credit insurance policy with respect to certain customers can have a material adverse effect on the Group's business, financial condition and/or results.

Liquidity and cash flow risk

The Group's indebtedness and the restrictions agreed upon in the financing agreements may adversely affect the Group's liquidity position.

The Group expects to meet its obligations through operating cash flows and current cash and cash equivalents. Roularta is fully debt-free and has a cash position of more than € 101 million at the end of 2019.

Capital structure

The Group is constantly seeking to optimise its capital structure (mix of debt and equity). The main objective of the capital structure is to maximise shareholder value while maintaining the desired financial flexibility for implementing strategic projects.

Risks associated with assessing the useful life of the brands

Through 30 June 2018, various brands had an indefinite useful life. As of 1 July 2018, it was decided to change the useful life of the brands in the portfolio to a specific useful life. From 1 July 2018, the value of the brands will be depreciated according to their estimated useful life. Estimating and evaluating the specific useful life of the brands is based on estimates by management, with the brands being subdivided as follows: 'super' brands, 'growth' brands, 'mature' brands and 'young' and 'small' brands. However, these management estimates can be adversely affected by market developments, generally unfavourable economic developments or disappointing brand performance, as a result of which the assessments/evaluations made about the specific useful life of a brand need to be adjusted.

Risks relating to possible impairments of goodwill and tangible and intangible fixed assets

An impairment loss is recognised when the book value of an asset, or the cash-generating unit to which the asset belongs, is higher than the recoverable amount. This recoverable amount is determined on the basis of business plans prepared by management and approved by the board of directors. The Group points to the sensitive nature of these business plans. When, owing to market circumstances, the assumptions contained in the aforementioned business plans cannot be achieved, impairments are recognised in the profit and loss account, with an effect on the net income and shareholders' equity of the Group.

Regulatory risks

The Group strives to always act within the prevailing legal framework. Additional or changing legislation, including tax law or decisions by administrative authorities, could limit the Group's growth or entail additional costs and/or taxes.

In the area of tax regulations, the Group makes use of the possibilities offered by tax laws and regulations, without in so doing running unnecessary risks. The Group is supported in this by external tax advisers.

Risks relating to legislation and arbitration

The Group is involved in a number of disputes, currently pending. For these disputes, mostly provisions were set up. The Group cannot guarantee that it will not in future face material litigation by third parties in relation to published articles, other forms of communication and more in general the activities of the Group.

A detailed description of the most important pending disputes is included in Note 26 to the consolidated financial statements.

Roeselare, 3 April 2020.
The Board of Directors

Corporate governance declaration [*]

INDICATION OF THE CORPORATE GOVERNANCE CODE

As a multimedia company, Roularta Media Group creates and distributes quality, independent and relevant content for the general public and for specific target groups. It links to this advanced marketing and advertising platforms for its partners. Roularta Media Group aims to create sustainable added value for its stakeholders and for all of society. In the light of this task, Roularta Media Group NV, as a listed Belgian company, subscribed in 2019 to the Belgian Corporate Governance Code (2009) as its reference code (available at www.corporategovernancecommittee.be).

The Corporate Governance Charter, which is published on the company's website (www.roularta.be – Roularta on the stock market – management), sets out in an exhaustive and transparent fashion how Roularta Media Group is governed and how account for this governance is rendered.

The board believes that observing as closely as possible the principles set out in the Charter will ensure more efficient, more transparent governance and better risk management and control of the company. Roularta Media Group's aim in so doing is to maximise value for its shareholders, its stakeholders and its institutional investors.

Starting in financial year 2020, Roularta Media Group will be using the Corporate Governance Code 2020 (available at www.corporategovernancecommittee.be) as a reference code.

Roularta Media Group intends to respect as much as possible the principles laid down in the Corporate Governance Code 2020.

The current Corporate Governance Charter of NV Roularta Media Group will be adapted taking into account the new provisions of the Corporate Governance Code 2020 and will be made available on the company's website.

DESCRIPTION OF THE PRINCIPAL FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Enterprise Risk Management

Roularta Media Group has set up a risk assessment and internal control system in line with the requirements of the 2009 Belgian Corporate Governance Code.

The internal control of Roularta Media Group is based on the COSO ERM model (version 1) and is designed to provide reasonable assurance regarding the achievement of the objectives of the company. This implies, among other things, recognising and managing both operational and financial risks, compliance with laws and regulations, and monitoring reporting.

The Roularta Media Group organisational culture allows for decentralised operating. Executives and managers are to a large extent responsible for providing operational management. Decentralised control implies, among other things, maintaining continuous watch over risk.

The budget as a direction-indicating instrument

A key element in risk management is the annual budget exercise, consisting of multiple consultations and discussions on business risks, the strategy, business plans and intended results. The final result is a set of objectives and targets, together with projects which should contribute to the better management or control of risks.

Continuous automation with built-in controls

Many processes within Roularta Media Group are automated. An important component of automation consists of risk management with a focus on accuracy, completeness, consistency, timeliness and authentication/authorisation of information.

Continuous monitoring, primarily on the basis of built-in controls in a highly automated operational environment, ensures the prevention or timely detection of potential risks. The security of IT systems is crucial in this. Particular attention is paid here to:

- mirrored systems;
- access security;
- keeping apart of test and production environments;
- back-up power generation;
- back-up procedures.

HR tools to support operational functioning

Besides IT-technical control, operational risk management is mainly characterised by the following measures:

- organisation charts and reporting lines;
- clear employee functional descriptions;
- procedures and guidelines communicated via the intranet;
- continuous training activities and improvement initiatives.

Environment with a focus on financial controls and reporting

Risk management in terms of financial reporting consists primarily of:

- the accounting rules that are applicable on a daily basis;
- the uniformity aimed for within the different companies of the Group, both in terms of the application of the IFRS rules as well as in terms of standardised reporting;
- the audit of the reported figures by the associated companies by the central budget and management reporting department;
- the control, the monitoring of the financial reporting by the audit committee.

Internal audit as an engine for risk management

At the initiative of the audit committee, work has begun on developing a risk management system, based on the KAPLAN method. The internal auditor of Roularta Media Group is responsible for developing and monitoring this risk management system. The post of internal auditor is currently vacant.

The tool of choice for managing risks in a structured way is internal audits. In a process approach, risks are identified during an internal audit and then analysed. This risk assessment leads to the formulation of a certain number of management measures that are then submitted to the business unit manager concerned. In consultation it is then determined which control measures are feasible and should be implemented by priority.

Following the aforementioned KAPLAN method, the identified risks are divided into three types:

1 Avoidable risks
- *Type description:* Risks arising inside the organisation and offering no strategic advantage.
- *Risk limitation objective:* Avoiding or eliminating risk (probability and impact) in a cost-effective way.

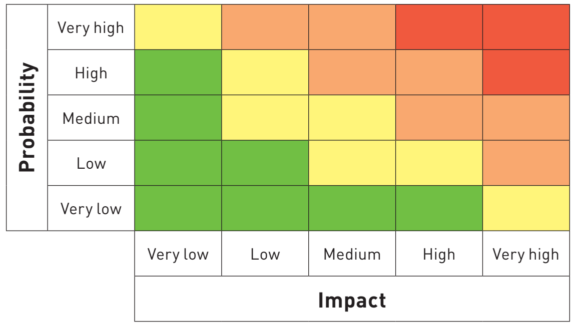
2 Strategic risks
- *Type description:* Risks taken in expectation of a major strategic benefit.
- *Risk limitation objective:* Limiting potential risk and impact in a cost-effective way.

3 External risks
- *Type description:* External, uncontrollable risks.
- *Risk limitation objective:* Limiting impact cost-effectively should risk event occur.

These risks are then further divided into the following categories:

[*] Part of the annual report of the board of directors.

Ultimately, each risk is evaluated for both its probability of occurrence and its impact:



Pentana, audit software, is used for effectively managing the identified risks. From here, a report is prepared at the end of each internal audit. Each such report includes an action plan of the various action points to be implemented. Progress in the implementation of the listed action points is monitored in periodic follow-up meetings.

PUBLICATION IMPORTANT PARTICIPATIONS AND NOTE WITH RESPECT TO THE ITEMS LISTED IN ARTICLE 34 OF THE ROYAL DECREE OF 14/11/2007, IN SO FAR AS THESE COULD POTENTIALLY AFFECT A PUBLIC TAKEOVER BID

The capital of the company amounted to EUR 80,000,000.00 and is represented by 13,141,123 similar shares with the same rights.

The shareholding structure is as follows:

	Number of shares	%
Koinon Comm.VA [1]	9,352,977	71.173%
S.A. West Investment Holding [1]	522,136	3.973%
Bestinver Gestión S.G.I.I.C. S.A.	998,725	7.600%
NV Capfi Delen Asset Management	394,201	2.999%
Treasury shares [2]	588,960	4.482%
Individual and institutional investors	1,284,124	9.772%

(1) The Comm.VA Koinon and the S.A. West Investment Holding, in their capacity as persons acting in consort who have concluded an agreement concerning the possession, the acquisition and transfer of shares, have made a definitive notification.
(2) Situation on 31/03/2020.

All treasury shares held in portfolio by the company have no voting rights as long as they remain in the treasury portfolio. Each share entitles its holder to one vote, under Article 33 of the articles of association, on the understanding that no one person may vote at the general meeting in respect of more than thirty-five per cent (35%) of the number of votes attached to all the shares issued by the company. Several shareholders whose securities, according to the criteria laid down in Article 6 § 2 of the Law of 2 May 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market, are joined together, cannot vote, either, at the general meeting, in respect of more than thirty-five per cent (35%) of the number of votes attached to all the shares issued by the company. The restrictions do not, however, apply if the vote relates to an amendment of the articles of association of the company or to decisions for which, under the Companies Code, a special majority is required.

A shareholder agreement has been concluded between shareholders Comm.VA Koinon and S.A. West Investment Holding, restricting the transfer of securities.

The articles of association and the Corporate Governance Charter of Roularta Media Group include specific provisions on the (re)appointment, training and evaluation of directors. Directors are appointed for a maximum period of four years by the general meeting of shareholders, that can remove them at any time. A resolution to appoint or dismiss requires a simple majority of votes. Should a directorship fall prematurely vacant, the remaining directors can themselves appoint (co-opt) a new director. In this case, the next general meeting proceeds to the final appointment.

The articles of association of NV Roularta Media Group give Comm.VA Koinon a binding right of nomination. Based on this nomination right, the majority of the directors are appointed from candidates put forward by Comm.VA Koinon as long as the latter holds, directly or indirectly, at least thirty-five percent of the shares of the company.

Decisions to amend the articles of association are subject to special quorum and majority requirements. Any decision to amend the articles of association requires the presence, in person or by proxy, of shareholders representing at least half of the share capital and the approval of at least three fourths of the capital present or represented at the meeting. If the quorum is not met, then a second meeting must be convened, at which the quorum requirement does not apply. The requirement of a special majority remains, however.

The board of directors is expressly authorised, in the case of public takeover bids on securities of the company, to increase the share capital within the limits provided by former Article 607 of the Companies Code by issuing shares not exceeding 10% of the existing shares at the time of such public bid. This authorisation was granted by the extraordinary general meeting of 16 May 2017 for a term of three years. At the extraordinary general meeting of 19 May 2020, a motion will be made to renew the authorisation regarding authorised capital in accordance with the provisions of Article 7:198 and following of the Belgian Companies and Associations Code.

The company may acquire, divest or pledge its own shares, profit certificates or other certificates to the extent that the relevant statutory provisions are complied with.

The board of directors is expressly authorised, without a resolution of the general assembly, to acquire and hold its own shares if necessary to avoid imminent and serious harm to the company.

This authorisation was granted by the extraordinary general meeting of 16 May 2017 for a period of three years, starting on 15 June 2017, being the date of publication in the annexes to the Belgian Official Gazette of the authorisation, and may be renewed. At the extraordinary general meeting of 19 May 2020 a motion will be made to renew this authorisation in accordance with Article 7:215 of the Belgian Companies and Associations Code.

In the context of the Law of 1 April 2007 concerning public takeover bids, Comm.VA Koinon, as the direct holder of more than 30% of the Roularta Media Group shares, updated its registration with the FSMA on 30 August 2018 pursuant to Article 74 § 6 of the above-mentioned law.

Comm.VA Koinon is a subsidiary of the Stichting Administratiekantoor Cerveteri, which is controlled by Mr Rik De Nolf.

ADAPTATION OF THE ARTICLES OF ASSOCIATION TO THE NEW BELGIAN COMPANIES AND ASSOCIATIONS CODE

At the extraordinary general meeting to be convened on 19 May 2020, a motion will be made to bring the articles of association of Roularta Media Group fully in line with the provisions of the Belgian Companies and Associations Code.

COMPOSITION OF AND REPORT BY THE BOARD OF DIRECTORS AND ITS COMMITTEES, AND THE PERSONAL ATTENDANCE LEVELS OF THEIR MEMBERS

Board of directors

The company has adopted a monistic structure and will retain such as a result of the amendments to the articles of association to bring it fully in line with the provisions of the Belgian Companies and Associations Code.

During the financial year 2019 the board of directors of NV Roularta Media Group had eight members:

- Mr Rik De Nolf, executive director and chairman of the board (2022).

- Four directors representing the reference shareholder, in accordance with the proposal rights under the articles of association, Mr Xavier Bouckaert, permanent representative of Comm.VA Koinon (2022), Ms Coralie Claeys, permanent representative of NV Verana (2020), Ms Lieve Claeys (2022) and Mr Francis De Nolf, permanent representative of NV Alauda (2023).

- Three independent directors, all of whom hold executive corporate functions:
  - » *Mr Carel Bikkers (2022)* has for the past nine years headed up the Dutch media group Audax, a multifaceted organisation that is involved in the broadest sense of the term with the publishing, distribution and retailing of media and related products. Prior to this Mr Carel Bikkers worked as general manager of Kwik-Fit Europe BV, Europe's largest car service chain.
  - » *Mr Koen Dejonckheere (2022), permanent representative of NV Invest at Value.*
    Mr Koen Dejonckheere was appointed Chief Executive Officer of Gimv in 2008. Before, he was Managing Director and head of Corporate

Finance at KBC Securities. Previously, Mr Koen Dejonckheere worked for Nesbic, Halder, Price Waterhouse Corporate Finance Europe and the BBL. Mr Koen Dejonckheere has extensive experience as a dealmaker in investment banking and private equity in Belgium and abroad.

» *Prof Caroline Pauwels PhD (2022).*
Prof Caroline Pauwels PhD is rector of the Vrije Universiteit Brussel. Until 2016, she was director of the SMIT research centre, which specialises in the study of information and communication technologies, and since 2004 has been part of iMinds, which merged with IMEC in 2016. At iMinds, Prof Caroline Pauwels PhD led the Digital Society department that brings together research groups from Ghent, Leuven and Brussels. She was awarded the national Francqui Chair from the University of Ghent in 2014, and was holder of the Jean Monnet Chair between 2012 and 2016. In addition, she serves on various boards of directors, she served as government commissioner at the VRT, and is a member of the Royal Flemish Academy of Belgium for Sciences and Arts.

On the advice of the appointments and remuneration committee the following proposals will be made to the next general meeting:

- To reappoint NV Verana, represented by its permanent representative, Ms Coralie Claeys, whose mandate ends at the coming general meeting, as a director for a four-year term until the 2024 general meeting.

The Corporate Governance Code (2009) recommends that the board of directors be chaired by a non-executive director. Deviations from this recommendation (principle 4.2) need to be set out according to the "comply or explain" rule. Roularta Media Group has indeed decided to deviate from this recommendation by assigning the role of chairman to an executive director. Given the transformation phase that the media world is going through due to the digitisation of society and the emergence of new media, it is important that Mr Rik De Nolf remains active in the executive management committee as a sounding board and advisor. Mr Rik De Nolf is as chairman and executive director also responsible for the Group's external communications and investor relations. This active executive role given to the chairman of the board of directors facilitates better communication and an improved information flow between the board and executive management, and generally contributes to the proper functioning of the company.

The board of directors met six times during 2019 to discuss the company's results, the Group's multi-annual plan and the following year's budget. The secretary of the board of directors, Sophie Van Iseghem, is responsible for the reporting of the board of directors and the committees established by the board of directors.

Attendance of individual board members in 2019 [1]:

Rik De Nolf, Chairman	6
Xavier Bouckaert, CEO	6
Carel Bikkers	6
Lieve Claeys	6
Coralie Claeys	6
Francis De Nolf	6
Koen Dejonckheere	5
Caroline Pauwels	5

During the past year there was also a meeting of the independent directors. For 2020, six board meetings are planned.

Audit committee

The audit committee consists solely of independent directors. The expertise in accounting and auditing of Mr Carel Bikkers, chairman of the audit committee, is evident among other things from his former position as a senior manager of the Dutch media group Audax and from his board member/supervisor mandate in a number of Dutch companies. The members of the audit committee have collective expertise related to the activities of Roularta Media Group cf. Article 7:99 of the Belgian Companies and Associations Code (and before 1 January 2020, Article 526a of the former Belgian Companies Code).

The audit committee met four times in 2019. During these meetings the audit committee controlled the integrity of the financial information of the company, closely monitored the activities of the external auditor, and where it deemed necessary, made recommendations in these respects to the board of directors.

[1] *Includes one board meeting by telephone.*

At the invitation of the chairman, the audit committee was attended by the statutory auditor, the CEO, the chairman of the board of directors, the CFO and the internal auditor. The statutory auditor attended two times the meetings of the audit committee in 2019. The job opening for internal auditor has not yet been filled.

Attendance at audit committee meetings in 2019:

Carel Bikkers, Chairman	4
Koen Dejonckheere	3

Appointments and remuneration committee

The board of directors has used the opportunity as provided in the Corporate Governance Code to establish a single, joint appointments and remuneration committee. The appointments and remuneration committee is composed of independent, non-executive directors.

Pursuant to Article 7:100 of the Belgian Companies and Associations Code, the nomination and remuneration committee has the necessary expertise in the field of remuneration policy (and before 1 January 2020, Article 526c of the former Belgian Companies Code).

The CEO and the chairman of the board of directors participate in the meetings of the appointments and remuneration committee in an advisory capacity (cf. Article 7:100 of the Belgian Companies and Associations Code (and before 1 January 2020, Article 526c of the former Belgian Companies Code) except when the appointments and remuneration committee deliberates on the remuneration of the CEO and/or the chairman of the board of directors.

The HR director of the Group is also invited to attend the meetings of the appointments and remuneration committee.

The appointments and remuneration committee met two times during 2019. The main item on its agenda was: preparing the remuneration report and reviewing the remuneration and bonus policy of the executive management and the (diverse) composition of the board of directors and its committees.

Attendance at appointments and remuneration committee meetings in 2019:

Carel Bikkers	2
Koen Dejonckheere	2

ASSESSMENT OF THE BOARD AND BOARD COMMITTEES

Every year the board of directors undertakes a review, led by the chairman and assisted by the appointments and remuneration committee, of its size, composition, functioning and interaction with executive management. This assessment has four objectives: (i) assessing the operation of the board of directors; (ii) examining whether important issues are thoroughly prepared and discussed; (iii) assessing the actual contribution of each director to the activities of the board of directors, on the basis of his or her presence at board and committee meetings and his or her constructive involvement in discussions and decision-making; (iv) establishing a comparison between the current composition of the board of directors and the pre-defined desired composition of the same.

Every year the non-executive directors assess their interaction with senior management and, where appropriate, make proposals to the chairman of the board of directors for improving this interaction.

The contribution of each director is reviewed at regular intervals. In the event of a reappointment, the engagement and the effectiveness of the director is evaluated.

GENDER DIVERSITY

The board of directors has three female and five male board members. With this, Roularta Media Group meets the legal quota under Article 7:86 of the Belgian Companies and Associations Code on gender diversity within the board of directors (and before 1 January 2020, Article 518 of the former Belgian Companies Code).

In addition to gender diversity, the board of directors values other diversity perspectives such as independence, age, education, professional experience and nationality. The board of directors believes that the diversity in its composition ensures a varied input of opinions and visions. The resulting interaction will lead to more quality deliberations and decision-making.

COMPOSITION OF EXECUTIVE MANAGEMENT

In the course of 2019, Roularta Media Group made changes to its executive management to bring it into line with the Belgian Corporate Governance Code 2020 and the new Belgian Companies and Associations Code.

Operational authority was delegated by the board of directors to the executive management committee under the direction of the managing director. This committee, headed by the managing director, is responsible for management of the Group within the outlines set by the board of directors. The executive management committee consists of the managing director, the chairman of the board of directors, the director of human resources and the CFO.

CONFLICT OF INTERESTS

There were in the course of the financial year no conflicts of interest of a financial nature giving rise to the application of Articles 7:96 and 7:97 of the Belgian Companies and Associations Code (before 1 January 2020, Articles 523 and 524 of the former Belgian Companies Code).

POLICY CONCERNING TRANSACTIONS AND OTHER CONTRACTUAL RELATIONSHIP BETWEEN THE COMPANY, INCLUDING AFFILIATED COMPANIES, AND ITS DIRECTORS AND MEMBERS OF THE EXECUTIVE MANAGEMENT NOT COVERED BY THE CONFLICT OF INTERESTS RULES

Taking into account the principles and guidelines contained in the Belgian Corporate Governance Code, the company has developed a policy on transactions and other contractual relationships between the company, including affiliated companies, and its directors and members of the executive management not covered by the statutory conflict of interests rules.
A transaction or a contractual relationship of any kind is deemed to exist between the company and its directors and/or members of its executive management when:

- a director or a member of the executive management has a significant personal financial interest in the corporate body with which Roularta Media Group wants to conclude a transaction;
- a director or member of the executive management or his or her spouse, cohabiting partner, child or blood or other relative up to the second degree are members of the board of directors or the executive management of the corporate body with which Roularta Media Group wishes to conclude a major transaction;
- the board deems that such a conflict exists in respect of the proposed transaction.

The director or member of the executive management concerned shall provide the board with all possible relevant information relating to the conflict of interests. He or she shall refrain from participating in the discussion and decision-making on this agenda item. The board of directors confirms that in the past year no such transactions have taken place and no situations have arisen giving rise to the application of the above procedure.

PROTOCOL FOR THE PREVENTION OF MARKET ABUSE

The protocol for the prevention of market abuse prohibits directors, members of the management team, other members of staff or external persons employed by the company, who, by the nature of their function, come into contact with confidential information, from trading, directly or indirectly, on the basis of insider information, in financial instruments issued by Roularta Media Group. In view of the entry into force at the start of July 2016 of European Regulation No. 596/2014 on market abuse, the board of directors has revised the existing protocol to prevent market abuse in order to bring it in line with the uniform European market abuse regulations.

REMUNERATION REPORT

Annual remuneration of executive and non-executive directors

The goal of the compensation and benefits policy for (executive and non-executive) directors is the attraction and retention of qualified directors with the required background and experience in terms of the various elements of corporate policy. To achieve this goal, the compensation and benefits policy is market competitive and takes into account the company's size and complexity using reference data where possible.
Non-executive directors and executive directors in their capacity as directors receive only a fixed remuneration as compensation for their membership of the board of directors and their attendance at the board meetings and the meetings of the committees of which they are members. The level of directors' remuneration is determined taking into account their role as a normal director, their specific roles as chairman of the board, chair or member of a committee, as well as the resulting responsibilities and time demands.
The chairman of the board of directors and the managing director were granted a fixed remuneration of EUR 100,000. Each other board member receives a fixed remuneration of EUR 10,000, plus a fee per board meeting of EUR 2,500; members of board committees (the audit committee and the appointments and remuneration committee) receive an additional fee per meeting of EUR 2,500, the chairman of the audit committee an additional EUR 5,000 fee per meeting of this committee. No remuneration is granted for board meetings by telephone.
The chairman of the board of directors is granted separate remuneration of EUR 187,121.52 as a member of the executive management committee. As compensation for PR activities and participations as a representative of Roularta Media Group to boards of directors and events, executive director Alauda NV is granted a fixed annual remuneration of EUR 50,000.

The directors (executive and non-executive) receive no performance-related remuneration such as bonuses, long-term incentive programmes, benefits in kind or pension plans. Nor are options or warrants allotted to non-executive directors. There are no contributions to pensions or similar benefits for directors.
The directors' remuneration policy will not be changed in the two coming financial years.

Directors' remuneration 2019

		Fixed	Attendance fee
Rik De Nolf Chairman of the board of directors	Executive	EUR 100,000.00	–
Xavier Bouckaert permanent representative of Comm.VA Koinon – Managing Director	Executive	EUR 100,000.00	–
Carel Bikkers Chairman audit committee – member appointments and remuneration committee	Non-executive & independent	EUR 10,000.00	EUR 37,500.00
Lieve Claeys	Non-executive	EUR 10,000.00	EUR 12,500.00
Coralie Claeys permanent representative of NV Verana	Non-executive	EUR 10,000.00	EUR 12,500.00
Francis De Nolf permanent representative of NV Alauda	Executive	EUR 10,000.00	EUR 12,500.00
Koen Dejonckheere permanent representative of NV Invest at Value – member audit committee – member appointments and remuneration committee	Non-executive & independent	EUR 10,000.00	EUR 22,500.00
Prof Caroline Pauwels PhD	Non-executive & independent	EUR 10,000.00	EUR 10,000.00

Remuneration of members of the executive management committee

The remuneration of the members of the executive management committee is set by the board of directors based on the recommendation of the appointments and remuneration committee.

The level and structure of the remuneration of the executive management committee need to enable the company to attract, retain and continually motivate qualified and skilled managers, taking into account the nature and scope of their individual responsibilities.

The amount and structure of the basic remuneration of the executive management committee is regularly reviewed for its compliance with market conditions by a specialist (international) salaries and benefits consultancy. The company is assuming that the remuneration policy for members of the executive management will remain unchanged for the next two years unless testing against market practice shows that changes are urgently needed.

In 2019, the remuneration policy of the members of the executive management committee did not change from that of previous years. The remuneration of the executive management committee consists of:

- basic remuneration in line with training, job content, experience and seniority;
- a performance bonus linked for 30% to the consolidated results of the Group and for 70% to individual objectives linked to the responsibilities of the relevant member of the executive management committee. Every year financial performance criteria are established for the year in question at the level of the consolidated Group results. The objectives to be achieved each year consist of a combination of financial and qualitative targets. At the end of the year it is determined by the appointments and remuneration committee, based on the established performance criteria, both quantitative and qualitative, whether and to what extent the bonus has been earned. On the recommendation of the appointments and remuneration committee, the board of directors approves the bonuses of the executive management. The bonus for the members of the executive management committee may not exceed 30% of the basic annual remuneration. There is no provision for a right of recovery in favour of the company in cases where variable remuneration has been given based on inaccurate financial data. Bonuses are awarded only after the close of the

year and the requisite verification of the figures by the auditors. In this way the likelihood of paying a bonus based on inaccurate financial data is negligible;

- a long-term incentive consisting of rights to acquire shares in Roularta Media Group. This long-term incentive is not performance-related. The option plans issued by the company each run for ten years, with exercise possible no earlier than the third calendar year after subscription.

The CEO and the chairman of the board of directors who is also a member of the executive management committee are not granted any bonus or long-term incentive.

The total gross remuneration granted to the members of the executive management committee and the CEO in 2019 is as follows:

	Member executive management committee (excl. CEO)	CEO Comm.VA Koinon
Basic remuneration	EUR 587,684.49	EUR 684,019.44
Performance bonus	EUR 56,000.00	-

Overview stock options allotted to the executive management committee

Year of allotment	Member executive management committee	Number of options allotted	Exercise price (in EUR)	First exercise period	Last exercise period
2019	Jeroen Mouton*	20,000	14.39	01/01-31/12/2023	01/01-31/12/2029

In the table above you can find an overview of the stock options plans members of the executive management committee participated in, with their most significant terms including the exercise price and the expiration period.

No options were exercised by the members of the executive management committee during the course of 2019, nor did options expire.

(*) Permanent representative of Caro's Kranten BV.

Severance pay for executive managers

All members of the executive management committee, with the exception of the chairman of the board of directors, are bound to the company by a management agreement.

For the managing director, the period of notice is 12 months. For Katrien De Nolf (director of human resources) there is a notice period of 6 months or equivalent severance pay. For Jeroen Mouton (CFO) there is a notice period of 5 months or equivalent severance pay.

Consolidated financial statements

1. CONSOLIDATED INCOME STATEMENT

in thousands of euros	Note	2019	2018
Sales	3	295,798	277,008
Own construction capitalised		2,239	1,407
Raw materials, consumables and goods for resale		-62,651	-61,730
Services and other goods	4	-118,942	-112,276
Personnel	5	-95,192	-94,522
Other operating income	7	3,796	4,824
Other operating expenses	7	-4,533	-6,544
Share in the result of associated companies and joint ventures	17	2,475	-1,831
EBITDA		22,989	6,336
Depreciation, write-down and provisions		-13,011	-71,883
Depreciation and write-down of intangible and tangible assets		*-13,156*	*-11,658*
Write-down of inventories and debtors	*6*	*225*	*888*
Provisions		*-80*	*2,091*
Impairment losses		*-*	*-63,204*
EBIT		9,978	-65,547
Financial income	9	144	268
Financial expenses	9	-219	-5,343
Operating result after net finance costs		**9,903**	**-70,622**
Income taxes	10	429	-1,539
Net result from continuing operations		**10,332**	**-72,161**
Net result from discontinued operations	11	**-**	**151,093**
Net result of the consolidated companies		**10,332**	**78,932**
Attributable to:			
Minority interests		-521	-1,010
Equity holders of Roularta Media Group		10,854	79,942
in euros	Notes	2019	2018
Earnings per share			
From continuing and discontinued operations			
Basic earnings per share	13	0.87	6.37
Diluted earnings per share	13	0.86	6.35
From continuing operations			
Basic earnings per share	13	0.87	-5.67
Diluted earnings per share	13	0.86	-5.65

2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of euros	Note	2019	2018
Net result of the consolidated companies		10,332	78,932
Other comprehensive income of the period			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences		-	-52
Cash flow hedges	32	-	64
Deferred taxes relating to other comprehensive income		-	-16
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Non-current employee benefits - actuarial gain /loss		862	2,885
Deferred taxes relating to other comprehensive income		-215	-721
Share of non-reclassifiable other comprehensive income of joint ventures and associates		-62	-10
Other comprehensive income of the period		585	2,150
Total comprehensive income		10,917	81,082
Attributable to:			
Minority interests		-521	-1,010
Equity holders of Roularta Media Group		11,438	82,092

3. CONSOLIDATED BALANCE SHEET

in thousands of euros	Note	2019	2018
ASSETS			
Non-current assets		182,720	184,108
Intangible assets	15	54,734	57,796
Property, plant and equipment	16	59,894	54,078
Investments accounted for using the equity method	17	60,042	63,686
Investments in financial assets, loans, guarantees	18	2,402	2,526
Trade and other receivables	19	100	219
Deferred tax assets	20	5,548	5,803
Current assets		170,695	171,000
Inventories	21	6,047	6,348
Trade and other receivables	19	60,061	65,756
Tax receivable		688	483
Cash and cash equivalents	22	101,438	95,956
Deferred charges and accrued income		2,460	2,457
Total assets		353,414	355,108

in thousands of euros	Note	2019	2018
LIABILITIES			
Equity		228,424	223,661
Group's equity		227,846	222,561
Issued capital	*23*	*80,000*	*80,000*
Treasury shares	*23*	*-23,643*	*-23,705*
Retained earnings		*166,610*	*162,134*
Other reserves	*23*	*4,879*	*4,175*
Translation differences		*-*	*-43*
Minority interests		578	1,100
Non-current liabilities		17,626	15,211
Provisions	25	8,268	8,083
Employee benefits	27	5,180	5,778
Deferred tax liabilities	20	142	1,063
Financial debts	28	3,748	-
Other payables	29	287	287
Current liabilities		107,364	116,236
Financial debts	28	1,754	298
Trade payables	29	45,321	52,790
Advances received	29	25,794	25,175
Employee benefits	29	16,513	16,025
Taxes	29	338	259
Other payables	29	10,884	14,814
Accrued charges and deferred income	29	6,759	6,875
Total liabilities		353,414	355,108

4. CONSOLIDATED CASH FLOW STATEMENT

in thousands of euros Note		2019	2018
Cash flow relating to operating activities			
Net result of the consolidated companies		10,332	78,932
Share in the results of associated companies and joint ventures	17	-2,475	1,046
Dividends received from associated companies and joint ventures	10	5,530	5,550
Income tax expense / income		-429	1,539
Interest expenses		219	5,343
Interest income (-)		-144	-268
Losses (+)/ gains (-) on disposal of intangible assets and property, plant and equipment		-436	-764
Losses (+)/ gains (-) on disposal of business		-	-150,396
Non-cash items		13,589	71,990
Depreciation of (in)tangible assets	*15 & 16*	*13,156*	*11,658*
Impairment losses	*15*	*-*	*63,204*
Share-based payment expense	*5*	*57*	*102*
Increase (+)/ decrease (-) in provisions		*80*	*-2,091*
Other non-cash items		*296*	*-883*
Gross cash flow relating to operating activities		26,186	12,972
Increase / decrease in trade receivables		6,409	-10,360
Increase / decrease in inventories		391	-779
Increase / decrease in trade payables		399	5,799
Other increases / decreases in working capital (a)		-3,037	6,447
Increase / decrease in working capital		4,162	1,107
Income taxes paid		-643	-810
Interest paid		-219	-6,485
Interest received		144	267
NET CASH FLOW RELATING TO OPERATING ACTIVITIES (A)		29,630	7,051

(a) Changes in current other receivables, deferred charges and accrued income, provisions, employee benefits, other payables, advances received and accrued charges and deferred income.

in thousands of euros Note		2019	2018
Cash flow relating to investing activities			
Intangible assets – acquisitions	15	-3,433	-2,757
Tangible assets – acquisitions	16	-6,187	-4,232
Intangible assets - other movements		-	79
Tangible assets - other movements		523	51
Net cash flow relating to acquisition of subsidiaries	33	-8,218	-73,994
Net cash flow relating to disposal of subsidiaries	34	-	294,947
Net cash flow relating to loans to investments accounted for using the equity method		350	-86
Available-for-sale investments, loans, guarantees – acquisitions	18	-	-451
Available-for-sale investments, loans, guarantees - other movements		82	25
NET CASH FLOW RELATING TO INVESTING ACTIVITIES (B)		-16,882	213,582
Cash flow relating to financing activities			
Dividends paid		-6,273	-62,713
Treasury shares		62	82
Other changes in equity		-	416
Proceeds from current financial debts		211	-
Redemption of current financial debts		-	-102,850
Redemption of non-current financial debts		-	-2,425
Repayment of leasing debt		-1,385	-
Decrease in non-current receivables		119	129
Increase in non-current receivables		-	-300
NET CASH FLOW RELATING TO FINANCING ACTIVITIES (C)		-7,266	-167,661
TOTAL DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		5,482	52,972
Cash and cash equivalents, beginning balance		95,956	42,984
Cash and cash equivalents, ending balance		101,438	95,956
NET DECREASE / INCREASE IN CASH AND CASH EQUIVALENTS		5,482	52,972

Note to the consolidated cash flow statement

The cash flow statement shows positive cash generation of € 5.5 million in 2019 compared to a € 53.0 million cash generation in 2018.

Cash flow from operational activities increased by € 22.6 million to € 29.6 million in 2019, mainly driven by a € 12.3 million increase in EBITDA (excluding the joint ventures), lower interest costs paid (€ 6.3 million) and decreased working capital of € 3.0 million.

Cash flow from investing activities was - € 16.9 million in 2019. The largest cash outflows resulted from the last payment to Sanoma for the acquisition of the Women's brands (€ 7.9 million), investments in software for € 3.4 million, the advance paid on the new printing press (€ 2.6 million), and the earnout on the Sterck brand (€ 0.4 million). The large cash inflow in 2018 was mainly due to the sale of Medialaan (€ 279.6 million) less the purchase of Mediafin (€ 58.0 million) and the Women's brands (€ 15.9 million).

Cash flow from financing activities evolved from - € 167.7 million in 2018 to -€ 7.3 million in 2019. This includes the dividend paid of € 6.3 million and the repayment of the IFRS 16 leasing debts of € 1.4 million. In 2018, the repayment of the bond loan in the amount of € 100 million took place and there was an interim dividend payment of € 62.7 million.

Changes in liabilities arising from financing activities:

in thousands of euros 2019	1 Jan 2019	Financing cash flows	Non cash change – change in accounting principles (IFRS16)	31 Dec 2019
Financial debt – current (note 28)	298	211	-	509
Lease liabilities – current & non-current (note 16)	-	-1,385	6,378	4,992
Total	**298**	**-1,174**	**6,378**	**5,502**

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in thousands of euros	Issued capital	Treasury shares	Retained earnings	Other reserves	Translation differences	Equity - Group's share	Minority interests	Total Equity
Balance as of 1/1/2019	80,000	-23,705	162,134	4,175	-43	222,561	1,100	223,661
Net result	-	-	10,811	-	43	10,854	-521	10,333
Other comprehensive income for the period, net of tax	-	-	-62	647	-	585	-	585
Total comprehensive income	-	-	10,749	647	43	11,439	-521	10,918
Operations with own shares	-	62	-	-	-	62	-	62
Dividends	-	-	-6,273	-	-	-6,273	-	-6,273
Recognition of share-based payments	-	-	-	57	-	57	-	57
Balance as of 31/12/2019	80,000	-23,643	166,610	4,879	-	227,846	578	228,424

in thousands of euros	Issued capital	Treasury shares	Retained earnings	Other reserves	Translation differences	Equity - Group's share	Minority interests	Total Equity
Balance as of 1/1/2018	80,000	-23,787	145,549	1,228	9	202,999	1,906	204,905
Net result	-	-	79,942	-	-	79,942	-1,010	78,932
Other comprehensive income for the period, net of tax	–	–	–	2,202	-52	2,150	–	2,150
Total comprehensive income	-	-	79,942	2,202	-52	82,092	-1,010	81,082
Capital increase through minority interests	-	-	-	-	-	-	1,750	1,750
Operations with own shares	-	82	-	-	-	82	-	82
Dividends	-	-	-62,713	-	-	-62,713	-	-62,713
Recognition of share-based payments	-	-	-	102	-	102	-	102
Effect of purchase/sale of minority interests	-	-	-	-	-	-	-1,278	-1,278
Dividend paid to minority interests	-	-	-	-	-	-	-3	-3
Other increase / decrease	-	-	-644	643	-	-1	-265	-266
Balance as of 31/12/2018	80,000	-23,705	162,134	4,175	-43	222,561	1,100	223,661

See note 23 for details.

Notes to the consolidated financial statement

NOTE 1 – MAIN FINANCIAL REPORTING PRINCIPLES APPLIED

1.1 Presentation basis

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and with the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) of the IASB that were approved by the European Commission.

The consolidated financial statements provide a general overview of the Group's activities and the results achieved. It provides a true and fair view of the financial position, financial performance and cash flows of the entity, and is based on the assumption that continuity is guaranteed.
The consolidated financial statements were approved by the board of directors on 3 April 2020 and can be amended until the general meeting of 19 May 2020.

1.2 New and revised IFRS standards and interpretations

The following standards and interpretations are applicable to financial years from 1 January 2019:
- IFRS 16 Leases
- IFRIC 23 Uncertainty over income tax treatments
- Restatement related to IAS 19 Plan amendments, curtailments and settlements
- Restatement related to IAS 28 Long-term investments in associates and joint ventures
- Restatement related to IFRS 9 Prepayment features with negative compensation
- Annual improvements to the IFRS 2015-2017 cycle

IFRS 16 Leases

This note explains the impact on the Group's financial statements of the introduction of IFRS 16 *Leases*. The Group has applied the simplified transition method permitted under IFRS 16, so that the comparative figures have not been restated for the 2018 reporting period. The reclassifications and restatements resulting from the new leasing rules will be included in the opening balance sheet on 1 January 2019.

(a) Group leasing activities

The Group leases various offices, vehicles and some machines. Lease contracts are usually concluded for a fixed period of 3 to 9 years, possibly with options to extend; two have a lease term of more than 20 years. Lease terms are negotiated on an individual basis and contain a series of different general terms and conditions. The leases contain no covenants, but leased assets may not be used as a guarantee for financing purposes.

(b) Classification and valuation

Up to and including the 2018 financial year, leases of tangible fixed assets were classified as operating leases in accordance with the principles of IAS 17 Leases. Payments made under operating leases were charged to the income statement using the straight-line method during the lease period.
From 1 January 2019, leases are recognised as a right of use and a corresponding liability on the date that the leased asset is available for use by the Group. Each lease payment is allocated between the liability and the financing cost. The financing cost is charged to profit or loss over the lease period to generate a constant periodic interest rate for the remaining balance of the liability for each period. The right to use the asset is depreciated over the shortest of the useful life of the asset and the lease term on a straight-line basis.
Assets and liabilities arising from a lease are initially valued on the basis of their present value. The lease payments are discounted based on the marginal interest rate of the lessee, because the interest rate implicit in the lease could not be determined. The weighted average marginal interest rate of the lessee applied to the lease obligations on 1 January 2019 was 3.2%.
The reconciliation between IAS 17 and IFRS 16 is as follows for the position on 1 January 2019:

in thousands of euros	01/01/2019
Non-cancellable operating lease commitments disclosed as at 31 December 2018	5,807
Discounted using the Group's incremental borrowing rate	4,658
Lease liability recognised as at 1 January 2019	**4,658**
Of which are:	
Current lease liabilities	1,411
Non-current lease liabilities	3,248

All rights of use of assets were valued at the amount that is equal to the lease obligation. There were no loss-making lease contracts that would require a restatement of the rights of use on the date of first application.

The recognised rights of use relate to the following types of assets:

in thousands of euros	31/12/2019	01/01/2019
Buildings	2,518	2,199
Vehicles	2,290	2,301
Other	125	159
Total right-of-use assets	4,934	4,658
Total lease liabilities	4,992	4,658

Cash flows relating to leases are presented as follows:
- Cash payments for the principal part of the lease obligation as cash flows from financing activities
- Cash payments for the interest part in accordance with the presentation of interest payments chosen by the Group, and
- Short-term lease payments, payments for leases of assets with a low value, and variable lease payments that are not included in the valuation of the lease liabilities as cash flows from operational activities

(c) Impact on segment information and earnings per share

The Group retains its definition of EBITDA and net debt, as a result of which they both increase as a result of the application of IFRS 16. The segment assets and segment liabilities also increased before December 2019. Lease liabilities are now recognised under segment liabilities, whereas financial leases were previously excluded from segment liabilities.

The table below shows the impact per segment on 31 December 2019.

in thousands of euros	EBITDA	Segment assets	Segment liabilities
Media Brands	-	4,767	4,823
Printing Services	-	168	170
Totaal	1,219	4,934	4,992

The application of IFRS 16 has no material impact on earnings per share for the twelve months ending 31 December 2019.

(d) Ageing analysis of the lease liabilities

On 31 December 2019, the ageing analysis of the lease liabilities was as follows:

in thousands of euros	31/12/2019
Less than one year	1,245
Between one and two years	1,024
Between two and five years	1,381
More than five years	1,992
Total lease liability	5,642

(e) Practical exceptions applied

When applying IFRS 16 for the first time, the Group made use of the following practical exceptions allowed by the standard:
- The use of a single discount rate for a lease portfolio with reasonably similar characteristics;
- Short-term leases
- Leases for which the underlying asset is of low-value
- The use of knowledge obtained after the fact when determining the lease period when the contract contains options to extend or terminate the lease.

The application of the other IFRS standards from 2019 had no significant impact on the consolidated financial statements of the Group.

The following standards and interpretations have been published, but are not yet applicable for the financial year starting 1 January 2019:
• Restatements of IAS 1 and IAS 8 Definition of material (applicable for financial years from 1 January 2020)
• Restatements of IFRS 3 Business Combinations (applicable for financial years from 1 January 2020)[1]
• Restatements based on IFRS 9, IAS 39 and IFRS 7 Interest rate benchmark reform (applicable for financial years from January 1, 2020)[1]
• Restatement of the references to the conceptual framework in IFRS standards (applicable for financial years from 1 January 2020)[1]
• Restatements of IFRS 17 Insurance Contracts (applicable for financial years from 1 January 2022[1])
• Restatements of IAS1 for classification of liabilities as current or non-current (applicable for financial years from 1 January 2022[1])

[1] not yet approved within the European Union

1.3 Consolidation principles

The consolidated financial statements consolidate the financial data of Roularta Media Group NV, its subsidiaries and joint ventures, after the elimination of all material transactions within the Group.

Subsidiaries are entities over which Roularta Media Group NV exercises decisive control. This is the case when Roularta Media Group NV is exposed to, or entitled to, variable revenue from its investment in the entity and has the ability to influence this revenue through its power over the entity. All intra-group transactions, intra-group balances and unrealised gains on intra-group transactions are eliminated; unrealised losses are also eliminated unless it concerns permanent impairments. The part of the equity and of the result that is allocable to the minority shareholders is stated separately in the balance sheet and the profit and loss account respectively. Changes in the Group's shareholding in subsidiaries where the Group does not lose control are accounted for as equity transactions. In addition, the net carrying amounts of the group and minority interests are restated to the changed investment ratios in these subsidiaries. Differences between the restatement of minority interests and the fair value of the paid or received takeover premium are recognised directly in equity. When the Group loses control of a subsidiary, the gain or loss on the disposal is determined as the difference between:
- the fair value of the takeover premium received plus the fair value of any remaining participating interest, and
- the net carrying amount of the assets (including goodwill), liabilities and any minority interests in the subsidiary before its disposal.

The financial statements of subsidiaries are recognised in the consolidated financial statements from the date on which the parent company acquires control until the date on which it loses control.

The financial statements of subsidiaries are prepared for the same financial year as that of the parent company and on the basis of uniform accounting principles for comparable transactions and other events in similar circumstances.

Acquisitions from subsidiaries are recognised using the acquisition method.

Joint ventures and associates
A *joint agreement* is present when Roularta Media Group NV has a contractual agreement to share control with one or more parties, which is only the case if decisions about the relevant activities require the unanimous approval of the parties that have joint control. A joint agreement can be treated as a joint activity (when Roularta Media Group NV has rights to the assets and commitments for the liabilities) or as a joint entity/joint venture (when Roularta Media Group NV is only entitled to the net assets).

Associates are companies in which Roularta Media Group NV, directly or indirectly, has significant influence and which are not subsidiaries or joint ventures. This is assumed to be the case if the Group holds at least 20% of the voting rights attached to the shares.

The financial information included with regard to these companies has been prepared in accordance with the Group's accounting principles. If the Group acquires joint control in a joint venture or has acquired significant influence in an associate, the share in the acquired assets, liabilities and contingent liabilities is initially revalued at the fair value on the acquisition date and accounted for using the equity method.

If the purchase price exceeds the fair value of the acquired share in the acquired assets, liabilities and contingent liabilities, this difference is recognised as goodwill. If the goodwill calculated in this way is negative, this difference is immediately recognised in the result. The share of the Group in the result of joint ventures and associates is subsequently recognised in the consolidated financial statements according to the equity method until the day that joint control or significant influence comes to an end.

If the Group's share in the losses of a joint venture or associate exceeds the carrying amount of the investment, the carrying amount is set to zero and additional losses are only recognised to the extent that the Group has taken on additional liabilities. In this case the accumulated loss is recognised under the provisions for other risks and costs.

Unrealised gains from transactions with joint ventures and associates are eliminated in the amount of the participating interest of the Group vis-à-vis the investment in the joint venture or associate.

The net carrying amount of participating interests in joint ventures and associates is re-evaluated if there are indications of an impairment, or indications that previously recognised impairments are no longer justified. Participating interests in joint ventures and associates in the balance sheet also include the carrying amount of related goodwill.

The share in the result of associates and joint ventures is included in the operating income of the Group.

Acquisitions of subsidiaries
The acquisition price (the transferred remuneration of a business combination) is valued as the total of the fair value at the acquisition date of the transferred assets, liabilities entered into or taken over and the equity interests issued by the acquiring party. The acquisition price also includes all assets and liabilities arising from a contingent compensation scheme.

Acquisition-related costs are recognised as expenses in the period in which these costs are incurred.

The identifiable assets and the liabilities acquired are valued at their fair value on the acquisition date.
For each business combination, any minority interests in the acquired party is valued at fair value or the proportionate share of the minority interests in the identifiable net assets of the acquired party. The choice of the measurement basis is made on a transaction-by-transaction basis.

Acquisitions of subsidiaries before 1 January 2010
These are booked in accordance with the previous version of IFRS3.

1.4 Foreign currencies

Foreign currency transactions
A transaction in a foreign currency is recognised upon initial recognition in the functional currency by applying the spot rate prevailing on the date of the transaction to the foreign currency amount. On each balance sheet date, the monetary items that are denominated in a foreign currency are converted based on the closing exchange rate.

Non-monetary assets and liabilities are converted at the exchange rate for the date of the transaction. Exchange rate differences arising from the settlement of monetary items, or from the conversion of monetary items at a rate different from the rate at which they were first recognised, are recognised in the profit and loss account as other operating income or expenses in the period in which they occur.

Financial statements of foreign entities
Monetary and non-monetary assets and liabilities of foreign entities, the functional currency of which is not the euro and is not the currency of a hyperinflationary economy, are converted at the closing rate on the balance sheet date. The income and expenses for each profit and loss account (including the comparative figures) are converted at the exchange rates on the transaction dates. All resulting exchange rate differences are recognised as a separate component of equity.

1.5 Intangible assets other than goodwill

Intangible assets include titles, software, concessions, property rights and similar rights acquired from third parties or acquired through contributions, as well as internally generated software.

Research expenses, undertaken with a view to acquiring new scientific or technical knowledge and insights, are recognised as costs in the financial statements as they arise.

Development expenses, where the results of the research are applied in a plan or design for the production of new or substantially improved products and processes, are only included in the balance sheet if the product or process is technically or commercially feasible, the Group has sufficient resources available for completion, and it can be demonstrated that the asset is likely to generate future economic benefits.

The capitalised amount includes the costs of materials, direct wage costs and a proportional part of the overhead costs.

The intangible assets are booked at their cost, less any cumulative depreciation and any cumulative impairment losses.

Depreciation
Intangible assets are depreciated according to the straight-line method over the expected useful life from the date the asset is available.

The following useful lives are applied:
- Development costs — 3 years
- Software — 3 to 5 years
- Concessions, property rights and related rights — According to the expected useful life
- Brands (from 2018) — 40 yrs/20 yrs/10 years/5 yrs (see also main sources of estimation uncertainty)

	Total useful life
De Tijd/L'Echo	40
Comfi	10
BePublic-BeReal	10
Landleven	20
STERCK	20
Top Uitgaves	10
Fiscaal-juridisch	10
Le Vif/L'Express	10
Libelle/Femmes d'Aujourd'hui	20
Flair	10
Feeling/Gael	10
La Maison Victor	5
Shedeals	5
Zappy Ouders	5
Communiekrant	5

Prior to June 2018, various brands were classified as assets with an indefinite useful life in accordance with IAS 38.107 and were therefore not depreciated but subject to an impairment test each year. Other intangible assets with an indefinite useful life were also not depreciated but subjected to an impairment test each year.

1.6 Goodwill

When acquiring subsidiaries, goodwill is recognised from the acquisition date for the surplus of, on the one hand, the total of the fair value of the remuneration transferred, the amount of any minority interests and (in a business combination that is realised in multiple phases) the fair value of the previously held equity interest, and on the other hand, the net balance of the identifiable acquired assets and liabilities. If this total, even after reassessment, results in a negative amount, this profit is immediately recognised in the profit and loss account.

In accordance with IFRS 3, goodwill is not depreciated but is subject to an impairment test at least every year, so there is also an indication that a cash-generating entity may have undergone an impairment.

Goodwill accrued on the acquisition of joint ventures or associates is included in the carrying amount of the relevant participating interest and is not tested for impairment separately; the full carrying amount of the investment is tested as a single asset according to the provisions of IAS 36 *Impairment of assets*.

1.7 Tangible fixed assets

Tangible fixed assets are valued at their cost price, less any cumulative depreciation and any cumulative impairment losses. The cost price includes the initial purchase price plus all directly attributable costs (such as non-refundable taxes, transportation). The cost price of a self-manufactured asset includes the cost price of the materials, direct wage costs and a proportional part of the production overhead.

The exception provided for in IFRS 1 was used to value the most important tangible fixed assets on the date of transition to the IFRS, this being 1 January 2003 for RMG, at fair value and to use this fair value as the assumed cost price at that time. This fair value is based on the value in going concern as determined by third-party experts and has been applied to all sites and buildings of the Group, as well as to the printing presses and finishing lines.

Leases

The Group has applied IFRS 16 Leases from 1 January 2019 under the simplified transition method. Assets that represent the right to use the underlying lease are capitalised as tangible fixed assets and are initially equal to the lease obligation. The lease liabilities, which represent the net present value of the lease, are recognised as non-current or current liabilities depending on the period in which they are due. Leased assets and liabilities are recognised for all leases with a term of more than 12 months, unless the underlying value is low. The lease payments are discounted based on the marginal interest rate of the lessee, because the interest rate implicit in the lease could not be determined. The financing cost is charged against profit or loss over the lease period. The rights to use the assets are depreciated on a straight-line basis over the shortest of the useful life of the asset and the lease term.

Accounting principle applied until 31 December 2018
Leases for tangible fixed assets under which the Group assumes substantially all of the risks and benefits of ownership of an asset are treated as finance leases. At the start of the lease period, financial leases are recognised as assets and liabilities in the balance sheet at amounts equal to the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. The minimum lease payments are recognised partly as financing costs and partly as repayment of the outstanding liability. The financing costs are allocated to each period during the lease period in such a way that this results in a constant periodic interest on the remaining balance of the liability. Conditional lease payments are recognised as expenses in the periods in which they are made.

Leases in which almost all the risks and benefits of ownership of an asset remain with the lessor are considered as operating leases. Lease payments based on an operating lease are recognised as an expense on a time-proportionate basis during the lease period.

Depreciation

The depreciable amount of an asset (being cost less the residual value) is recognised in the profit and loss account using the straight-line method over the expected useful life from the date the asset is available for use.

The following useful lives are applied:

- Buildings
  - » Revalued — 20 years
  - » Not revalued — 33 years
  - » Buildings on grounds with a long-term lease — term of the ground lease
  - » Refurbishment with an appreciable gain — 10 years
- Property, plant and equipment
  - » Printing presses and finishing lines — 3 to 20 years
  - » Other — 5 years
- Furniture and office equipment — 5 to 10 years
- Electronic equipment — 3 to 5 years
- Rolling stock — 4 to 5 years
- Other tangible fixed assets — 5 to 10 years
- Assets under construction and prepayments — no depreciation
- Leases and similar rights
  - » Printing presses and finishing lines — 3 to 20 years

Ground is not depreciated since it is assumed that it has an indefinite useful life.

1.8 Financial assets

Criteria for the initial recognition and derecognition of financial assets

Financial assets are booked when the Group becomes party to the contractual provisions of the instrument.

Financial assets are no longer recognised if the contractual rights to the cash flows of the financial asset expire or if the Group sells the financial asset and its risks and benefits.

Classification and initial valuation of financial assets

When first recognised, a financial asset is classified in one of the three valuation categories:

(a) Financial assets valued at amortised cost
(b) Financial assets valued at fair value with value adjustments recognised in the other components of the total result
(c) Financial assets valued at fair value with value adjustments recognised in the profit and loss account

Financial assets are initially valued at fair value, except for trade receivables that do not have a significant financing component. These are initially valued at their transaction price. The transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition, with the exception of the category of financial assets valued at fair value with changes in value recognised in the profit and loss account, where the transaction costs are recognised directly in the profit and loss account.

Valuation of financial assets after initial recognition

Financial assets valued at amortised cost

Financial assets are valued at amortised cost if they meet the following conditions (and are not designated as valued at fair value with value changes recognised in the profit and loss account):

- The financial asset is held within a business model designed to hold financial assets to receive contractual cash flows, and,
- The contract terms of the financial asset give rise to cash flows on certain dates that only concern repayments and interest payments on the outstanding principal amount.

After the initial valuation, they are valued at amortised cost using the effective interest method.

When the effect of discounting is immaterial, no discount is made.

The Group's long-term receivables, trade receivables, short-term receivables, cash and cash equivalents are classified and valued at amortised cost.

Financial assets valued at fair value with value adjustments recognised in the other components of the total result

The Group values financial assets at fair value with recognition of changes in value in the other parts of the total result when the following conditions are met:

- The financial asset is held within a business model whose purpose is achieved by both receiving contractual cash flows and selling financial assets; and
- The contract terms of the financial asset give rise to cash flows on certain dates that only concern repayments and interest payments on the outstanding principal amount.

A gain or loss arising from a change in the fair value of the financial asset is recognised in the other components of the total result and accumulated in the revaluation reserve. Only dividends are recognised in the profit and loss account. The amounts presented in the other components of the total result may not later be transferred to profit or loss. However, the entity may reclassify the cumulative gain or loss within equity.

Financial assets valued at fair value with value adjustments recognised in the profit and loss account

Financial assets held in a business model other than 'to receive contractual cash flows' or 'to receive contractual cash flows or to sell financial assets' are categorised as valued at fair value through profit and loss.

Upon initial recognition, the Group may make the irrevocable choice to present in the other components of the total result subsequent changes in the fair value of an investment in an equity instrument that falls within the scope of IFRS 9 that is not held for trading, if it is also not a contingent consideration of an acquiring party at a business combination to which IFRS 3 applies.

The Group also has the option of valuing a financial asset that is normally valued at amortised cost or at fair value through the recognition of changes in value in the other components of the total result, at fair value through recognition of changes in value in the profit and loss account if as a result an inconsistency in valuation or recognition (an accounting mismatch) is eliminated or reduced.

A gain or loss arising from a change in the fair value of the financial asset is recognised in the profit and loss account.

The financial assets (unlisted equity investments) that are classified under the item 'Other participating interests' are identified as being valued at fair value through the profit and loss account.

Impairment of financial assets

The Group determines the value of the provision for losses (impairment) on each reporting date. It recognises this impairment for credit losses to be expected during the term of all financial instruments for which the credit risk – whether on an individual or collective basis – has increased significantly since initial recognition, taking into account all reasonable and substantiated information, including forward-looking information.

Specifically, the following assets are included in the assessment of the Group's impairment: trade receivables, accounts receivable (fixed and current), cash and cash equivalents.

For trade receivables that do not contain a significant financing component (i.e. virtually all trade receivables), IFRS 9 provides a simplified method for measuring loss compensation at an amount equal to the expected credit losses. For more detail about this: see below under 'Trade and other receivables'.

1.9 Inventories

Inventories are valued at cost price (purchase costs or conversion costs) according to the FIFO method (first-in, first-out) or at net realisable value if this is lower.

The conversion cost includes all direct and indirect costs that are needed to bring the inventories to their current location and state.

Net realisable value is the estimated selling price in the context of normal business operations, less the estimated costs of completion and the estimated costs necessary to realise the sale.

Outdated and slowly rotating inventories are systematically written off.

1.10 Trade and other receivables

Short-term trade receivables and other receivables are valued at cost less appropriate provisions for estimated uncollectable amounts.

At the end of the financial year, an estimate is made of doubtful receivables based on an evaluation of all outstanding amounts. Doubtful debts are written off in the year in which they are identified as such.

For trade receivables that do not contain a significant financing component (i.e. almost all trade receivables), the provision for losses is valued at an amount equal to the expected credit losses during the term. These are the expected credit losses that arise from all possible defaults during the expected life of these trade receivables, based on a provision matrix that takes into account historical information about payment defaults adjusted for future-oriented information per customer.

The Group considers a financial asset in default when the receivables have been due for more than 120 days or have been included in a collection procedure. Nevertheless, the Group also considers a financial asset to be in default when internal or external information indicates that it is unlikely that the Group will receive the outstanding contractual amounts in full, before taking into account any credit protection held by the Group.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash and demand deposits, short-term investments (< 3 months), short-term highly liquid investments that can be immediately converted into cash, the amount of which is known and that do not entail a material risk of change in value.

1.12 Assets held for sale

Fixed assets and groups of assets are recognised as assets held for sale if their carrying amount will be realised primarily through a sale transaction rather than through continued use. This condition is only met if the asset (or groups of assets) concerned is (are) immediately available in their current form and only subject to the usual conditions for the sale of such an asset (or groups of assets), and if this sale is very likely. Management must be committed to carry out the sale and the completion of this sale must be expected to take place within the year after the reclassification date.

If the Group is committed to a sale where there is a loss of control of a subsidiary, all assets and liabilities associated with this subsidiary are reclassified as soon as the conditions stated above are met, regardless of whether the Group will continue to have a minority interest after the sale.

If the Group has committed itself to a plan of sale of an investment or unit of an investment in an associate or joint venture, this investment or the relevant part of the investment is recognised as held for sale from the time the conditions set out above were met. From that moment on, the Group ceases to recognise this investment or the relevant part of this investment on the basis of the equity method of consolidation.

Each part of an investment in an associate or joint venture that has not been recognised as an asset held for sale continues to be recognised using the equity method of consolidation. The Group ceases to apply the equity method of consolidation if, at the time of the sale, this leads to loss of its significant influence on the associate or joint venture.

After the sale has taken place, the Group recognises the remaining part of the investment in the associate or joint venture according to the criteria of IAS *39 Financial instruments* unless the remaining part is still an associate or joint venture. In the latter case, the Group uses the equity method of consolidation (see valuation rule for joint ventures and associates above).

Fixed assets and groups of assets recognised as assets held for sale are valued at the lower of the carrying amount or the market value less transaction costs.

1.13 Treasury shares

Treasury shares are deducted from equity and reported in the statement of changes in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of treasury shares.

1.14 Provisions

Provisions are recognised when the Group has an existing (legally enforceable or *de facto*) liability as a result of an event in the past, when it is probable that an outflow of funds entailing economic benefits will be required to discharge the liability and if the amount of the liability can be reliably estimated.

If the Group expects that some or all of the expenses required to settle a provision will be reimbursed, the reimbursement is recognised if and only if it is virtually certain that the reimbursement will be received.

Reorganisation

A provision for reorganisation is created if the Group has approved a detailed formal reorganisation plan and if the implementation of the reorganisation plan has begun, or if the main features of the reorganisation plan have been communicated to those involved.

1.15 Employee benefits

Pension obligations

There are a number of 'defined contribution plans' within the Group. However, these plans are legally subject to minimum guaranteed returns in Belgium. Due to these guaranteed minimum returns, all Belgian defined contribution plans are considered under IFRS as a defined benefit pension plan. These plans, which are funded by group insurance policies, were recognised as defined contribution plans until 2015. The new legislation that came into effect in December 2015 brought with it the mandatory qualification as a defined benefit pension plan. The present value of the gross liability is calculated according to the projected unit credit method, with actuarial calculation occurring at the end of the year.

For the defined benefit pension plans, the provisions are formed by calculating the actuarial current value of future contributions to the employees concerned. Defined benefit pension costs are divided into two categories:

- Pension costs, gains and losses on curtailments and settlements attributed to the year of service and previous years of service;
- Net interest costs or income

The costs of past service, the net interest costs, the revaluation of other long-term employee benefits, administration costs and taxes for the year are included under employee benefits in the consolidated profit and loss account. The revaluation of the net defined pension obligation is included in the consolidated statement of realised and unrealised results as a part of the unrealised results.

The Group also includes a provision for early retirement. The amount of these provisions is equal to the present value of future benefits promised to the employees concerned.

Share-based payment transactions

Various warrant and share option plans allow management and executives to acquire company shares. IFRS 2 is applied to all share-based payment transactions granted after 7 November 2002 that had not yet become unconditional on 1 January 2005. The exercise price of an option is determined on the basis of the average closing price of the share during the thirty days preceding the date of the offering of the options or the last closing price before the day of the offering. The fair value of the option is calculated based on the Black and Scholes formula. When the options are exercised, equity is increased by the amount of receipts.

Other long-term employee benefits

This mainly concerns the rate advantages on subscriptions and jubilee benefits. The amount of these provisions is equal to the present value of these future benefits.

1.16 Financial debts

Financial debts, except derivatives, are initially recognised at fair value of the cash received, after deduction of transaction costs. After initial recognition, loans and other financing obligations are valued at amortised cost based on the effective interest method.

1.17 Trade and other payables

Trade and other payables are recognised at cost.

1.18 Taxes

Tax on the result of the financial year is the total amount that is recognised in the profit or loss for the period with respect to current taxes and deferred taxes. The tax expense is recognised in the profit and loss account over the period, unless the tax arises from a transaction or event that is recognised directly in equity. In this case, the taxes are charged directly to equity.

Current taxes for current and prior periods, to the extent that they have not yet been paid, are recognised as a liability. If the amount already paid with respect to current and prior periods is greater than the amount due over this period, the balance is recognised as an asset. For the calculation, the tax rates were used whose legislative process was materially closed on the balance sheet date.

Deferred taxes are recognised on the basis of the liability method, for all temporary differences between the taxable basis and the carrying amount for financial reporting purposes, both for assets and liabilities. For the calculation, the tax rates were used whose legislative process was materially closed on the balance sheet date.

According to this method, the Group must recognise deferred taxes in a business combination resulting from the difference between the fair value of the acquired assets, liabilities and contingent liabilities and their tax base resulting from the business combination.

Deferred tax assets are only recognised if it is probable that there will be sufficient future taxable profits to be able to enjoy the tax benefit. Deferred tax assets are reversed if it is no longer probable that the related tax benefit will be realised.

1.19 Government subsidies

Government subsidies related to assets are recognised at fair value when there is reasonable assurance that the Group will meet the conditions attached to the subsidies and the subsidies will be received. Government subsidies are presented as deferred revenue.

Government subsidies to compensate for costs incurred by the Group are systematically recognised as income under other operating income in the same period in which these costs are incurred.

1.20 Revenue

The Group applies the five-step model described in IFRS 15 for the recognition of revenue arising from contracts with customers. Revenue is recognised for the amount of compensation to which the Group expects to be entitled in exchange for the transfer of goods or services to a customer.

The most important activities from which Roularta Media Group generates its revenue are described below, per segment. There are two operating segments within the Group: 'Media Brands' and 'Printing Services'.

Within the 'Media Brands' segment (the brands operated by RMG and its investments), revenue is primarily generated from magazines, free press, newspapers, TV, events and website services. The typical term of customer contracts is 12 months or less. The revenue mainly consists of subscription income, income from newsstand sales, advertising income and income from line extensions of the brands.

The recognition of revenue generally coincides with the transfer of the delivered goods. For subscriptions, an amount is received either at the start or periodically for the period in which the magazines are delivered. Magazine revenue is spread over time and allocated to the correct period, i.e. at the issue date of the issues. For prepayments of, for example, a subscription, a 'contract liability' is recognised until the end of the subscription. Revenue from newsstand sales are recognised according to the issue date of the issue. Recognition of advertising revenue occurs when the advertising appears.

In addition, there is the 'Printing Services' segment, which includes the pre-press and printing activities for in-house brands and external customers. Pre-press activities refer to the work of compiling the magazines before they roll off the printing presses.

The recognition of pre-press or printed matter revenue coincides with the delivery of the service/goods, i.e. when the finished pre-press service or the printed matter is delivered.

Revenue from exchange agreements concern transactions between two parties in which non-equal services and goods are sold to each other. These transactions are valued on the basis of the current market price, taking into account the applicable discounts that also apply to similar transactions that do not constitute an exchange. In the profit and loss account, revenue is recorded as revenue and the costs as services and other goods.

The terminology 'contract assets' and 'contract liabilities' used in IFRS 15 is not used in the balance sheet, but is described in the note concerning revenue. IFRS 15 has been applicable since January 2018 and has had no significant influence on the financial position and/or financial performance of the group.

1.21 Financing costs

Financing costs are recognised as an expense in the period in which they are incurred.

1.22 Impairments

For the assets of the Group, in accordance with IAS 36, an assessment is made on each balance sheet date as to whether there are indications that an asset is subject to impairment. If such indications are present, the realisable value of the asset must be estimated. The realisable value of an asset or cash-generating unit is the higher of the fair value less selling costs and its value in use. An impairment is recognised if the carrying amount of an asset, or the cash-generating unit to which the asset belongs, is higher than the realisable value. Impairments are recognised in the profit and loss account.

Up to and including 30 June 2018, each cash-generating unit represented an identifiable group of assets with the same risk profile, generating cash inflows and which is largely independent of cash inflows from other groups of assets.

Since 30 June 2018 (see Note Intangible assets and goodwill), each brand is considered to be a separate cash-generating unit.

The determination of the value in use is based on the discounted cash flow model, in particular the discounting of future cash flows resulting from continued operation of the unit, whereby management has assumed a cash flow forecast based on a five-year business plan. Future cash flows are discounted based on a weighted average cost of capital. To determine the cash flow projections after the most recent budget period, they are extrapolated on the basis of a growth rate.

In determining the weighted average cost of capital and growth rate, the interest rate and risk profile for Roularta Media Group as a whole have been taken into account. The assumptions have been applied to all cash-generating units of the Group.

The determination of the fair value less selling costs is based either on an empirical method, whereby a transaction multiple, obtained from comparable transactions in the media sector and from experience data, was applied to the revenue criterion, or on a market value based on similar transactions in the market.

1.23 Derivative financial instruments

The Group uses derivative financial instruments to limit the risk with regard to fluctuations in interest rates and exchange rates.

Derivative financial instruments are initially recognised at fair value. After their initial recognition, derivative instruments are revalued to their fair value on the balance sheet date.

Hedge accounting is applied to the hedging of cash flows or fair value to the extent that the hedges meet accounting requirements, the necessary documentation is available and the cover is effective.

Fair value hedge

When derivative financial instruments cover the changes in the fair value of a recognised asset or liability, or cover an unrecognised firm commitment, these financial instruments are qualified as fair value hedges. These would be valued at fair value and booked under the category 'financial derivatives'. The gains or losses on the hedging instruments are recognised in the profit and loss account, the hedged risk is also measured at fair value, with the gains or losses recognised in the profit and loss account.

Cash flow hedges

Changes in the fair value of a hedging instrument that serves as an effective cash flow hedge are recognised in equity, in particular in the hedging reserve.

Derivatives that are not designated as hedging instruments

Some hedging transactions do not qualify for hedge accounting according to the specific criteria of IAS 39 *Financial instruments: recognition and measurement*, although they provide an economic hedge according to the Group's risk policy. Changes in the fair value of such instruments are recognised directly in the result.

1.24 Crucial assessments and main sources of estimation uncertainty

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the amounts included in the financial statements.

The estimates and related assumptions are based on past experience and various other factors that are considered reasonable given the circumstances. The results of this form the basis for the assessment of the carrying amount of assets and liabilities that is not easily apparent from other sources. The actual results may differ from these estimates. The estimates and underlying assumptions are reviewed periodically.

Main sources of estimation uncertainty:
Assessment of the useful life of the brands

Various brands had an indefinite useful life until 30 June 2018. From 1 July 2018 onwards, it was decided to change the useful life of the Group's brands to a specific useful life. As of 1 July 2018 the gross value is being depreciated in line with the estimated definite useful life. Management also conducted an impairment test on this date. The test was performed at the level of the brands, in other words, each brand in itself is a cash-generating unit (CGU). The reason for this is that each brand constitutes a brand in itself, with its own strategic positioning, its own target group, its own values, its own marketing and sales approach, and will be managed individually to achieve the highest value per brand.

After this impairment and ordinary depreciation in 2019, the net carrying amount of the brands at the end of the reporting period amounted to € 89,998 K: € 48,675 K in the subsidiaries and € 41,323 K in the joint ventures.

The breakdown of useful life below provides the reasoning and guiding principle, but management carried out an individual assessment for each determination of useful life. The useful life is estimated by management based on insights and realities in the media sector. Four groups are displayed for the initial determination of the useful life.

- A 40-year economic useful life is for 'super' brands that already have very strong name recognition and are still growing in terms of revenue and/or EBITDA and have a carrying amount that is less than 10 times EBITDA. These brands are also recognised outside the media sector (alongside other major brands).
- A 20-year economic useful life is for brands that already have name recognition and can still grow in terms of revenue and/or EBITDA and have a carrying amount that is less than 10 times EBITDA. These brands are also recognised outside the sector (alongside other major brands).
- A 10-year economic useful life is for mature brands whose revenue/EBITDA is stable or slightly decreasing over the last 5 years but with a carrying amount greater than € 1 M. These are brands with relatively significant name and value recognition in the sector in which they operate.
- A 5-year economic useful life is for young (a few years old) or small brands, which still have much to prove but with potential and a limited carrying amount (< € 1 M). The useful life here is limited but such a brand can be built in the coming years.

Estimating and assessing the brands' definite useful life is based on estimates of management where brands are categorised into following levels: 'super' brands, 'growth' brands, 'mature' brands and 'young' and 'small' brands. These management estimates can, however, be negatively influenced by market evolutions, general unfavourable economic evolutions or disappointing performance of the brand whereby adjustments must be made to the assessments and evaluations conducted regarding the determined lifespan of a brand.

No deviation is expected from the expected useful life determined at the end of the previous reporting period and there are no observable indications that the market value of a brand has fallen much more during the period than would be expected as a result of the expiration of the time.

We refer to note 15 and 17 for a sensitivity analysis performed in 2019 on the useful life of the different brands.

Impairments on intangible assets and goodwill as included in note 15 and 17

In the event that indicators of impairment are identified, a specific test is performed. Testing whether there are impairments on intangible assets and goodwill requires making significant estimates of among others the following parameters: discount rate, growth rate of advertising income, growth rate of the number of subscribers, newsstand sales and subscription prices, evolution of printing and paper costs, and indirect costs. In conducting an impairment test, management will use the history of these parameters and the expectation of how these parameters will evolve over a period of five years compared to what they were at the time of the test. In addition, management makes an estimate of the growth rate after this period.

A possible change in one or more parameters can lead to a significant change in the realisable value. We refer to notes 15 and 17 on intangible assets and goodwill.

Deferred tax assets

Deferred tax assets related to tax losses and tax deductions carried forward are only recognised to the extent that it is likely that the future taxable profit will be sufficient to recover the tax losses and tax deductions carried over.

Regulatory risks

The Group strives to always act within the legal framework. Additional or changing legislation, including tax law or decisions by administrative authorities, could limit the Group's growth or face additional costs and / or taxes.

In the field of tax regulation, the Group makes use of the possibilities offered by tax legislation and regulations, without running unnecessary risks. The Group is supported in this by external tax advisors.

NOTE 2 – GROUP STRUCTURE

Changes in the scope of consolidation during 2019:

Liquidated and merged investments

- Tvoj – Magazin D.O.O.: liquidated on 22/03/2019
- Vogue Trading NV: liquidated on 26/03/2019
- Living & More Verlag GmbH: liquidated on 24/06/2019
- Bright Communications BVBA: merged with Roularta Media Group NV on 01/07/2019
- De Woonkijker NV: liquidated on 20/11/2019

Changes in the scope of consolidation during 2018:

New investments
- On 12 March 2018, the acquisition of 50% of shares in Mediafin NV was completed.
- Change in investment percentage without change in consolidation method
- On 1 May 2018 there was a capital increase at Proxistore NV, in which RMG NV did not participate.
- As a result, its investment percentage changed from 46.12% to 24.90%.
- On 1 July 2018 the remaining 75% of shares of Mediaplus BV were acquired by
- Senior Publications Nederland BV, a 50% subsidiary of Roularta Media Group NV.
- On 1 July 2018, CTR Media SA, a 50% subsidiary of Roularta Media Group NV, acquired
- The remaining 28.52% shares in the company Click Your Car NV.
- On 7 November 2018, RMG acquired the remaining 25.34% shares in Vogue Trading Video NV.
- Repropress CVBA: investment percentage changed from 29.93% to 29.51%.

Liquidated and merged investments
- Journée Découverte Entreprises ASBL: liquidated on 16/03/2018
- Open Bedrijven VZW: liquidated on 16/03/2018
- Bright Communications Antwerpen BVBA: merged with Bright Communications BVBA on 06/07/2018
- VZW Ter Bevordering van het Ondernemerschap in België: liquidated on 20/07/2018
- Roularta Healthcare NV: liquidated on 26/12/2018
- Regionale TV Media NV: liquidated on 26/12/2018

Investments sold
- On 31 January 2018, the sale of 50% in Medialaan NV was completed.
- On 1 July 2018, the 51% investment in Zeeuws Vlaams Mediabedrijf BV was sold to De Persgroep.
- On 14 August 2018, the investment in 4 All Solutions BVBA (30.11%) was sold by the company CTR Media SA.

The parent company of the Group is Roularta Media Group NV, Roeselare, Belgium. As of 31 December 2019, the following subsidiaries, joint ventures and associates have been included in the consolidated financial statements. There are no restrictions with respect to the subsidiaries to realize assets and liabilities. We refer to note 17 for the joint ventures and associates.

Name of the company	Location	Effective interest %	
1. Fully consolidated companies			
ROULARTA MEDIA GROUP NV	Roeselare, Belgium	100.00%	
BELGIAN BUSINESS TELEVISION NV	Brussels, Belgium	100.00%	
HET MEDIABEDRIJF BV	Baarn, The Netherlands	100.00%	
ROULARTA SERVICES FRANCE SARL	Lille, France	100.00%	
STUDIO APERI NEGOTIUM NV	Roeselare, Belgium	75.00%	
STORESQUARE NV	Roeselare, Belgium	65.00%	
2. Consolidated using the equity method			
BAYARD MEDIA GMBH & CO KG	Augsburg, Germany	50.00%	joint venture
BAYARD MEDIA VERWALTUNGS GMBH	Augsburg, Germany	50.00%	joint venture
BELGOMEDIA SA	Verviers, Belgium	50.00%	joint venture
CLICK YOUR CAR NV	Brussels, Belgium	50.00%	associated company
CTR MEDIA SA	Brussels, Belgium	50.00%	joint venture
J.M. SAILER GESCHÄFTSFÜHRUNGS GMBH	Nürnberg, Germany	50.00%	joint venture
J.M. SAILER VERLAG GMBH	Nürnberg, Germany	50.00%	joint venture
MEDIAFIN NV	Brussels, Belgium	50.00%	joint venture
MEDIAPLUS BV	Baarn, The Netherlands	50.00%	joint venture
PROXISTORE NV	Mont-Saint-Guibert, Belgium	24.90%	associated company
REGIONALE MEDIA MAATSCHAPPIJ NV	Roeselare, Belgium	50.00%	joint venture
REPROPRESS CVBA	Brussels, Belgium	29.51%	associated company
SENIOR PUBLICATIONS DEUTSCHLAND GMBH & CO KG	Cologne, Germany	50.00%	joint venture
SENIOR PUBLICATIONS NEDERLAND BV	Baarn, The Netherlands	50.00%	joint venture
SENIOR PUBLICATIONS SA	Brussels, Belgium	50.00%	joint venture
SENIOR PUBLICATIONS VERWALTUNGS GMBH	Cologne, Germany	50.00%	joint venture
VERLAG DEUTSCHER TIERSCHUTZ-DIENST GMBH	Nürnberg, Germany	50.00%	joint venture
YELLOWBRICK NV	Schaarbeek, Belgium	35.00%	associated company
50+ BEURS & FESTIVAL BV	Arnhem, The Netherlands	25.00%	joint venture
3. Companies of minor importance not included in the consolidated financial statements			

There are no companies of minor importance not included in the consolidated financial statements.

NOTE 3 - SEGMENTED INFORMATION

I. Segment information

In accordance with IFRS 8 *Operating segments*, the management approach for financial reporting of segmented information is applied. According to this standard, the segmented information to be reported must be consistent with the internal reports used by the main operational decision-making officers, on the basis of which the internal performance of Roularta's operating segments is assessed and resources are allocated to the different segments.

From 2018, the segments were redefined in the context of the sale of Medialaan. After the sale of Medialaan, the Audiovisual Media segment was too small compared to Printed Media. Therefore, from 2018, the internal financial reporting of Roularta Media Group is based on two new segments: 'Media Brands' and 'Printing Services'. The 'Media Brands' segment refers to all brands that are marketed by RMG and its investments. It includes all sales of advertising, subscriptions, newsstand sales and line extensions of the brands. 'Printing Services' on the other hand refers to pre-press and printing activities for in-house brands and external customers. Pre-press activities refer to the work of compiling the magazines before they roll off the printing presses or are published on the website.

Furthermore, segment reporting is published on the gross margin. After all, there is an intense interdependence between the two segments and support services are highly shared. A change in the allocation of these costs means a significant fluctuation in EBITDA, such that reporting may not be consistent.

The valuation rules of the operating segments are the same as the valuation rules of the Group as described in Note 1.

The price bases for transfers between segments are determined according to the 'at arm's length' principle. Total assets and total liabilities per segment are not checked internally by management and therefore are not explained in the notes in accordance with IFRS 8.23. The breakdown of certain balance sheet items, i.e. trade receivables, tangible and intangible fixed assets and inventories, is still shown. Furthermore, in accordance with IFRS 8.32, the revenue from external customers was broken down by revenue type. However, the information required for this breakdown is not available for the new segments.

in thousands of euros

2019	Media Brands	Printing Services	Inter segment elimination	Consolidated total
Sales of the segment	258,520	77,222	-39,944	295,798
Sales to external customers	257,323	38,474	-	295,798
Sales from transactions with other segments	1,196	38,748	-39,944	0
Gross margin (*)	198,547	38,959	-2,120	235,386
Non-allocated result (**)				-225,483
Operating result after net finance costs				9,903
Assets				
Intangible assets	54,556	178		54,734
Property, plant and equipment	28,267	31,627		59,894
Investments accounted for using the equity method	60,042	-		60,042
Inventories	452	5,595		6,047
Trade receivables and other receivables, current				-
- Trade receivables, gross	48,804	8,405		57,209
- Non-allocated trade receivables and other receivables				2,852
Non-allocated non-current assets				8,050
Non-allocated current assets				104,587
Total assets				353,414

in thousands of euros

2018	Media Brands	Printing Services	Inter segment elimination	Consolidated total
Sales of the segment	241,570	78,180	-42,742	277,008
Sales to external customers	239,999	37,008	-	277,008
Sales from transactions with other segments	1,571	41,172	-42,742	-
Gross margin (*)	179,269	40,286	-2,870	216,685
Non-allocated result (**)				-287,307
Operating result after net finance costs				-70,622
Assets				
Intangible assets	57,790	6		57,796
Property, plant and equipment	23,107	30,971		54,078
Investments accounted for using the equity method	63,686	-		63,686
Inventories	273	6,075		6,348
Trade receivables and other receivables, current				-
- Trade receivables, gross	55,028	7,720		62,748
- Non-allocated trade receivables and other receivables				3,008
Non-allocated non-current assets				8,548
Non-allocated current assets				98,896

Total assets	355,108

(*) Gross margin is revenue plus own construction capitalised, less raw materials, consumables and goods for resale.
(**) Services and other goods, personnel charges, other operating income and expenses, share in the result of associated companies and joint ventures, depreciation, write-downs and provisions, financing income and costs.

II. Geographic information

The group derives revenue from the transfer of goods and services in the following geographical regions: Belgium and the Netherlands. The following overviews provide a detail of revenue and fixed assets broken down based on the geographic location of the subsidiary (based on the subsidiary's registered office).

in thousands of euros			
2019	Belgium	The Nedtherlands	Consolidated total
Sales of the segment	289,186	6,612	295,798
Non-current assets (*)	107,022	7,606	114,628

in thousands of euros			
2018 - from continuing operations	Belgium	The Nedtherlands	Consolidated total
Sales of the segment	269,007	8,001	277,008
Non-current assets (*)	103,854	8,020	111,874

(*) Intangible and tangible fixed assets

III. Information about major customers

Given the diverse activity of the Group and therefore also the diversity of its customer portfolio, there is no single external customer with whom revenue from transactions was realised of at least 10 percent of the Group's revenue. In addition, there is no concentration of revenue at certain customers or a customer group.

NOTE 4 – REVENUE

I. Breakdown of revenue from contracts with customers

The Group's revenue broken down according to the different types of revenue:

in thousands of euros	2019	2018	Trend
Advertising	125,174	129,176	-4,002
Subscriptions and sales	103,034	83,924	19,110
Printing for third parties	42,535	40,909	1,626
Line extensions & other services and goods	25,055	22,999	2,056
Total Sales	295,798	277,008	18,790

The consolidated revenue of 2019 increased by 6.8%, from € 277.0 M to € 295.8 M. 2019 now contains a full year of revenue from the acquired women's magazines, while in 2018 this was only from their acquisition (1 July 2018). As a result, revenue of € 31.7 M was recognised in 2018, compared to € 67.1 M in 2019.

Printing for third parties is higher than the revenue from the Printing Services segment, since commercial printing is also sold by the other segment, Media Brands.

The Group's revenue broken down according to the different categories of business activities consists of:

in thousands of euros	2019	2018	Trend
Local Media Brands	64,796	74,862	-10,066
Magazines Brands	170,416	143,026	27,390
Printing for third parties and sale paper	42,535	40,934	1,601
Newspaper Brands	11,809	12,391	-582
Audiovisual Brands	6,243	5,795	448
Total Sales	295,799	277,008	18,791

Revenue from exchange agreements amounts to € 22,815 K (2018: € 17,508 K).

No changes were made to the scope of consolidation in 2019, so that no adjusted revenue is reported.

in thousands of euros	2019	2018	Trend
Advertising	125,174	119,240	5,934
Subscriptions and sales	103,034	58,225	44,809
Printing for third parties	42,535	40,907	1,628
Line extensions & other services and goods	25,055	19,642	5,413
Adjusted sales	295,798	238,014	57,784
Changes in the consolidation scope	-	38,994	-38,994
Total sales	295,798	277,008	18,790

II. Assets and liabilities related to contracts with customers

After applying IFRS 15 *Revenue from contracts with customers*, the group recognised the following assets and liabilities with regard to contracts with customers:

The valuation rules of the Group with regard to revenue can be found in Note 1.

	Note	2019	2018	Trend
Receivables				
Trade receivabels, gross	19	57,210	62,748	-5,538
Impairment of doubtful receivables, current (-)	19	-3,419	-3,554	135
Contract assets				
To invoice	19	3,152	3,518	-366
Accrued income		9	-	9
Contract liabilities				
Advances received	29	25,794	25,138	656
Credit notes to issue	29	2,282	2,691	-409
Customer credit balances	29	1,031	932	99
Deferred income	29	6,467	6,545	-78
Obligations related to returns, refunds and other similar obligations				
Credit notes to issue: provision for unsold issues	29	4,310	4,384	-74

Contract assets and liabilities relate to customer contracts that are generally settled within twelve months after the contract commences. Roularta Media Group has no contract costs, i.e. no costs that are specifically linked to only a single customer/contract.

The contract assets are recognised in the consolidated balance sheet as 'trade receivables and other receivables'. These mainly relate to performance obligations that have been fulfilled, but for which no invoicing has yet taken place. Upon invoicing, these contract assets are transferred to receivables and are therefore unconditional. Information about trade receivables is further explained in Note 19 'Trade and other receivables'.

The contract liabilities are recognised in the consolidated balance sheet as 'trade and other payables' and 'prepayments received'. Liabilities for return, reimbursement and other similar liabilities relate to individual sales via newsstands. A provision for unsold issues is booked for this. This is based on data regarding the historical returns.

NOTE 5 - SERVICES AND OTHER GOODS

Services and other goods of the Group consist of:

in thousands of euros	2019	2018
Transport and distribution costs	-19,420	-18,771
Marketing and promotion costs	-31,643	-24,230
Commission fees	-7,582	-6,093
Fees	-39,041	-33,644
Rent	-1,427	-10,480
Energy costs	-1,824	-2,078
Subcontractors and other deliveries	-11,011	-10,832
Remuneration members of the board of directors	-370	-429
Temporary workers	-4,483	-3,269
Travel and reception costs	-1,043	-1,473
Insurances	-490	-473
Other services and other goods	-609	-504
Total services and other goods	**-118,942**	**-112,276**

Services and other goods increased by € 6.7 M or 5.9% compared to last year. The largest increase under services and other goods can be found in fees, and marketing and advertising costs. These increases mainly come from the women's brands, which have now been recognised in the costs for a full year, whereas this was only for six months last year.

Fees include editorial and photo fees and general fees. The subcontractors and other deliveries category mainly comprises maintenance and repair costs, telecommunication costs and fuel costs. Commissions are commissions invoiced by third parties (advertising commission, newsstand sales commission and subscriptions commission).

Costs for rent have decreased because of the implementation of IFRS16 as of 1 January 2019. We refer to note 1 for more information.

NOTE 6 - PERSONNEL CHARGES

in thousands of euros	2019	2018
Wages and salaries	-66,232	-65,597
Social security contributions	-21,509	-21,826
Share-based payments	-57	-102
Post-employment benefit charges	-3,732	-3,203
Other personnel charges	-3,662	-3,794
Total personnel charges	**-95,192**	**-94,522**

The costs related to post-employment benefits mainly relate to charges for defined contribution plans. This mainly concerns Belgian plans financed by group insurance policies that from 2015 are considered under IFRS as a defined benefit pension plan, see Note 27.

Employment in full time equivalents	2019	2018
Total full time equivalent employment at the end of the period	1,217	1,287

The split between the number of full-time equivalent blue-collar workers and white-collar workers is as follows: 316 blue-collar workers and 901 white-collar workers.

NOTE 7 - WRITE-DOWN OF INVENTORIES AND RECEIVABLES

in thousands of euros	2019	2018
Write-down & reversal of write-down of inventories	90	-86
Write-down & reversal write-down of trade receivables	135	974
Total write-down of inventories and receivables	**225**	**888**

The write-down on inventories relates to the inventory line extensions (i.e. Roularta Books).

In 2019 there was a net amount of € 90 K impairment reversed on inventories (2018: € (86) K booked) and a net amount of € 135 K impairment reversed on trade receivables (2018: € 974 K reversed). The net reversal of the impairment in 2018 was mainly due to the reversal of an impairment loss for a customer of € 1 M, which was definitively booked as a loss in 2018 (See Note 8).

NOTE 8 - OTHER OPERATING INCOME / EXPENSES

in thousands of euros	2019	2018
Government grants	2,090	2,195
Gains on disposal of intangible assets and property, plant and equipment	436	829
Gains on (partial) disposal of financial fixed assets	58	364
Miscellaneous financial income	571	849
Miscellaneous cross-charges	308	379
Miscellaneous income	333	208
Total other operating income	**3,796**	**4,824**

in thousands of euros	2019	2018
Other taxes	-2,379	-2,875
Losses on disposal of intangible assets and property, plant and equipment	-	-57
Losses on trade receivables	-369	-1,526
Exchange differences	-24	-4
Payment differences and bank charges	-299	-359
Miscellaneous expenses	-1,462	-1,723
Total other operating expenses	**-4,533**	**-6,544**

Other operating income mainly comprises company subsidies in favour of Roularta Media Group. In 2019, the capital gain on the realisation of (in)tangible fixed assets includes capital gains on buildings and on 2018 among others the sale of the brand *Ik ga Bouwen & Renoveren*.

Other operating expenses decreased by € 2.0 M. Fewer municipal taxes were paid in 2019 as a result of the cancellation of *Streekkrant* editions. On the other hand, there was a large loss on trade receivables in 2018 due to a one-off impact of € 1.0 M for a 2011 bankruptcy, which was foreseen years ago but was cancelled in 2018 under write-down of trade receivables (see Note 7). This bankruptcy was therefore neutral with respect to the profit and loss account. The miscellaneous expenses include the compensation that the Group has paid to NV Kempenland. We refer to note 26.

NOTE 9 – IMPAIRMENT LOSSES AND OTHER NON-RECURRING RESULTS

in thousands of euros	2018
Impairment losses Roularta Media Group	-63,204
Impairment losses joint ventures	-5,971
Deferred taxes joint ventures	1,278
Total other non-recurring results	**-67,897**

No impairment losses were recorded in 2019 as there were no indications of an impairment.

In June 2018 the cash generating units of Roularta were redefined (see Note 15). As a result of this change, additional impairments of € 69.2 M were recorded on the net carrying amount of € 198 M as at 30/06/2018 of the intangible fixed assets (of which € 80.5 M on the balance sheet of joint ventures). Of this, € 63.2 M came from Roularta Media Group NV and subsidiaries (below EBITDA) and € 6.0 M from joint ventures. Taking into account the reversal of deferred taxes on temporary differences due to these impairments, the impact on EBITDA was € 4.7 M.

NOTE 10 - NET FINANCE COSTS

in thousands of euros	2019	2018
Interest income	144	268
Financial income	**144**	**268**
Interest expense	-219	-5,343
Financial costs	**-219**	**-5,343**
Total net finance costs	**-75**	**-5,075**

Interest expenses fell sharply in 2019 thanks to the full repayment of the bond loan and the early repayment of other financial debts in 2018. Also in 2019, interest expense contains 149 K€ leasing interests as a result of the implementation of IFRS16. We refer to note 1 for further information.

NOTE 11 - INCOME TAXES

I. Income taxes - current and deferred

in thousands of euros	2019	2018
A. Income taxes - current		
Current period tax expense	-441	-638
Adjustments to current tax expense / income of prior periods	-11	-
Total current income taxes	**-452**	**-638**
B. Income taxes - deferred		
Related to the origination and reversal of temporary differences	186	16,649
Related to changes in tax rates	-	-2,503
Related to the reversal of depreciation (+) or depreciation (-) of deferred tax assets	695	-15,047
Total deferred income taxes	**881**	**-901**
Total current and deferred income taxes	**429**	**-1,539**

II. Reconciliation of statutory tax to effective tax

in thousands of euros	2019	2018
Result before taxes	9,903	-70,622
Share in the result of associated companies and joint ventures	2,475	-1,831
Result before taxes, excluding share in result of associated companies and joint ventures	7,428	-68,791
Statutory tax rate	29.58%	29.58%
Tax using statutory rate	**-2,197**	**20,348**
Adjustments to tax of prior periods (+/-)	475	1
Tax effect of non-deductible expenses (-)	-1,064	-834
Tax effect of non-taxable revenues (+)	2,624	-
Tax credit resulting from investment allowances and notional interest deduction (reversal (-))	-47	-221
Tax effect of not recognising deferred taxes on losses of the current period (-)	-700	-790
Tax effect from the reversal (use) of deferred tax assets from previous years	1,800	-17,079
Tax effect of recognising deferred taxes on tax losses of previous periods	-599	401
Tax effect of change in statutory tax rates	213	-2,503
Tax effect of different tax rates of subsidiaries in other jurisdictions	2	27
Other increase / decrease in tax charge (+/-)	-78	-887
Tax using effective rate	**429**	**-1,539**
Result before taxes	9,903	-70,622
Share in the result of associated companies and joint ventures	2,475	-1,831
Result before taxes, excluding share in result of associated companies and joint ventures	7,428	-68,791
Effective tax rate	5.78%	-2.24%
Total effective tax	**429**	**-1,539**

The positive amount in 2019 (€ 0.4 M) is due to the deferred tax on the merger of Roularta Media Group with one of its 100% subsidiaries, Bright Communications BVBA, which had a net deferred tax liability of € 1.0 M. This deferred tax liability can be recovered from the tax losses carried forward in Roularta Media Group as a result of the merger. This is why a deferred tax asset of € 1.0 M has been booked for this.

The impact of changes in tax rates in 2019 includes for the most part the impact of the Belgian corporate tax rate of 29.58% on the impairments in 2019, while the deferred tax was booked at 25%, the tax rate applicable in coming years.

The impact of reversed/applied deferred taxes on previous financial years is mainly due to the impairment on the brands in 2018. Due to the elimination of the deferred tax liabilities on this, fewer deferred tax assets were capitalised to compensate for them.

Deferred taxes on costs and revenue were not recognised directly in equity in 2019 nor in 2018.

III. Tax included in other comprehensive income

Deferred taxes on costs and revenues included in other comprehensive income:

in thousands of euros	2019	2018
Cash flow hedge gains / losses	-	-16
Non-current employee benefits - actuarial gains/losses	-215	-721
Tax included in other comprehensive income	**-215**	**-737**

NOTE 12 - DISCONTINUED OPERATIONS

There were no discontinued business activities in 2019. The 2018 figures include the 50% sale in Medialaan that was completed in January 2018. As a result, the full result of Medialaan in 2018, € 0.8 M, was included under 'result from discontinued business activities' together with the gain on sale (i.e. € 150.3 M). Medialaan was previously recognised in the consolidation via the equity method, since it concerned a joint venture.

in thousands of euros	2018
Sales	17,346
Other revenues	205
Total revenues	**17,551**
Operating expenses and other expenses	-16,402
Operating result after net finance costs	**1,149**
Attributable income tax expense (-) (income)	-364
Net result Medialaan	**785**
Result of Medialaan sale	150,308
Net result from discontinued operations	**151,093**

The table below shows the result on the 50% sale in Medialaan.

in thousands of euros	2018
Assets available for sale as included in the 31/12/2017 balance sheet	128,541
Share of the Group in the net result of January 2018	785
Total net carrying amount of the investment in Medialaan	**129,326**
Acquisition price obtained (including interest income)	279,634
Capital gain on sale	**150,308**

NOTE 13 - EARNINGS PER SHARE

	2019	2018
I. Movement in number of shares (ordinary shares)		
Number of shares, beginning balance	13,141,123	13,141,123
Number of shares, ending balance	13,141,123	13,141,123
- of which issued and fully paid	13,141,123	13,141,123
II. Other information		
Number of shares owned by the company or related parties	593,135	598,435
Shares reserved for issue under options	480,935	486,235
III. Earnings per share calculation		
1. Number of shares		
1.1 Weighted average number of shares, basic	12,545,621	12,541,645
1.2. Adjustments to calculate weighted average number of shares, diluted	14,401	55,736
stock option plans	*14,401*	*55,736*
1.3. Weighted average number of shares, diluted	12,560,022	12,597,381
2. Calculation		

The calculation of the basic earnings and diluted earnings per share are based on the following:

$$\frac{\text{Net result available to common shareholders}}{\text{Weighted average number of shares, basic}} = \frac{10{,}854 \text{ K€}}{12{,}545{,}621} = 0.87$$

$$\frac{\text{Net result available to common shareholders}}{\text{Weighted average number of shares, diluted}} = \frac{10{,}854 \text{ K€}}{12{,}560{,}022} = 0.86$$

NOTE 14 - DIVIDENDS

	2019	2018
Amount of dividends proposed or declared after the balance sheet date but before authorisation of the financial statements (in thousands of euros)	-	6,272
Interim dividend (in thousands of euros)		62,713
Gross dividend per share (in euro)	-	5.50
Number of shares on 31/12	13,141,123	13,141,123
Number of own shares on 31/12	-593,135	-598,435
Mutation of own shares (before General Meeting)	4,175	1,500
Number of shares entitled to dividend on 31/12	12,552,163	12,544,188

NOTE 15 - INTANGIBLE ASSETS AND GOODWILL

in thousands of euros

2019	Brands	Titles	Software	Concessions, property rights and similar rights	Total intangible assets	Goodwill
AT COST						
Balance on 01 January	118,467	-	32,248	15,127	165,842	997
Movements during the period:						
- Acquisitions	-	-	3,433	-	3,433	-
- Sales and disposals (-)	-	-	-1,982	-	-1,982	-
Balance on 31 December	118,467	-	33,699	15,127	167,293	997
DEPRECIATIONS AND IMPAIRMENT LOSSES						
Balance on 01 January	66,162	-	26,779	15,105	108,046	997
Movements during the period:						
- Depreciations	3,630	-	2,853	11	6,494	-
- Written down after sales and disposals (-)	-	-	-1,982	-	-1,982	-
Balance on 31 December	69,792	-	27,651	15,116	112,559	997
Net carrying amount at the end of the period	48,675	-	6,048	11	54,734	-

in thousands of euros

2018	Brands	Titles	Software	Concessions, property rights and similar rights	Totaal immateriële activa	Goodwill
AT COST						
Balance on 01 January	-	90,063	30,872	21,677	142,612	997
Movements during the period:						
- Acquisitions	-	-	2,725	33	2,758	-
- Acquisitions through business combinations	32,942	-	-	-	32,942	-
- Sales and disposals	-7,258	-	-1,341	-1,780	-10,379	-
- Disposals through business divestiture	-2,083	-	-23	-	-2,106	-
- Transfers from one heading to another	94,866	-90,063	15	-4,803	15	-
Balance on 31 December	118,467	-	32,248	15,127	165,842	997
DEPRECIATIONS AND IMPAIRMENT LOSSES						
Balance on 01 January	-	15,809	25,392	10,131	51,332	997
Movements during the period:						
- Depreciations	1,825	930	2,730	489	5,974	-
- Impairment loss / reversal recognised in income	56,459	-	-	6,745	63,204	-
- Written down after sales and disposals	-7,258	-	-1,320	-1,780	-10,358	-
- Disposals through business divestiture	-2,083	-	-23	-	-2,106	-
- Transfers from one heading to another	17,219	-16,739	-	-480	-	-
Balance on 31 December	66,162	-	26,779	15,105	108,046	997
Net carrying amount at the end of the period	52,305	-	5,469	22	57,796	-

Since the end of 2018, the Group no longer has intangible fixed assets with an unlimited useful life. All the above intangible assets are depreciated on the basis of their expected useful life within the Group.

Various brands had an indefinite useful life through 30 June 2018. From 1 July 2018, the board of directors and management of Roularta Media Group decided to change the useful life to a specific useful life and to depreciate the brands from this date. We refer to Note 1 for more details on this. Management also conducted an impairment test on this date. The test was performed at the level of the brands, in other words, each brand in itself is a cash-generating unit (CGU). The reason for this is that each brand constitutes a brand in itself, with its own strategic positioning, its own target group, its own values, its own marketing and sales approach, and will be managed individually to achieve the highest value per brand.

In the end, the test led to the booking of an impairment of € 63,204 K (see Note 9). The total residual value of intangible fixed assets at the end of 2018 (incl. acquisitions) was € 57,796 K, € 52,305 K of which was related to brands. No new brands were added to Roularta Media Group's range in 2019, as a result of which the net carrying amount of the intangible fixed assets fell further due to regular depreciation to € 54,734 K at the end of 2019, of which € 48,675 K concerns the brands.

The Group carried out a sensitivity analysis on the useful life for the brands that had a net carrying amount of € 4 M or more on 31 December 2019. These results are included below for the fully consolidated companies. We refer to Note 17 for the same analysis on the brands of joint ventures.
If the remaining useful life of 18.5 years for the '*Libelle/Femmes d'Aujourd'hui*' brand, which represented approximately 50% of the total carrying amount of the brands at 31 December 2019, were reduced to 10 years, the impact would be € 1.1 M annual depreciation. If the remaining useful life were reduced to 5 years, the additional annual depreciation charge would amount to € 3.6 M.
If the remaining useful life of 18.5 years for the 'STERCK' brand were reduced to 10 years, the impact would be an additional € 0.2 M annual depreciation charge. If the remaining useful life were reduced to 5 years, the additional annual depreciation charge would amount to € 0.6 M.
If the remaining useful life of 18.5 years for the '*Landleven*' brand were reduced to 10 years, the impact would be an additional € 0.3 M annual depreciation charge. If the remaining useful life were reduced to 5 years, the additional annual depreciation charge would amount to € 1.1 M.

At the end of the reporting period, the Group assessed on the basis of external and internal sources of information that there was no indication that there is a possible impairment of an asset. Therefore, no deviation is expected from the expected useful life determined at the end of the previous reporting period and there are no observable indications that the market value of a brand has fallen much more during the period than would be expected as a result of the passage of time.

The net carrying amount of the brands on 31 December 2019 and 31 December 2018, and their total remaining useful lives at 31 December 2019 are shown in the table below. For more information about the useful life applied we refer to the valuation rules.

Cash-generating unit	Intangible asset 2019	Intangible asset 2018	Total remaining useful life (in years)
Landleven	7,554	7,978	18,5
STERCK	3,982	4,209	18,5
Top Uitgaves	2,954	3,301	8,5
Fiscaal-juridisch	2,890	3,230	8,5
Le Vif/L'Express	1,530	1,710	8,5
Libelle/Femmes d'Aujourd'hui	24,513	25,838	18,5
Flair	3,263	3,647	8,5
Feeling/Gael	991	1,108	8,5
La Maison Victor	385	495	3,5
Shedeals	209	269	3,5
Zappy Ouders	94	121	3,5
Communiekrant	310	399	3,5
Total Brand value	48,675	52,305	

NOTE 16 - PROPERTY, PLANT AND EQUIPMENT

in thousands of euros

2019	Land and buildings	Plant, machinery & equipment	Furniture and vehicles	Leasing and other similar rights	Other property, plant & equipment	Assets under construction	Total
AT COST							
Balance on 1 January	90,707	31,325	10,196	-	50	-	132,277
Movements during the period:							
- Acquisitions	115	2,838	545	1,719	4	2,686	7,907
- Sales and disposals	-318	-199	-331	-	-14	-	-862
- Change in accounting policies (IFRS16)	-	-	-	4,658	-	-	4,658
Balance on 31 December	90,504	33,964	10,410	6,378	39	2,686	143,981
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance on 1 January	48,837	20,912	8,408	-	42	-	78,199
Movements during the period:							
- Depreciations	2,768	2,006	440	1,444	4	-	6,662
- Written down after sales and disposals	-239	-199	-324	-	-14	-	-776
Balance on 31 December	51,367	22,719	8,525	1,444	32	-	84,087
Net carrying amount at the end of the period	39,137	11,245	1,885	4,934	7	2,686	59,894

Assets pledged as security	in thousands of euros	2019
Land and buildings pledged as security for liabilities (mortgage included)		-

The item assets under construction includes the advance on the new Lithoman IV 72-page printing press with a total value of € 12 M. It is expected to be operational in November 2020.

IFRS 16 Leases was applied from 1 January 2019, whereby leases are recognised as a right of use. The recognised rights of use relate to the following types of assets:

in thousands of euros	31/12/2019	01/01/2019
Buildings	2,518	2,199
Vehicles	2,290	2,301
Other	125	159
Total right-of-use assets	4,934	4,658

The depreciations on the right-of-use assets for a total of 1,444 K€ relate to vehicles (1,066 K€), buildings (344 K€) and other (33 K€). The expenses relating to short-term leases amount to 146 K€; the expenses relating to leases of low- value assets (that are not shown as short-term leases) amount to 335 K€.

Further information regarding the restatements included in the application of IFRS 16 can be found in Note 1 under 'New and revised IFRS standards and interpretations'.

in thousands of euros

2018	Land and buildings	Plant, machinery & equipment	Furniture and vehicles	Leasing and other similar rights	Other property, plant & equipment	Assets under construction	Total
AT COST							
Balance on 1 January	90,533	25,648	10,002	-	181	2,578	128,941
Movements during the period:							
- Acquisitions	358	3,365	509	-	-	-	4,232
- Sales and disposals	-184	-251	-268	-	-121	-	-824
- Disposals due to divestments	-	-	-47	-	-10	-	-57
- Transfers from one heading to another	-	2,563	-	-	-	-2,578	-15
Balance on 31 December	90,707	31,325	10,196	-	50	-	132,277
DEPRECIATION AND IMPAIRMENT LOSSES							
Balance on 1 January	45,536	19,494	8,321	-	163	-	73,514
Movements during the period:							
- Depreciations	3,449	1,659	397	-	8	-	5,513
- Written down after sales and disposals	-148	-241	-266	-	-122	-	-777
- Transfers due to divestments	-	-	-44	-	-7	-	-51
Balance on 31 December	48,837	20,912	8,408	-	42	-	78,199
Net carrying amount at the end of the period	41,870	10,413	1,788	-	8	-	54,078

Assets pledged as security	2018
Land and buildings pledged as security for liabilities (mortgage included)	-

NOTE 17 - INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

I. Overview of significant joint ventures

The following joint venture investments have a significant impact on the Group's financial position and results.

Name of joint venture	Main activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights of the group 2019	2018
Bayard Groep	Printed Media	Augsburg, Germany	50.0%	50.0%
Mediafin	Media Brands	Brussels, Belgium	50.0%	50.0%

These investments in joint ventures are valued according to the equity method. No joint ventures were added in 2019. The participating interest in the Mediafin joint venture was acquired in 2018. Summary financial information related to significant Group joint ventures is presented below. This financial information corresponds to the financial reporting of the joint ventures according to IFRS.

II. Condensed financial information

Bayard Group

Bayard Group is active in the Media Brands segment. Bayard Media is the magazine leg for those 50 and older. The Group also publishes magazines for children and youth (Sailer Verlag).

Bayard Group comprises the companies Bayard Media GMBH & CO KG, Bayard Media Verwaltungs GMBH, Senior Publications SA, Senior Publications Nederland BV, Senior Publications Deutschland GMBH & CO KG, Senior Publications Verwaltungs GMBH, Belgomedia SA, J.M. Sailer Verlag GMBH, J.M. Sailer Geschäftsführungs GMBH, 50+ Beurs & Festival BV, Mediaplus BV and Verlag Deutscher Tierschutz-Dienst GMBH. In July 2018, the remaining 75% of shares of Mediaplus BV were acquired by Senior Publications Nederland BV, a 50% subsidiary of Roularta Media Group NV.

in thousands of euros	2019	2018
Condensed financial information		
Fixed assets	7,404	5,610
Current assets	25,708	27,190
of which cash and cash equivalents	6,526	6,077
Non-current liabilities	-6,926	-5,001
of which financial liabilities	-1,744	-
Current liabilities	-20,381	-20,939
of which financial liabilities	-470	-
Net assets	5,805	6,860
Sales	53,337	55,832
Depreciation	-1,145	-1,167
Impairment loss	-	-11,941
Interest income	10	13
Interest expense	-121	-45
Income tax expense	-981	1,245
Net result for the period	3,005	-6,512
Other comprehensive income for the period	-	-20
Total comprehensive income for the period	3,005	-6,532
Dividends received during the period	2,030	2,150

The increase in fixed assets and financial debts was due to the application of IFRS 16 in 2019. We refer to the valuation rules for further explanation.

Reconciliation of the aforementioned financial information with the net carrying amount of the investment of Bayard Group in the consolidated financial statements:

in thousands of euros	2019	2018
Net assets of associated companies and joint ventures	5,805	6,860
Share of the Group in Bayard Group	50.0%	50.0%
	2,902	3,430
Other adjustments:		
The unrecognised part of the loss of companies of the Bayard Group (*)	2,531	2,430
Carrying amount of the investment in Bayard Group	5,433	5,860

(*) The losses of some affiliates exceeded the carrying amount of the investment. The carrying amounts of these investments were reduced to zero for a total amount of € 2.5 M (in RMG consolidation, at 50%; thus for € 5.1 M in Bayard Group consolidation), in accordance with the valuation rules in Note 1. The accumulated loss was recognised under the provisions for other risks and costs, since it concerns a joint venture.

The negative net result in 2018 comes from the impairment that was booked on the brands of the German companies (€ 11.9 M). The tax revenue on the result was mainly due to the neutralisation of deferred taxes (€ 2.6 M) on the impairment loss.

Roularta Media Group has a total outstanding debt toward the Bayard entities of € 4.6 M. Furthermore, there were no contingent or other liabilities with respect to Mediafin on 31 December 2019 and 2018. The Bayard entities need a joint permission from Roularta Media Group and the other shareholder, Bayard Group, to distribute profit and take out possible loans.

Mediafin

Roularta Media Group acquired 50% of the shares in Mediafin NV on 12 March 2018. A total acquisition price of € 58 M was paid to De Persgroep. Mediafin is the Belgian publisher of high-quality media such as *De Tijd* and *L'Echo*, which are committed to top journalism: a good match for the Roularta Group which also focuses on higher target groups. The acquisition was part of the sale of Medialaan to De Persgroep. The other 50% of Mediafin remained in the hands of Groupe Rossel.

The table below shows the acquisition price paid together with the recognised assets and liabilities on the acquisition date.

in thousands of euros	2018
Fixed assets (*)	123,306
Current assets	35,451
- of which cash and cash equivalents	6,313
Non-current liabilities	-31,185
Current liabilities	-36,168
Net assets	91,404
Paid purchase price for 50% of the shares	58,040
Resulting 100% purchase price	116,080
Goodwill	24,676

(*) Contains o.a. customer relations (29,558 K€) and brands (De Tijd/L'Echo 82,531 K€, BePublic-BeReal 3,594 K€ and Comfi 1,317 K€)

Customer relationships with a fair value of € 29,558 K are valued on the basis of the multi-period excess earnings method, a commonly used discounted cash flow method for valuing customer relationships under IFRS. This method is based on the expected future cash flows that can be received from these customer relationships over a period of 20 years, discounted to the acquisition date. To determine these cash flows, the expected revenue is multiplied by the EBIT margin. The revenue basis is supported by historical revenues (approx. € 59 M in 2018) and a growth rate of 3.2%, in line with historical growth. These revenues are subsequently reduced by a churn rate of 5% in 2018, which continues to grow by 5% each additional year. The adjusted EBIT margin (after contributory asset charges) amounts to 8.8% of revenue and is based on historically achieved results. The discount rate used is 8.75% and is calculated based on the WACC method, which is based on market data. The tax rate used is 29.58% in 2018-2019 and 25% for the following years.

The *De Tijd/L'Echo* brand with a fair value of € 82,531 K is valued on the basis of the relief from royalty method, a commonly used discounted cash flow method for valuing brand names or technologies under IFRS. This method is based on the expected future cash flows that would be received in the form of royalties if the brand is transferred to a third party via a license agreement for a period of 40 years, discounted to the acquisition date. The revenue basis is supported by historical revenues (approx. € 59 M in 2018) and a growth rate of 3.2%, in line with historical growth. The royalty rate used of 10% (percentage of revenue) is based on royalty rates used in comparable market transactions. The discount rate used is 8.25% and was calculated based on the WACC method, which is based on market data. The tax rate used is 29.58% in 2018-2019 and 25% for the following years.

At the end of December 2019, the Group performed a sensitivity analysis on the useful life of customer relationships and *De Tijd/L'Echo*.
If the remaining useful life of the customer relationships within Mediafin of 18.2 years were reduced to 10 years, the additional annual depreciation charge would be € 1.2 M. If the remaining useful life were reduced to 5 years, the additional annual depreciation charge would amount to € 3.9 M. The share in the profit of the Mediafin joint venture would then fall by € 0.6 M or € 1.9 M respectively.
If the remaining useful life of *De Tijd/L'Echo* was reduced from 38.2 years as a 'super' brand to 20 or 10 years respectively, the additional annual depreciation charge would be € 1.9 M or € 5.8 M respectively. The share in the profit of the Mediafin joint venture would then decrease by € 0.9 M or € 2.9 M respectively.

The table below shows the main items of the balance sheet and the income statement on the balance sheet date. Before 2018, the results are included from acquisition (i.e. from 1 March 2018).

in thousands of euros	2019	2018
Fixed assets	139,660	148,174
Current assets	26,029	18,606
- of which cash and cash equivalents	2,930	3,560
Non-current liabilities	-32,634	-30,485
- of which financial liabilities	-2,789	-
Current liabilities	-23,957	-22,767
- of which financial liabilities	-1,070	-
Net assets	109,098	113,528
Sales	66,101	58,813
Depreciation	-7,515	-5,371
Interest income	155	166
Interest expense	-51	-36
Income tax expense	-1,545	-2,249
Net result for the period	2,694	4,248
Other comprehensive income for the period	-123	-
Total comprehensive income for the period	2,571	4,248
Dividends received during the period	3,500	3,400

As of 1 January 2019, rights of use (in fixed assets) and lease liabilities have been recognised in accordance with IFRS 16.

Reconciliation of the aforementioned financial information with the net carrying amount of the investment of Mediafin in the consolidated financial statements:

in thousands of euros	2019	2018
Net assets of the joint venture/ associate	109,098	113,528
Share of the Group in Mediafin	50.0%	50.0%
Carrying amount of the investment in Mediafin	**54,549**	**56,764**

The table below presents the details (at 100%) of the net carrying amount and the remaining useful life of the brands, customer relationships and consolidation goodwill on 31/12/2019:

in thousands of euros	2019	Total remaining useful life (in years)
De Tijd/ L'Echo	78,748	38
Comfi	963	8
BePublic - BeReal	2,935	8
Customer relations	26,849	18
Goodwill	24,675	Indefinite
Total	**134,170**	

The total annual depreciation charge for the aforementioned intangible fixed assets within Mediafin is € 4.1 M (excluding deferred taxes).

In view of the recent acquisition, management has not conducted an impairment test on brands mentioned above since there are no indicators that they might be subject to impairment losses.

Roularta Media Group has an outstanding debt to Mediafin of € 2.5 M. Furthermore, there were no contingent or other liabilities with respect to Mediafin on 31 December 2019 and 2018. Mediafin needs a joint permission from Roularta Media Group and the other shareholder, Groupe Rossel, to distribute profit and take out possible loans.

III. Summarised financial information of associates and joint ventures not individually significant

This category comprises the companies Regionale Media Maatschappij NV, Proxistore NV, CTR Media SA, Click Your Car NV, Yellowbrick NV, Repropress CVBA. De Woonkijker NV was liquidated in 2019. In 2018, Regional TV Media NV was liquidated and 4 All Solutions NV was sold.

in thousands of euros	2019	2018
Share of the Group in total comprehensive income for the period	-374	-699
Total carrying amount of other investments held by the Group	**10**	**663**

Non-current amounts receivable - other investments	**50**	**400**

Roularta Media Group has no contractual obligations with respect to these associates and joint ventures on 31 December 2019 and 2018.

IV. Evolution net book value investments accounted for using the equity method

in thousands of euros	2019	2018
Balance at the end of the preceding period	63,286	9,808
Movements during the period:		
- Share in the result of associated companies and joint ventures	2,475	-1,831
- Share of other comprehensive income of joint ventures and associates	-62	-10
- Dividends	-5,530	-5,550
- Provision for additional losses	370	2,245
- Effect group change	-33	58,624
- Other changes	-514	-
Balance at the end of the period (investments, amounts receivable not included)	59,991	63,286

In 2018 , the acquisition of Mediafin (€ 58,040 K) in particular had an effect on the net carrying amount of the participating interests according to the equity method.

NOTE 18 – INVESTMENTS IN FINANCIAL ASSETS, LOANS AND GUARANTEES

I. Overview

in thousands of euros	2019	2018
Investments in financial assets- fair value through profit or loss	224	299
Loans and guarantees - amortised cost	2,177	2,227
Total investments in financial assets, loans and guarantees	2,402	2,526

II. Investments in financial assets - evolution during the financial year

in thousands of euros	2019	2018
AT FAIR VALUE WITH RECOGNITION OF VALUE CHANGES IN PROFIT AND LOSS ACCOUNT		
Balance on 1 January	513	478
Movements during the period:		
- Acquisitions	25	50
- Disposals	-50	-15
Balance on 31 December	488	513
IMPAIRMENT LOSSES (-)		
Balance on 1 January	-214	-214
Movements during the period:		
- Impairment loss / reversal recognised in income	-50	-
Balance on 31 December	-264	-214
Net carrying amount at the end of the period	224	299

Management has determined that the cost price is a correct estimate of the fair value for the unlisted equity investments of the fully consolidated companies because there is insufficient recent information available to measure the fair value.

III. Loans and guarantees

in thousands of euros	2019	2018
AT AMORTISED COST		
Balance on 1 January	2,227	1,840
Movements during the period:		
- Reimbursements	-50	387
Balance on 31 December	2,177	2,227
Net carrying amount at the end of the period	2,177	2,227

NOTE 19 - TRADE AND OTHER RECEIVABLES

I. Trade and other receivables, non-current

in thousands of euros	2019	2018
Trade receivables	-	-
Other receivables	100	219
Total trade and other receivables - non-current	100	219

At the end of the financial year, an estimate is made of doubtful receivables based on an evaluation of all outstanding amounts. Doubtful debts are written off in the year in which they are identified as such. In 2019 and in 2018 there were no doubtful long-term receivables.

II. Trade and other receivables, current

in thousands of euros	2019	2018
Trade receivables, gross	57,210	62,748
Allowance for bad and doubtful debts, current	-3,419	-3,554
Invoices to issue and credit notes to receive (*)	3,631	4,276
Amounts receivable and debit balances suppliers	665	891
VAT receivable (*)	294	231
Other receivables, gross	2,035	1,505
Allowance for other receivables	-355	-341
Total trade and other receivables - current	60,061	65,756

(*) Not considered as financial assets as defined in IAS 32

There was no significant concentration of credit risks with a single counterparty on 31 December 2019. The unsettled receivables are spread over a large number of customers and there is no customer with an outstanding balance representing over 10% of total customer receivables. Trade receivables fell despite higher revenue thanks to a significant reduction in DSO to 61 days (67 days in 2018). DSO is defined as total current trade receivables, divided by (the total sales of the last 3 months /90).

The table below shows the age analysis of the trade receivables in the short term:

in thousands of euros	2019	2018
Net carrying amount at the end of the period	57,210	62,748
- of which:		
* not due and due less than 30 days	47,628	52,191
* due 30 - 60 days	2,930	2,867
* due 61 - 90 days	1,302	1,424
* due more than 90 days	5,349	6,266

At the end of the financial year, an estimate is made of doubtful receivables based on an evaluation of all outstanding amounts. For trade receivables that do not contain a significant financing component (i.e. almost all trade receivables), the provision for losses is valued at an amount equal to the expected credit losses during the term. These are the expected credit losses that arise from all possible defaults during the expected useful life of these trade receivables, based on a provision matrix that takes into account historical information about payment defaults adjusted for future-oriented information per customer. The Group considers a financial asset in default when the receivables have been due for more than 120 days or have been included in a collection procedure. Nevertheless, the Group also considers a financial asset to be in default when internal or external information indicates that it is unlikely that the Group will receive the outstanding contractual amounts in full, before taking into account any credit protection held by the Group.

Doubtful debts are written off in the year in which they are identified as a debtor in serious financial difficulties. The following table shows the evolution of the provision for doubtful debts:

in thousands of euros	2019	2018
Net carrying amount on 1 January	-3,554	-4,628
- Amounts written off during the year	-3,395	-3,580
- Reversal of amounts written off during the year	3,530	4,554
- Receivables derecognised as uncollectible and amounts collected in the financial year	-	100
Net carrying amount on 31 December	-3,419	-3,554

For most of the Group's companies, the provision at the end of the financial year becomes the provision reversed at the end of the previous financial year, and a new provision is booked. The Group applied the simplified method under IFRS 9 to measure the loss compensation at an amount equal to the credit losses expected during the period (see above). The Group analysed the impact of IFRS 9 and has decided that there is no material impact on the provision for doubtful debts. The realised reduction in value on receivables (also partly on receivables foreseen at the end of the previous financial year) can be found in Note 7.

The table below shows the evolution of the provision for other doubtful debts.

in thousands of euros	2019	2018
Net carrying amount at the end of the preceding period	-341	-316
- Amounts written off during the year	-14	-25
Net carrying amount at the end of the period	-355	-341

NOTE 20 - DEFERRED TAX ASSETS AND LIABILITIES

I. Overview deferred tax assets - liabilities

The deferred tax assets and liabilities included in the balance sheet can be attributed to:

in thousands of euros	2019		2018	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	669	1,548	1,149	1,547
Property, plant and equipment	5	5,212	5	5,314
Other investments, loans, guarantees	-	2,958	-	3,343
Treasury shares	-	15	-	15
Retained earnings	-	522	-	522
Provisions	1,075	22	918	-
Non-current employee benefits	1,271	-	1,398	-
Other payables	-	44	-	-
Total deferred taxes related to temporary differences	3,020	10,321	3,470	10,741
Tax losses	135	-	177	-
Tax credits	12,571	-	11,834	-
Set off tax	-10,178	-10,178	-9,678	-9,678
Net deferred tax assets / liabilities	5,548	142	5,803	1,063

The Group has not recognised deferred tax assets on tax losses of € 68,205 K (2018: € 72,367 K) on the one hand and on temporary differences of - € 20 K (2018: € 5 K) on the other hand, as it is unlikely that there will be taxable profits available in the near future from which they can be deducted.

Roularta Media Group has recognised deferred tax assets for a total of € 93 K (2018: € 133 K) for subsidiaries that suffered losses in the current or previous period. The budgets of the subsidiaries show that sufficient taxable profits will be available in the near future from which the deferred tax assets can be deducted.

II. Deferred taxes on tax losses carried forward and tax credits

in thousands of euros	2019		2018	
	Tax losses carried forward	Tax credits	Tax losses carried forward	Tax credits
Year of expiration				
2019	-	-	-	-
Without expiration date	135	12,571	177	11,834
Total deferred tax asset	135	12,571	177	11,834

NOTE 21 - INVENTORIES

in thousands of euros	2019	2018
Gross amount		
Raw materials	4,808	5,307
Work in progress	787	768
Finished goods	132	178
Goods purchased for resale	700	562
Contracts in progress	-	3
Total gross amount (A)	6,427	6,818
Write-downs (-)		
Finished goods	-118	-157
Goods purchased for resale	-263	-313
Total write-downs (B)	-381	-470
Carrying amount		
Raw materials	4,808	5,307
Work in progress	787	768
Finished goods	14	21
Goods purchased for resale	437	249
Contracts in progress	-	3
Total carrying amount at cost (A+B)	6,047	6,348

There are no pledges or other securities applicable to the inventories.

NOTE 22 - SHORT-TERM INVESTMENTS, CASH AND CASH EQUIVALENTS

in thousands of euros	2019	2018
Bank balances	66,435	60,951
Short-term deposits	35,000	35,000
Cash at hand	4	5
Total cash and cash equivalents	101,438	95,956

The change mainly comes from 1/ operational activities: € 12.3 M increase in EBITDA (excluding the joint ventures), lower interest expenses paid (€ 6.3 M) and decreased working capital of € 3.0 M; 2/ investment activities: the final payment to Sanoma for the acquisition of the women's brands (€ 7.9 M), investments in software for € 3.4 M, the advance paid on the new printing press (€ 2.6 M), and the earnout on the Sterck brand (€ 0.4 M); 3/ financing activities: the dividend paid of € 6.3 M and the repayment of the IFRS 16 leasing debts of € 1.4 M.

There are no cash investments.

NOTE 23 - EQUITY

Issued capital

As of 31 December 2019 the issued capital amounts to €80,000 K (2018: € 80,000 K) represented by 13,141,123 (2018: 13,141,123) fully paid-up ordinary shares. These shares have no nominal value.

Treasury shares

On 31 December 2019 the Group had 593,135 treasury shares in its portfolio (2018: 598,435).
During the financial year 5,300 treasury shares were granted to option holders when exercising their options.

Other reserves

in thousands of euros	2019	2018
Share premium	304	304
Costs of issuance and equity increase (net after deferred taxes)	-1,275	-1,275
Reserves for share-based payments	5,913	5,855
Reserves for actuarial gains/losses employee benefits	-62	-709
Total other reserves	4,879	4,175

The share-based payment reserves relate to the share options granted as described in Note 24.

NOTE 24 - SHARE-BASED PAYMENTS

Various warrant and share option plans were issued by NV Roularta Media Group with the intention of allowing management and executives to enjoy the growth of the company and the evolution of the Roularta share.
In order to meet potential share option obligations, a treasury share purchase programme was set up in the past to allow the company to meet these future options.
All warrant and share option plans are settled in equity instruments, with each of the plans providing for one option giving entitlement to one Roularta share against payment of the exercise price. The options become unconditional if the employment contract or director's mandate is not terminated at the time of the next exercise period. Below follows an overview of the existing warrant and share option plans.

Share options

The nomination and remuneration committee decides on the granting of the option plans in function of the performance of management and executives, their contribution to realising the Group's objectives and their commitment to the long-term development of the Group's strategy.

Share options are exercisable at the price corresponding to the average closing price of the share during the thirty days preceding the date of the option offering or the last closing price before the day of the offering. The maximum life of options granted is explained in the following table. If the option is not exercised after the last exercise period, the option expires. Options that are not yet exercisable are revoked if a member of management or an executive leaves the company before the final exercise period, except in the event of retirement or death.

In 2019, a new option plan was approved by the board of directors. This option plan gave the board of directors the right to offer 370,000 options. Of these, 102,250 options were accepted during 2019.

The fair value of the in 2019 granted options amounts to € 2.19 and was calculated at the grant date of the option using the Black and Scholes formula. The expected volatility is based on the historic volatility over a period of 5 years of historic rates. It has been assumed that exercise will be immediate in every period in which exercise can take place.
The inputs into the model used to calculate the fair value of the in 2019 granted options were as follows:

- Weighted average share price in € on the date of grant 13.55
- Weighted average exercise price in € 14.39
- Expected volatility 34%
- Expected life of the share option (in years) 4
- Risk free rate 0.03%
- Expected dividend yield 3.69%

Overview of the ongoing share option plans offered to management and executives:

Year of offering	Options offered	Options granted	Options to be exercised	Exercise price in €	First exercise period	Last exercise period
2006	300,000	267,050	164,950	53.53	01/01 - 31/12/2010	01/01 - 31/12/2021
2008	300,000	233,650	135,400	40.00	01/01 - 31/12/2012	01/01 - 31/12/2023
2015	203,750	114,700	101,900	11.73	01/01 - 31/12/2019	01/01 - 31/12/2025
2019	370,000	102,250	92,250	14.39	01/01 - 31/12/2023	01/01 - 31/12/2029
	1,173,750	717,650	494,500			

Overview of the share options outstanding during the financial year:

	2019		2018	
	Number of share options	Weighted average exercise price in €	Number of share options	Weighted average exercise price in €
Outstanding on 1 January	486,235	34.41	491,435	34.21
Granted during the year	92,250	14.39	-	-
Forfeited during the year	-2,500	11.73	-	-
Exercised during the year	-5,300	11.73	-5,200	15.71
Expired during the year	-76,185	15.71	-	-
Outstanding on 31 December	494,500	33.91	486,235	34.41
Exercisable on 31 December	402,250		363,115	

During the current financial year 5,300 share options were exercised. The option plan that was offered in 2009 lapsed at the end of the financial year, causing 76,185 to expire. In addition, another 2,500 options were removed from the option plan from the year of offering 2015. During the previous financial year 5,200 share options were exercised. The share options outstanding at the end of the period have a weighted average residual life of 4.9 years.

In 2019 the weighted average share price on the exercise date was € 14.33 (2018: € 22.84).

In 2019, the Group recognised € 57 K (2018: € 102 K) in personnel charges related to settled equity instruments on share-based payment transactions. All option plans granted from 7 November 2002 are recognised in the profit and loss account.

NOTE 25 - PROVISIONS

2019				
in thousands of euros	Legal proceeding provisions	Environ-mental provisions	Other provisions	Total
Balance on 1 January	4,498	17	3,568	8,083
Movements during the period:				
- Increase / decrease due to existing provisions	466	-	553	1,019
- Amounts of provisions used (-)	-590	-	-13	-603
- Unused amounts of provisions reversed (-)	-	-	-230	-230
Balance on 31 December	4,374	17	3,878	8,268

The legal proceeding provisions relate to disputes at NV Roularta Media Group. A description of the most important hanging disputes can be found in note 26.
The other provisions relate mainly to the provisions for the equity accounted investments of which the losses exceed the carrying amount of the investment, see also note 17.

2018				
in thousands of euros	Legal proceeding provisions	Environ-mental provisions	Other provisions	Total
Balance on 1 January	4,288	9	2,744	7,041
Movements during the period:				
- Additional provisions	405	8	2,245	2,658
- Amounts of provisions used (-)	-	-	-1,358	-1,358
- Unused amounts of provisions reversed (-)	-195	-	-63	-258
Balance on 31 December	4,498	17	3,568	8,083

NOTE 26 - SIGNIFICANT LITIGATIONS

(i) NV Roularta Media Group is a party to proceedings before the commercial court with former business partner Bookmark. A provision of € 578 K has been set aside for these proceedings.

(ii) NV Kempenland is claiming damage compensation for non-compliance with a printing contract by De Streekkrant-De Weekkrantgroep. On 12 September 2013, the Turnhout commercial court in first instance ordered De Streekkrant-De Weekkrantgroep to pay to NV Kempenland € 3.96 M in principal, € 4.06 M in overdue interest, plus court costs. In appeal, the judgement of the court of first instance was largely confirmed. Drukkerij Kempenland's claim for capitalisation of interest was dismissed on appeal. The amount that NV Roularta Media Group was ordered to pay was paid to the counterparty at the end of December 2015. An appeal was filed by Roularta Media Group before the Belgian Supreme Court. The Belgian Supreme Court set aside the judgement only with respect to the amount of the litigation costs of appeal owed by the Roularta Media Group. The case was referred to the Ghent Court of Appeal. The pending dispute between Kempenland and RMG concerning allocation of the payments made during the course of the dispute and deposits paid against the final amount of the sentence pursuant to the judgement of the Court of Appeal (principal, interest and fees) was submitted for judgement to the attachment court of the judicial district of Ghent, Kortrijk division. For this pending dispute, Roularta Media Group set aside a provision of € 0.5 M at the end of 2015. On 10 May 2017, Roularta Media Group, based on its calculation, paid to Kempenland an additional amount of € 0.18 M. In a judgement of the attachment court of 18/12/2017, the position taken by NV Roularta Media Group regarding the awarding of payments by the attachment court was complied with, although the attachment court refrained from an effective calculation. Kempenland appealed this judgement of the attachment court. In its judgement, the Ghent Court of Appeal of 8/10/2019 declared the appeal brought by Kempenland well-founded, and overturned the judgement in first instance. Roularta Media Group brought an appeal before the Belgian Supreme Court against the judgement of the Ghent Court of Appeal. Since the appeal before the Belgian Supreme Court did not suspend the enforceability of the judgement, Roularta Media Group paid the amount still owed to Kempenland in accordance with the contested judgement (€ 0.72 M) and the provision made (€ 0.55 M) was reversed. The appeal before the Belgian Supreme Court is still pending today.

(iii) As part of the acquisition of all shares of NV Coface Services Belgium (later changed to Euro DB), NV Roularta Media Group also inherited a pending legal dispute with InfoBase. InfoBase claims that the counterfeiting continues for which Coface Services Belgium was convicted in the past by the court of first instance in Nivelles (judgement of 15 November 2006). Pursuant to this judgement, whereby NV Coface Services Belgium was ordered to immediately stop the counterfeiting under penalty of 1,000 euros per day, InfoBase is systematically serving notice of penalty payments. In a judgement of the attachment court in Nivelles of 5 January 2015, Euro DB was ordered to pay € 1.28 M in forfeited penalty payments and costs. This amount were was deposited by Euro DB on 21/01/2015 to the Deposit and Consignment Office. In a judgement pronounced by the Brussels Court of Appeal on 5 December 2017, the penalty payments (including costs) served for an amount of 918,000 euros were declared well-founded. At the request of Infobase, this amount was released; the balance remains on deposit.

The Brussels Court of Appeal ruled on 17 February 2017 that the appeal brought by Infobase against the judgement of the Brussels court of first instance on 12 February 2015 was well-founded, and ordered Euro DB (now Roularta Media Group) to pay Infobase compensation of 39,000 euros in principal, plus the statutory interest from 1 June 2011 and the court costs. In the same judgement, the Court of Appeal of Brussels also ruled that the sui generis right to protection of a database to which Infobase is appealing lapses after 15 years and the protection thus ended on 1 January 2013. Infobase appealed against this judgement before the Belgian Supreme Court on 5 July 2018. This appeal before the Belgian Supreme Court is still pending.

On the basis of the judgement of the Brussels Court of Appeal in which it was ruled that the protection of the database lapsed with effect from 1 January 2013, Roularta Media Group started proceedings to repeal the penalty. The thirteenth chamber of the court of first instance of Waals-Brabant ruled in its judgment, pronounced on March 5, 2020, that from 1 January 2013 the penalty payment which was pronounced by judgment dated November 15, 2006 has become devoid of purpose and that, as much as necessary, the penalty will be lifted from 1 January 2013. As far as necessary, the court orders the abolition of this penalty payment with effect from 1 January 2013. Infobase, however, continues to serve notice of periodic penalty payments. A further provision is being set aside for the penalty payments being served.

(iv) In the context of a dispute regarding the use of the brand Deze Week, Roularta Media Group was ordered by the Commercial Court of Ghent, Kortrijk Division, on 23 October 2017, to cease using the title "Deze week" in the Kortrijk, Deerlijk, Harelbeke, Kuurne and Zwevegem region, subject to a penalty of 1,000 euros per infringement. Roularta Media Group has appealed this judgement. In a judgement of the Ghent Court of Appeal pronounced on 10 December 2018, the appeal was declared admissible but unfounded.

Regarding the judgement of 23 October 2017, and the connected judgement of 10 December 2018, a petition for clarification was filed with the Ghent Court of Appeal on 21 October 2019. It requests the Court to further clarify the scope of the prohibition imposed in the judgement of 23 October 2017.

Based on a writ served by a judicial officer on 19/01/2018, the counterparty proceeded to a first enforcement of the judgement of 23 October 2017 by serving notice for payment of forfeited periodic penalty payments of 360,156.30 euros. Pending the settlement of the dispute by the attachment court, the full amount was placed on deposit by Roularta Media Group. In a decision of the attachment court, Roularta Media Group was ordered to pay an amount of 223,000 euros in forfeited penalty payments. Roularta Media Group has appealed the decision of the attachment court. These proceedings will be heard before the Ghent Court of Appeal on 15 September 2020.

Parallel to the appeal, Roularta Media Group started proceedings on the merits before the court in application of article 1385d Judicial Code in which the court is being requested to cancel the penalty, suspend its term for a period to be determined or to reduce the penalty in the event of the permanent or temporary, total or partial impossibility of complying with the main judgement. This claim was dismissed in a judgement of the commercial court of Ghent, Kortrijk division on 17 June 2019. An appeal was lodged against this judgement on 20 September 2019.

As of 1/10/2019, the counterparty is proceeding with a second enforcement of the judgement of 23 October 2017, in which, on the basis of alleged infringements, it served notice for payment of forfeited penalty payments of € 1.2 M. Roularta Media Group again appealed this notice of service. Since the so-called infringements allegedly established by the counterparty – quod non – do not fall within the scope of the injunction (cf. the judgement of 23 October 2017), it was decided by management not to make any provision for this claimed amount of penalty payments.

NOTE 27 - NON-CURRENT EMPLOYEE BENEFITS

I. General overview

in thousands of euros	2019	2018
Defined benefit plans	2,273	3,234
Other long-term employee benefits	2,908	2,544
Future tariff benefits on subscriptions	830	*561*
Employee retirement premiums	93	*188*
Jubilee premiums	1,986	*1,795*
Total non-current employee benefits	5,180	5,778

II. Defined benefit plans

There are various pension plans, the compensation of which depends on the number of years of service and wages. For the Belgian plans, assets are held in funds in accordance with local legal requirements.

Belgian defined contribution plans for pensions are subject by law to guaranteed minimum returns. For new deposits from 2016 onwards, the statutory minimum return is linked to the return on Belgian straight-line bonds with a maturity of 10 years, with a minimum of 1.75% and a maximum of 3.75%. This minimum return requirement is calculated as an average over the member's entire career. Due to these guaranteed minimum returns, all Belgian defined contribution plans are considered under IFRS as a defined benefit pension plan.

IAS 19 requires an entity to create a provision when an employee has rendered services in exchange for future benefits to be paid. For each plan, the pension costs are calculated by an actuary on the basis of the projected unit credit method. Based on this method, the liabilities with regard to past service and the accrued plan assets are calculated. The difference between the liability and the fair value of the assets is recognised by the Group in the balance sheet as an employee benefit.

The table below provides an overview of the 2019 and 2018 gross liability resulting from defined benefit pension plans, the fair value of the plan assets and the changes thereto. They include multiple Belgian plans that are presented in aggregate because they do not differ materially in characteristics, geographic location, reporting segment or financing arrangement. The net pension liability decreased by € 961 K compared to last year.

in thousands of euros			2019			2018
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Pension cost charged to profit and loss						
Balance on 1 January	51,029	47,795	3,234	39,879	38,046	1,833
Service cost	3,137	-	3,137	3,032	-	3,032
Net interest expense	1,065	1,033	32	867	829	38
Subtotal included in profit and loss	**4,202**	**1,033**	**3,169**	**3,899**	**829**	**3,069**
Benefits paid	-1,109	-1,109	-	-1,311	-1,311	-
Remeasurement gains/losses in OCI						
Increase due to effect of transfers	2,208	2,208	-	1,110	1,110	-
Return on plan assets (excluding amounts included in net interest expense)	-	10,528	-10,528	-	3,110	-3,110
Actuarial changes arising from changes in demographic assumptions	1,355	-	1,355	-	-	-
Actuarial changes arising from changes in financial assumptions	9,080	-	9,080	1,588	-	1,588
Actuarial changes arising from experience adjustments	-1,417	-	-1,417	-487	-	-487
Subtotal included in other comprehensive income	**11,226**	**12,736**	**-1,509**	**2,211**	**4,220**	**-2,009**
Contributions by employer	-	2,621	-2,621	-	2,546	-2,546
Contributions by the plan's participants	408	408	-	392	392	-
Additions/decreases from business combinations/divestments	-	-	-	5,961	3,073	2,888
Balance on 31 December	**65,757**	**63,484**	**2,273**	**51,029**	**47,795**	**3,234**

The main actuarial assumptions are as follows:

Principal actuarial assumptions	2019	2018
1. Discount rate	0.81%	1.76%
2. Expected return on plan assets	0.81%	1.76%
3. Expected rate of salary increase	2.50%	2.5%
4. Future inflation	2.00%	2.0%

A sensitivity analysis was performed on the above parameters on 31 December 2019. The figures below show the impact on the pension obligation.

in thousands of euros	2019
Discount rate	
Decrease of 0,25%	-2,672
Increase of 0,25%	2,530
Estimated future salary change	
Decrease of 0,25%	355
Increase of 0,25%	-364
Future consumer price index change	
Decrease of 0,25%	180
Increase of 0,25%	-190
Future turnover change	
Decrease of 0,25%	-967
Increase of 0,25%	612

The above sensitivity analyses are based on a change in one assumption while all other assumptions are held constant. In practice, this is unlikely to happen and changes in some of the assumptions can be correlated. The projected unit credit method was also used to calculate the sensitivity of the defined benefit obligation to significant actuarial assumptions. The impact on the net pension obligation will be significantly lower than the above values and the effect will go through unrealised period results.

Defined benefit pension plans use a defensive investment strategy that primarily invests in fixed income securities to ensure the security, return and liquidity of the investments. This takes into account the judicious diversification and spread of the investments. The main categories of plan assets and the share of each major category in the fair value of the plan assets are: 66.5% government bonds (69.1% in 2018), 7.5% corporate bonds (7.0% in 2018), 6.0% loans (5.7% in 2018), 4.0% shares (5.9% in 2018), 16.0% real estate (12.4% in 2018).

The expected benefits to be paid from the plan assets are as follows:

in thousands of euros	2019
Within the next 12 months	519
Between 2 and 5 years	6,465
Between 6 and 10 years	17,099
Total expected payments	**24,083**

The Group expects to pay € 2.7 M employer contributions in 2020 in respect of defined benefit pension plans (€ 2.6 M in 2019); employee contributions are expected to amount to € 0.4 M.

The average term of the pension obligations at the end of the reporting period is 17.4 years.

III. Share options and warrants

See Note 24.

NOTE 28 - FINANCIAL DEBTS

in thousands of euros	Current	Non-current			
2019					
Financial debts	Up to 1 year	2 years	3 to 5 years	>5 years	Total
Financial leasing debt	1,245	995	1,239	1,514	4,992
Credit institutions	509	-	-	-	509
Total financial debts according to their maturity	1,754	995	1,239	1,514	5,501

in thousands of euros	Current	Non-current			
2018					
Financial debts	Up to 1 year	2 years	3 to 5 years	>5 years	Total
Credit institutions	298	-	-	-	298
Total financial debts according to their maturity	298	-	-	-	298

As a result of the application of IFRS 16 Leases, financial leasing debts have been recognised as of 1 January 2019. For more information, see Note 1. The amount in credit institutions concerns a negative current account balance in RMG of 509 K€ (in 2018 € 298 K).

As of 31/12/2019, there are no guaranteed debts outstanding with lenders.

For further information regarding the Group's exposure to interest and exchange rate risks, see Note 32 Financial instruments - risks and fair value.

NOTE 29 - OTHER NOTES ON LIABILITIES

in thousands of euros	Current	Non-current			
2019					
Trade and other payables	Up to 1 year	2 years	3 to 5 years	>5 years	Total
Trade payables	45,321	-	-	-	45,321
Advances received	25,794	-	-	-	25,794
Current employee benefits	16,513	-	-	-	16,513
- of which payables to employees	*12,691*	-	-	-	*12,691*
- of which payables to public administrations	*3,822*	-	-	-	*3,822*
Taxes	338	-	-	-	338
Other payables	10,884	-	-	287	11,171
Accrued charges and deferred income	6,759	-	-	-	6,759
Total amount of payables according to their maturity	105,610	-	-	287	105,897

in thousands of euros	Current	Non-current			
2018					
Trade and other payables	Up to 1 year	2 years	3 to 5 years	>5 years	Total
Trade payables	52,790	-	-	-	52,790
Advances received	25,175	-	-	-	25,175
Current employee benefits	16,025	-	-	-	16,025
- of which payables to employees	*12,084*	-	-	-	*12,084*
- of which payables to public administrations	*3,941*	-	-	-	*3,941*
Taxes	259	-	-	-	259
Other payables	14,814	-	-	287	15,101
Accrued charges and deferred income	6,875	-	-	-	6,875
Total amount of payables according to their maturity	115,938	-	-	287	116,225

in thousands of euros	2019	2018
Trade payables	25,336	29,374
Invoices to be received / credit notes to issue (*)	18,954	22,484
Credit balances trade receivables	1,031	932
Total current trade payables	45,321	52,790

in thousands of euros	2019	2018
Indirect tax payable (*)	3,208	3,324
Other payables	7,676	11,490
Total current other payables	10,884	14,814

(*) No financial liability as defined in IAS 32.

Indirect taxes mainly concern payroll tax and provincial and municipal taxes. The decrease in other debts is due on the one hand to a decrease in debts (current account) related to a number of joint ventures and, on the other hand, to the payment of the first earnout on the acquired Sterck brand. See the consolidated cash flow statement in 'net cash flow related to sector takeovers and acquisitions'. The second earnout of 350 K€, which needs to be paid out in 2020, was decreased to 175 K€. The revenue is on the line 'other operating income' – see note 8.

The contract balances arising from contracts with customers included in these balances concern:

in thousands of euros	2019	2018
Contract liabilities		
Advances received	25,759	25,138
Credit notes to issue	2,282	2,691
Credit balances trade receivables	1,031	932
Deferred income	6,467	6,545
Obligations related to returns, refunds and other similar obligations		
Credit notes to issue: provision for unsold issues	4,310	4,384

Although some magazines have a minimum subscription length of more than one year, no prepayment was received for more than one year.

NOTE 30 - FINANCE AND OPERATING LEASES

There have been no more financial leases since late 2016.

The Group leases buildings, machines, commercial vehicles and office equipment. Operating lease payments were recognised as an expense in the profit and loss account before 1 January 2019, spread over the lease on a straight-line basis. In 2018, € 10,480 K in expenses were recognised in respect of operating leases.

The minimum lease payments under non-cancellable operating leases in 2018 were as follows:

in thousands of euros	2018
< 1 year	1,416
1 tot 5 years	2,442
> 5 years	1,950
Total future non-cancellable lease payments	5,808

IFRS 16 *Leases* has been applied since 1 January 2019. More information can be found in Note 1 under 'IFRS 16 Leases'.

NOTE 31 - CONTINGENT LIABILITIES AND CONTRACTUAL COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

The Group does not guarantee obligations, nor does it have any property in its business assets (both also nil in 2018).

The contractual commitments for the Group's purchase of paper from third parties amount to € 3,953 K (2018: € 3,969 K).

A bank guarantee of € 7,875 K was taken out in 2019 for the acquisition of the new Lithoman IV 72-page printing press. No other contractual commitments have been concluded for the acquisition of tangible fixed assets.

NOTE 32 - FINANCIAL INSTRUMENTS - RISKS AND FAIR VALUE

In the course of its business activities, the Group is exposed to currency, interest, credit and market risks. Derivatives are used as appropriate to mitigate the risk associated with fluctuations in exchange rates and interest.

A. Foreign exchange risk

Operational Activities
The Group is minimally subject to a foreign exchange risk since both purchases and sales are mainly in euros.

Financing activities
On 31 December 2019 there were, just as on 31 December 2018, no financing activities with a potential foreign exchange risk.

Estimated sensitivity to foreign exchange risk
Management is of the opinion that, given the aforementioned hedging of the foreign exchange risks, the risks of fluctuations in the fair value or in the future cash flows of financial instruments with an impact on the result or equity as a result of exchange rate changes, are not material.

B. Interest risk

The due dates of the financial debts and liabilities can be found in Note 28.

On 31 December 2019, the Group had only a negative current account balance of 509 K€ relative to credit institutions (2018: € 298 K). These have a variable market interest rate. Loans to associates and joint ventures, which are booked under the category other loans, have a fixed interest rate that is revisable after three or five years. To hedge risks related to adverse interest rate fluctuations, the Group historically has used financial instruments, namely IRS contracts. There have been no such instruments used since the end of 2018.

The influence of the evolution of the market values (before taxes) of these financial instruments can be summarised as follows for 2018:

in thousands of euros			
2018	Evolution market values	Recognised in equity	Recognised in profit and loss
Interest Rate Swap			
Cash flow hedge	64	64	0
	64	64	-

The changes in equity are recognised under other reserves.

Estimated sensitivity to interest rate fluctuations
Since in 2019 there are no outstanding loans with a variable interest rate, the Group is not subject to sensitivity to interest rate fluctuations as of 31 December 2019.

C. Credit risk

The Group is exposed to credit risk with respect to its customers, which could lead to credit losses.

In order to manage credit risk, creditworthiness surveys are conducted on customers seeking significant credit facilities and, if these surveys are negative, credit is denied or limited. In addition, the Group uses credit instruments, such as bills of exchange, to cover part of the credit risk and takes out credit insurance for a limited percentage of the print shop's foreign customers.

There was no significant concentration of credit risks with a single counterparty on December 31 2019.

Despite RMG's intention to limit its credit risk, it may experience a deterioration in the creditworthiness of its customers. Any inability to take out a credit insurance policy with respect to certain customers could materially adversely affect RMG's business, financial position and/or results of operations.

The carrying amount of the financial assets represents the Group's maximum exposure to credit risk. The carrying amount is reported including downward value adjustments. An overview of this carrying amount can be found in point F. below; the downward value adjustments are detailed in Note 19.

D. Liquidity risk

The analysis of the life of the financial liabilities can be found in Note 28 and is summarised below, together with the interest expenses.

The Group expects to be able to meet its obligations using operating cash flows and its current liquid assets. Roularta is indeed almost completely debt-free and at the end of 2019 had a net cash position of 95.9M. In addition, the Group no longer has various short-term credit lines, except for the bank guarantee on the new printing press (see note 31) for which the credit line is not drawn. Liquidity risk is therefore now minimal.

RMG manages cash and financing flows and the ensuing risks through a treasury policy at group level. In order to optimise the equity positions and to minimise the related interest expenses, the cash flows of the subsidiaries within the Group are centralised as much as possible in a cash pool.

Financial debts 2019	Current	Non-current			
in thousands of euros	Up to 1 year	2 years	3 to 5 years	> 5 years	Total
Financial leasing debts	1,245	1,024	1,381	1,992	5,641
Credit institutions	509	-	-	-	509

E. Capital structure

On December 31, 2019, the gearing ratio (i.e. net financial debt / total equity) was -42.0% from -42.8% the year before. Due to the € 5.0 million financial debts on the balance sheet as a result of the application of IFRS16, there is an impact of -2.2 percentage points on this ratio. Roularta Media Group continuously strives to optimise its capital structure (combination of debt and equity). The main objective of the capital structure is to maximise shareholder value while maintaining the desired financial flexibility to implement strategic projects. The Group has free access to the above-mentioned net cash position and therefore is always able to respond to market opportunities. Given the strongly changing media sector in which the Group operates, debt is handled with great care. The Board of Directors of Roularta Media Group gives its agreement to appeal to a number of specialized financial institutions to work on an efficient investment strategy for the Group's cash reserves. Special attention will be paid to a balanced structure, a careful approach and a preference for investments in sustainable companies. In this way, these resources remain available for investment in the long term.

The capital structure of the Group consisted mainly of capital (see details in Note 23) at the end of 2019. Note 28 shows the details of the limited financial debts. Note 22 shows the cash investments, cash and cash equivalents.

The Group is not subject to any externally imposed capital requirements. The audit committee reviews the capital structure of the Group every six months. As part of this review, the cost of capital and the risk of each type of capital (foreign or own) are considered.

F. Fair value

The fair value and carrying amount of financial assets and liabilities recognised in the balance sheet are:

				2019		2018	
in thousands of euros	Note	Classification under IAS 39	Classification under IFRS 9	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets							
Other investments	18	AFS	FV-P&L	224	224	299	299
Loans and guarantees	18	L&R	AC	2,402	2,402	2,227	2,227
Trade and other receivables	19	L&R	AC	100	100	219	219
Current assets							
Trade and other receivables	19	L&R	AC	60,061	60,061	65,756	65,756
Cash and cash equivalents	22	L&R	AC	101,438	101,438	95,956	95,956
Non-current liabilities							
Financial debts	28	FVAC	AC	-3,748	-3,748	-	-
Other payables	29	FVAC	AC	-287	-287	-287	-287
Current liabilities							
Financial debts	28	FVAC	AC	-1,754	-1,754	-298	-298
Trade payables	29	FVAC	AC	-45,321	-45,321	-52,790	-52,790
Advances received	29	FVAC	AC	-25,794	-25,794	-25,175	-25,175
Other payables	29	FVAC	AC	-10,884	-10,884	-14,814	-14,814

Classification under IAS 39	L&R	Loans and receivables
	AFS	Available-for-sale
	FVAC	Financial liabilities at amortised cost
Classification under IFRS 9	AC	Financial assets and financial liabilities at amortised cost
	FV-P&L	Financial assets at fair value through profit and loss
	FV-OCI	Equity instruments at fair value reported in other comprehensive income

The main methods and assumptions used in estimating the fair values of financial instruments included in the statement are presented below.

Other investments

As mentioned in Note 18, management has determined that the cost price is a correct estimate of the fair value for the unlisted equity investments of the fully consolidated companies because there is insufficient more-recent information available to measure the fair value.

Loans, guarantees, trade and other receivables, trade and other debts

For receivables and payables with an original term of less than one year, the nominal value is considered to reflect the fair value in view of the short maturity period. For receivables of more than one year, it was determined that the carrying amount reflects the fair value.

Financial debt

The fair value of the loans and leasing debts is calculated on the basis of the present value of the expected future cash flows from repayments and interest payments.

Other liabilities

For short-term liabilities, the nominal value is considered to reflect the fair value in view of the short term to maturity. The fair value of the financial derivatives is determined on the basis of market valuation on the balance sheet date.

Fair value hierarchy

On 31 December 2019 the Group had valued the following financial instruments at fair value:

in thousands of euros	31/12/2019	Level 1	Level 2	Level 3
Assets measured at fair value				
Short-term investments	224	-	-	224

On 31 December 2018 the Group had valued the following financial instruments at fair value:

in thousands of euros	31/12/2018	Level 1	Level 2	Level 3
Assets measured at fair value				
Short-term investments	299	-	-	299

The following hierarchy is used to determine and disclose the fair value of a financial instrument:

- Level 1: market prices in active markets for identical assets or liabilities
- Level 2: information other than level-1 information, which is observable for the asset or liability, either directly (through prices) or indirectly (derived from prices)
- Level 3: information not based on observable market figures

During the financial year, there were no transfers between the different levels.

NOTE 33 – BUSINESS COMBINATIONS

The net cash outflow in 2019 includes, on the one hand, the price still due to Sanoma (€ 7,868 K) for the acquisition of the women's brands. This acquisition was completed on 30 June 2018. The acquired brands concerned the weekly magazines *Libelle/Femmes d'Aujourd'hui* and *Flair* (Dutch/French), the monthly magazines *Feeling/GAEL* and the magazines *La Maison Victor*, *Communiekrant*, and *Loving You*. In addition, the acquisition also included the e-commerce platform with special offers Shedeals, as well as the websites, line extensions and social media channels of the aforementioned brands. On the other hand, in 2019 there was also the payment of a first earnout of € 350 K on the acquisition of the Sterck brand. The Sterck brand resulted from the acquisition of Bright Communications and Bright Communications Antwerpen in 2017.

The acquisitions were accounted for using the acquisition method in accordance with IFRS 3 *Business combinations* (revised version).

The table below summarises the amounts paid and the fair values of the acquired assets and liabilities that comply with the recognition principles of IFRS 3 *Business combinations* on acquisition date:

in thousands of euros	2019	2018
ASSETS		
Non-current assets	**-**	**33,942**
Intangible assets	-	32,941
Deferred tax assets	-	1,001
Current assets	**-**	**107**
Inventories	-	107
Total assets	**-**	**34,049**

LIABILITIES	2019	2018
Non-current liabilities	**-**	**3,001**
Employee benefits	-	3,001
Current liabilities	**8,218**	**7,226**
Trade payables	7,868	297
Employee benefits	-	5,866
Taxes	-	1,063
Other payables	350	-
Total liabilities	**8,218**	**10,227**
Total net assets acquired	**-8,218**	**23,822**
Net assets acquired	-8,218	23,822
Consideration paid / to pay in cash and cash equivalents	**-8,218**	**23,822**
Acquisition price still owed	-	-7,868
Net cash outflow	**-8,218**	**15,954**

The acquisition of the women's brands resulted in € 31,121 K revenue and a € 8,786 K net result in 2018.
If the acquisition of the aforementioned women's brands had taken place on 1 January 2018, the likely contribution to consolidated revenue for the financial year by these brands would be € 62.8 M. However, the revenue information for the first 6 months of 2018 could not be verified by RMG. No reliable information is available for the impact on the net result.

On 12 March 2018, Roularta Media Group acquired 50% of the shares in Mediafin NV from DPG Media (De Persgroep), for a total acquisition price of € 58 M. This acquisition and the purchase of the women's brands described above result in a net cash outflow with regard to sector takeovers and acquisitions of € 74 M. Mediafin is consolidated according to the equity method. More information can be found in Note 17.

On 1 July 2018, the remaining 75% of shares of Mediaplus BV were acquired for € 1.0 M by Senior Publications Nederland BV, a 50% subsidiary of Roularta Media Group NV. Both companies are consolidated according to the equity method. More information can be found in Note 17.

NOTE 34 - DISPOSAL OF SUBSIDIARIES AND SECTOR DISPOSALS

The table below provides an overview of the net cash flow related to divestments and disposals of business sectors:

in thousands of euros	2018
Sale of the French operations (2015)	15,000
Sale of Medialaan	279,634
Other sales	313
Net cash flow relating to disposal of subsidiaries	**294,947**

No subsidiaries or business sectors were sold in 2019.

In 2018 Medialaan was sold to DPG Media (De Persgroep). We refer to Note 12 for more information regarding the acquisition price obtained. The last tranche of € 15 M was received already in 2018 for the sale of the French activities in 2015.

The other sales related to the sale on 30 June 2018 of the brands '*Ik ga Bouwen & Renoveren*' and '*Je vais Construire & Rénover*' to Sanoma. On 1 July 2018, the 51% stake in Zeeuws Vlaams Mediabedrijf was also sold to De Persgroep.

The effect of these sales on the assets and liabilities of the Group was as follows:

in thousands of euros	2018
ASSETS	
Non-current assets	**302**
Intangible assets	292
Property, plant and equipment	6
Deferred tax assets	4
Current assets	**645**
Trade and other receivables	214
Accrued charges and deferred income	384
Cash and cash equivalents	47
Total assets	**947**
LIABILITIES	
Non-current liabilities	**24**
Employee benefits	24
Current liabilities	**382**
Financial liabilities	53
Advances received	187
Employee benefits	111
Taxes	1
Other payables	30
Total liabilities	**406**
Total disposed net assets	**541**
Minority interests	-265
Gain (loss) on disposal	421
Cash consideration received	**697**
Deposits and cash and cash equivalents disposed of	-384
Net cash inflow	**313**

NOTE 35 – IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE

At the beginning of January 2020, Roularta Media Group decided to stop the Storesquare activity from 28 February 2020. This will have a limited financial impact on the consolidated and statutory results of Roularta Media Group because the asset was already largely written off last year. A positive impact on the results of Roularta Media Group is expected in 2020 as the loss-making operation of Storesquare will be discontinued.

In February 2020, RMG received an offer for its 50% investment in Regionale Media Maatschappij (RMM). The pre-emptive and drag along rights procedure according to the articles of association was initiated by the RMM board of directors. The sale of RMG's stake in RMM will be completed in April. A positive impact on the results of Roularta Media Group is expected in 2020 as RMM was loss-making.

At the end of February 2020, RMG acquired the 50% of shares of Senior Publications NV (*Plus Magazine* in Belgium), which were owned by Bayard Group. Bayard Group took over the 50% shares of Sailer (children's magazines *Bimbo*, *Olli&Molli*, ...), held by RMG. Roularta Media Group expects a positive impact on the EBITDA for 2020 through the purchase of 50% of Senior Publications and the sale of 50% of Sailer. Half of the net result of Sailer and Senior Publications that was included in EBITDA for this transaction is lower than 100% of the EBITDA for Senior Publications that will be consolidated in the future. Senior Publications achieved revenue and EBITDA of € 6.6 million and € 400k respectively in 2019. The intangible asset that arises from this acquisition will be depreciated in line with the other Roularta brands. The sale of Sailer will have a limited financial impact on the consolidated balance sheet because the asset was already largely written off in 2018.

The spread of the COVID-19 virus and the strict precautions taken by governments worldwide to combat the virus are having a huge impact on our society. Roularta Media Group too has taken important and far-reaching safety measures to ensure the safety and health of its employees, customers and business partners. In these difficult times, Roularta – together with all its employees – continues to assume its civic responsibility as a media company and independently and reliably provide high-quality information to the population about COVID-19 and other important topics. As requested by the government, Roularta continues to produce and distribute all newspapers and magazines via press outlets and by post. All editors remain operational and all digital channels continue to provide 24/7 reporting. However, publication of the complimentary free sheets De Streekkrant and De Zondag are currently stopped for 5 weeks, taking into account the closure of local businesses. Temporary unemployment has been widely introduced for the related activities. The stagnation of economic life will clearly have an unpredictable impact on the company, its activities and its financial results. The results for the first two months of the year were better than in 2019, and the readership market is evolving favourably during a period in which reliable sources of information are being consulted more than ever. But the advertising market, which still represents 40% of Roularta's revenue, is substantially suffering from the corona virus. Also the printing activities for third parties, representing 15% of Roularta's revenue, are considerably affected by cancellations or requests of customers to delay. The magazines owned by Roularta Media Group are being prepared, printed and distributed as normal.

COVID-19 is a non-adjusting subsequent event. By means of a stress test, the management investigated the implications of the halt of economic activity in Belgium due to the Corona virus on its activities. It concluded that the going concern of the group and its activities is still ensured. However, as mentioned above, it is impossible to predict the ultimate impact of the coronavirus on our business performance.

The board of directors will propose to the general meeting that a dividend will not be distributed.

No other significant events occurred that have a major influence on the results and financial position of the company.

NOTE 36 - FEES TO THE AUDITOR AND TO PERSONS RELATED TO THE AUDITOR

The statutory auditor's fee was € 193 K (in 2018 € 201 K). The statutory auditor's fee for additional audit engagements of the statutory auditor was € 17 K (in 2018 € 71 K).

NOTE 37 - RELATED PARTY TRANSACTIONS

in thousands of euros

2019	Associated companies and joint ventures	Other related parties	Total
I. Assets with related parties	2,535	47	2,582
Other investments, loans and guarantees	50	-	50
Loans	50	-	50
Current receivables	2,485	47	2,532
Trade receivables	2,152	47	2,199
Other receivables	333	-	333
II. Liabilities with related parties	9,729	199	9,928
Financial liabilities	37	-	37
Other payables	37	-	37
Payables	9,692	199	9,891
Financial debts	509	-	509
Trade payables	2,038	199	2,237
Other payables	7,145	-	7,145
III. Transactions with related parties	3,252	-2,227	1,025
Rendering of services	8,284	338	8,622
Receiving of services (-)	-5,028	-2,565	-7,593
Transfers under finance arrangements	-4	-	-4
IV. Remuneration board members for the execution of their mandate			368

in thousands of euros

2018	Associated companies and joint ventures	Other related parties	Total
I. Assets with related parties	2,849	15	2,864
Available-for-sale investments, loans and guarantees	400	-	400
Loans	400	-	400
Current receivables	2,449	15	2,464
Trade receivables	2,316	15	2,331
Other receivables	133	-	133
II. Liabilities with related parties	12,828	326	13,154
Financial liabilities	37	-	37
Other payables	37	-	37
Payables	12,791	326	13,117
Financial debts	298	-	298
Trade payables	2,268	326	2,594
Other payables	10,225	-	10,225
III. Transactions with related parties	3,688	-4,053	1,929
Rendering of services	8,562	535	9,097
Receiving of services (-)	-4,896	-2,294	-7,190
Transfers under finance arrangements	22	-	22
IV. Remuneration board members for the execution of their mandate			403

The Group has no assets, liabilities or transactions with its shareholders Comm.VA Koinon, SA West Investment Holding, SA Bestinver Gestión S.G.I.I.C. and Capfi Delen Asset Management NV. Assets, liabilities and transactions with subsidiaries are fully eliminated in the consolidation. Assets, liabilities and transactions with associates and joint ventures are not eliminated from the consolidation and therefore are fully recognised under this category.

The list of subsidiaries, joint ventures and associates can be found in Note 2.

The other affiliated parties are companies operated by management and executives of the Group and their close relatives or which these persons control or have significant influence over. The remuneration to management and executives was reported separately. There are no guarantees linked to the assets and liabilities vis-à-vis the affiliated parties. There were no impairments booked in 2019 nor in 2018.

All claims and liabilities relate to short-term claims and liabilities that are fulfilled on the maturity date. All transactions are ordinary commercial transactions. For sales by the Group to these affiliated parties, the usual pricing applies (the same that applies to third parties). For purchases, the usual procedure is applied with regard to the selection of the supplier and the prices applied.

Auditor's report

Statutory auditor's report to the shareholders' meeting of Roularta Media Group NV for the year ended 31 December 2019 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Roularta Media Group NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 15 May 2018, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee and presentation of the works council. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2020. Due to a lack of online archives dating back prior to 1997, we have not been able to determine exactly the first year of our appointment. We have performed the statutory audit of the consolidated financial statements of Roularta Media Group NV for at least 23 consecutive periods.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated balance sheet as at 31 December 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 353 414 (000) EUR and the consolidated income statement shows a net result of the consolidated companies for the year then ended of 10 332 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2019 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Intangible assets – useful life Considerable intangible assets are expressed in the balance sheet in relation to brands and a customer portfolio acquired by Roularta Media Group NV in the past. Per 31 December 2019, the value of the intangibles represent a total of 103 MEUR, of which 48,7 MEUR recorded as intangible assets and 54,7 MEUR recorded as investements accounted for using the equity method. We refer to this matter in our audit report because the determination of the useful life is an accounting estimate which includes a degree of judgement and is based on assumptions that are affected by expected future market or economic conditions. In case of deterioration of these economic conditions, the remaining economic useful life would need to be revisited and/or the intangible asset would need to be impaired. The valuation rules in relation to useful life and the remaining useful life of the intangible assets are disclosed in Note 1 and 15 to the consolidated financial statements.	Our audit procedures included, amongst others, of obtaining an understanding of the company's valuation rules and accounting estimates in relation to the useful life of intangibles assets. In addition, we have challenged managements' review of the net book value and the remaining useful life of the intangible assets per 31 December 2019, as well as their assessment on the need to revisit the amortisation period of the intangible fixed assets. Moreover, we have analysed the recent performance of the cash generating units of the intangible assets with a material net book value to validate the revised amortisation period decided by management in prior accounting year. Further, we have reviewed the presence of an important source of estimation uncertainty - as determined by IAS 1 - in relation to the useful life of the intangible assets. Finally, we have evaluated whether appropriate disclosures in relation to the intangible assets are made in accordance with IAS 38.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition The group earns revenue from a variety of sources among the different business areas, including annual subscriptions and publicity. We intend to refer to this matter in our audit report because revenue is a key metric upon which the group is judged, since revenue is the major driver for profit generation. Given that the group has a cost structure in which fixed costs are more significant compared to the variable costs, any considerable change in revenue impacts the margins and net profit realised, primarily as concerns the subscriptions and publicity revenue streams. We have identified following critical areas in relation to revenue recognition in the respective revenue streams: • recognise revenue in the incorrect period; and • inappropriate manual adjustments. The accounting policies for revenue recognition are set out in Note 1 to the consolidated financial statements and the different revenue streams for the group have been disclosed in Note 4 to the consolidated financial statements.	At each component with significant revenue streams, following procedures were performed to address the described risk, including: • Reviewing the design and implementation of company's internal controls related to the timing of revenue recognition; • Reviewing the cut-off procedures related to revenue recognition and ensurring that these were properly applied at year-end; • Reviewing the completeness of the sales rebates relating to revenue recorded at year-end including the period subsequent to year-end and prior to the issuance of the consolidated financial statements; • Comparing the sales evolutions per revenue stream to last year in order to identify anomalies, indicating possible cut-off errors; • Performing a detailed review of a sample of the entity's year-end adjusting entries and investigating any that appear unusual as to nature or amount; and • Performing manual journal entry testing in order to test for suspicious manual entries that could indicate misstatements of revenue.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

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 to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.
As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors 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 our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated to the audit committee, 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 report unless law or regulation precludes any public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.
In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements, i.e.:

- Preface by Rik De Nolf;
- The most important events of 2019 by Xavier Bouckaert;
- Consolidated key figures;
- Executive management committee and board of directors; and
- Corporate governance declaration;

are free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.
The non-financial information as required by article 3:32, § 2 of the Code of companies and associations, has been disclosed in the directors' report on the consolidated financial statements that is included in section 'Statement on non-financial information' of the annual report. This non-financial information has been established by the company in accordance with the GRI-standards. In accordance with article 3:75, § 1, 6° of the Code of companies and associations we do not express any opinion on the question whether this non-financial information has been established in accordance with these GRI-standards.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Other statements

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Gent, 8 April 2020
The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by Charlotte Vanrobaeys

Statutory annual accounts

CONDENSED STATUTORY ANNUAL ACCOUNTS

The following pages are extracts of the statutory annual accounts of Roularta Media Group NV, prepared under Belgian accounting policies.

The valuation rules applied in the statutory annual accounts differ substantially from the valuation rules applied in the consolidated annual accounts: the statutory annual accounts are based on Belgian accounting legislation, while the consolidated annual accounts are drawn up in accordance with the International Financial Reporting Standards.

Only the consolidated annual accounts as set forth in the preceding pages present a true view of the financial position and performance of the Roularta group.

The report of the board of directors to the general meeting of shareholders and the annual accounts of Roularta Media Group NV, as well as the auditor's report, will be filed with the National Bank of Belgium within the statutory stipulated periods. These documents are available on request from Roularta Media Group's Investor Relations Department and at www.roularta.be/en.

The auditor has issued an unqualified opinion for the annual accounts of Roularta Media Group NV.

EXTRACT FROM THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

The annual accounts, which will be presented to the general meeting of shareholders of 19 May 2020, were approved by the board of directors of 3 April 2020.

Appropriation of the result

The profit for the financial year 2019 available for appropriation is 10,119,296.68 euros compared to a profit of 186,971,925.15 euros for the financial year 2018.

Taking into account the profit carried forward of 19,690.32 euros, the profit to be appropriated for the financial year 2019 amounts to 10,138,987.00 euros.

The board of directors proposes to the general meeting not to distribute a dividend.

Appropriation of profit

We propose to give the result the following appropriation:

A. Profit to be appropriated	10,138,987.00
• profit of the year	10,119,296.68
• retained profit of previous year	19,690.32
B. Transfers to capital and reserves	
• To other reserves	10,100,000.00
C. Result to be carried forward	38,987.00
D. Profit to be distributed	
• Return on capital	0

CONDENSED STATUTORY INCOME STATEMENT

in thousands of euros	2019	2018
Condensed statutory income statement		
Operating income	300,282	274,243
Operating charges	-294,509	-278,048
Operating profit / loss	5,773	-3,805
Financial income	20,556	210,502
Financial charges	-15,761	-19,321
Profit (loss) for the period before taxes	10,568	187,376
Income taxes	-449	-404
Profit (loss) for the period	10,119	186,972
Profit (loss) for the period available for appropriation	10,119	186,972

in thousands of euros	2019	2018
Appropriation account		
Profit (loss) to be appropriated	10,139	187,006
Profit (loss) for the period available for appropriation	10,119	186,972
Profit (loss) brought forward	20	34
Transfers to capital and reserves	-10,100	-118,000
To other reserves	10,100	118,000
Result to be carried forward	-39	-21
Profit (loss) to be carried forward	39	21
Distribution of profit	-	-68,985
Dividends	-	68,985

CONDENSED STATUTORY BALANCE SHEET AFTER APPROPRIATION

in thousands of euros	2019	2018
ASSETS		
Fixed assets	161,268	174,219
Intangible assets	56,154	59,784
Tangible assets	34,342	33,032
Financial assets	70,771	81,403
Current assets	180,692	179,915
Amounts receivable after more than one year	100	219
Stocks and contracts in progress	5,996	6,281
Amounts receivable within one year	65,713	71,078
Investments	43,100	43,447
Cash at bank and in hand	63,332	56,455
Deferred charges and accrued income	2,451	2,435
Total assets	341,960	354,134

in thousands of euros	2019	2018
LIABILITIES		
Capital and reserves	229,077	218,959
Capital	80,000	80,000
Share premium account	304	304
Legal reserve	8,000	8,000
Reserves not available for distribution	8,100	8,446
Untaxed reserves	1,207	1,207
Reserves available for distribution	131,428	120,981
Profit (loss) carried forward	39	21
Provisions and deferred taxation	9,855	10,770
Creditors	103,028	124,405
Amounts payable after more than one year	37	37
Amounts payable within one year	96,384	117,581
Accrued charges and deferred income	6,606	6,787
Total liabilities	341,960	354,134

FINANCIAL CALENDAR

General Meeting 2019	**19 May 2020**
Half year 2020 results	17 August 2020
Full year 2020 results	5 March 2021
General Meeting 2020	**18 May 2021**

INVESTOR RELATIONS

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