Independent Auditor's Report

To Bertelsmann SE & Co. KGaA, Gütersloh

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of Bertelsmann SE & Co. KGaA, Gütersloh, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report for the Company and the Group (hereinafter: the "combined management report") of Bertelsmann SE & Co. KGaA, including the combined non-financial statement pursuant to Sections 315b (1) and 315c HGB for the financial year from 1 January to 31 December 2021.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

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

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report.

We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment testing of goodwill

Please refer to the general principles set out in the notes to the consolidated financial statements for information on the accounting policies applied. Please also refer to Section 9 of the notes to the consolidated financial statements concerning the assumptions used.

The financial statement risk

Goodwill amounted to €8,179 million as at 31 December 2021 and, at 25.8% of total assets and 60.3% of group equity, has a significant impact on the financial position.

Goodwill is tested for impairment annually at the level of the cash-generating units to which the relevant goodwill is allocated, without this requiring a specific cause. If impairment triggers arise during the financial year, an event-driven impairment test is also carried out during the year. For goodwill impairment testing, the carrying amount is compared with the recoverable amount of each cash-generating unit. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher amount of fair value less costs to sell and value in use of the cash-generating unit. The reporting date for impairment testing is 31 December 2021.

For the listed cash-generating units RTL Group, Majorel and Groupe M6, market capitalization is compared to the carrying amount of the cash-generating unit. For the impairment tests of the remaining cash-generating units, the recoverable amount is determined on the basis of future expected cash flows using a DCF method and compared with the carrying amount of the cash-generating unit. There was no requirement to recognize an impairment loss on goodwill.

Impairment testing of goodwill is complex and based on a number of assumptions requiring judgement. These include the expected business and earnings development of the cash-generating units in the detailed planning period, the long-term growth rates that are assumed and the discount rate that is used.

There is the risk for the consolidated financial statements that any existing impairment as at the reporting date was not identified. There is also the risk that the related disclosures in the notes are not appropriate.

Our audit approach

With the involvement of our valuation experts, we also assessed the appropriateness of key assumptions and the calculation method of the Company. To this end, we discussed the expected business and earnings development in the detailed planning period as well as the assumed long-term growth rates with those responsible for planning. We also carried out reconciliation with the 2022 budget prepared by the Executive Board and approved by the Supervisory Board as well as the medium-term business plan (2022 to 2024) and made an assessment of planning updates into the detailed planning period as well as the termination period.

We also confirmed the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and by analyzing deviations. We compared the assumptions and data underlying the discount rate, in particular the risk-free rate, the market risk premium and the beta coefficient, with our own assumptions and publicly available data.

To ensure the computational accuracy of the valuation method used, we verified the Company's calculations on the basis of selected risk-based elements and on the basis of our own calculations.

In order to take existing forecast uncertainty into account, we investigated the effects of potential changes in the discount rate, in the earnings performance and in the long-term growth rate on the recoverable amount by verifying the sensitivity analyzes performed by the Company and comparing them with the valuation results.

Finally, we assessed whether the disclosures in the notes regarding impairment testing of goodwill are appropriate. This also included an assessment of the appropriateness of disclosures in the notes according to IAS 36.134(f) on sensitivity in the event of a reasonably possible change in the key assumptions used for measurement.

Our observations

The calculation method used for impairment testing of goodwill is appropriate and in line with the applicable accounting policies.

The Company's assumptions and data used for measurement are appropriate.

The related disclosures in the notes are appropriate.

Measurement of the non-controlling interests in start-ups and fund-in-fund investments

Please refer to Section 2 and Section 25 in the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions used. Disclosures on the amount of the non-controlling interests in start-ups and fund-in-fund investments can be found in Section 12 in the notes to the consolidated financial statements. Disclosures on the amount of the changes in fair value recognized in profit or loss can be found in Section 2.

The financial statement risk

The non-controlling interests in start-ups and fund-in-fund investments totaled €1,216 million as at 31 December 2021 and, at 9.0% of the group equity, are significant for assets and liabilities.

In terms of measurement, the non-controlling interests in start-ups and fund-in-fund investments are allocated to the fair value through profit or loss category in accordance with IFRS 9. Investments in associates that are measured at fair value through profit or loss in application of IAS 28.18 are also included here. The majority of the fair values of non-controlling interests in start-ups and fund-in-fund investments calculated as at 31 December 2021 are based on unobservable measurement inputs (level 3). As no observable market data is available in this case, the fair values are calculated primarily on the basis of different complex valuation models. If no observable data is available, the valuation for acquired non-controlling interests in start-ups in the Bertelsmann Investments division for unlisted investments is generally based on observable achievable prices from recent qualifying financing rounds that fulfil the minimum requirements in terms of volume and group of participants, taking into consideration the entity's life and development cycle. In determining the fair values of listed financial instruments with contractual trading restrictions (lock-ups), market prices incorporating further adjustments are used. Furthermore, the calculation of the fair values of fund-in-fund investments is based on valuations of the external fund management pursuant to regular reporting and taking a fungibility discount into consideration.

The determination of the valuation of the non-controlling interests in start-ups and fund-in-fund investments is complex and based for unlisted investments on a number of assumptions requiring judgement. These include the investment-specific assumptions about credit risks as well as life/development cycles of the start-up investments and fungibility discounts, which are required for the inputs of the model.

There is the risk for the consolidated financial statements that the fair values as at the reporting date are not calculated in an appropriate way and that the changes in value resulting from this are not recognized in the appropriate amount.

Our audit approach

We have assessed the appropriateness, setup and effectiveness of controls that the Company has set up to ensure that the data for the inputs for measuring the non-controlling interests in start-ups and fund-in-fund investments is determined correctly and in full.

With the support of our valuation specialists, we assessed, among other things, the appropriateness of the Company's key assumptions and valuation models. If the measurement was performed by external fund management, we assessed the measurements made by external management as well as the assessment carried out in this respect by the Company. To ensure the computational accuracy of the valuation model used, we verified the Company's calculations on the basis of selected risk-based elements and compared them with contractual information as well as publicly available data.

Our observations

The valuation models underlying the calculation of the non-controlling interests in start-ups and fund-to-fund investments are appropriate and consistent with the applicable accounting policies. The Company's assumptions and data used for measurement are appropriate.

Recoverability of the investments in associates and joint ventures

Please refer to the sections "General principles" and "Principles of consolidation" in the notes to the consolidated financial statements for information on the accounting policies applied. The Company's disclosures on the investments in associates are included in Section 11 of the notes to the consolidated financial statements.

The financial statement risk

Investments accounted for using the equity method of €1,340 million are reported under the non-current assets in the consolidated financial statements of Bertelsmann SE & Co. KGaA as at 31 December 2021.

The investments in associates are recognized using the equity method pursuant to IAS 28. The recoverability of the investments in associates is assessed on the basis of specific causes where there are indications that the carrying amount of the relevant investment in the associate may be impaired. To this end, the carrying amount is compared with the relevant recoverable amount. If the carrying amount exceeds the recoverable amount, an impairment is recognized. The recoverable amount is the higher of the fair value less costs to sell and the value in use of the relevant investment in the associate.

The cash flows used for the discounted cash flow model are based on plans for individual investments for the next three and five years, which are adjusted using assumptions for long-term growth rates. The relevant discount rate is measured at the weighted average cost of capital.

The calculation of the fair value using the income discounted cash flow model is complex and, with regard to the assumptions that are made, dependent to a great extent on the Company's estimates and judgements. This is particularly true for the estimate of the future cash flows and long-term growth rates, the determination of the discount rate and other assumptions relating to the business performance of the individual investments in associates.

There is the risk for the consolidated financial statements that any existing impairment as at the reporting date was not identified. There is also the risk that the related disclosures in the notes are not appropriate.

Our audit approach

First, we used the information obtained in the course of our audit to assess which investments in associates could indicate a need for impairment. With the involvement of our valuation experts, we then assessed the appropriateness of key assumptions and the valuation method used by the Company. To this end, we discussed the expected cash flows and the assumed long-term growth rates with those responsible for planning. We also carried out reconciliations regarding the planning for the associates. Furthermore, we evaluated the consistency of assumptions with external market assessments.

We also confirmed the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and by analyzing deviations.

We compared the assumptions and data underlying the discount rate, in particular the risk-free rate, the market risk premium and the beta factor, with our own assumptions and publicly available data. In order to take existing forecast uncertainty into account, we investigated the effects of potential changes in the discount rate, in the earnings performance and in the long-term growth rate on the recoverable amount by verifying the sensitivity analyzes performed by the Company and comparing them with the valuation results.

Finally, we assessed whether the disclosures in the notes regarding the impairment of the investments in associates were appropriate. This also included an assessment of the appropriateness of disclosures in the notes according to IAS 36.134(f) on sensitivity in the event of a reasonably possible change in the key assumptions used for measurement.

Our observations

The procedure underlying impairment testing of the investments in associates is appropriate and consistent with the accounting policies. The Company's assumptions and data are appropriate.

The related disclosures in the notes are appropriate.

Other information

The Executive Board and/or the Supervisory Board are/is responsible for the other information.

The other information comprises the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

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

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

Responsibilities of the Executive Board and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The Executive Board is responsible for the preparation of consolidated financial statements that comply, in all material respects, with the IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Executive Board is responsible for such internal control as it has determined 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 Executive Board is responsible for assessing the Group's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Executive Board is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Executive Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the Executive Board and the reasonableness of estimates made by the Executive Board and related disclosures.
- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Executive Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Executive Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Note on emphasis of matter of inherent risk due to uncertainties regarding the legal conformity of the interpretation of the EU Taxonomy Regulation

Please refer to the comments of the Executive Board in the "EU Taxonomy" section of the combined non-financial statement pursuant to Section 315b (1) HGB contained in the "combined non-financial statement" section of the combined management report. This section describes that the EU Taxonomy Regulation and the delegated acts issued in this regard contain formulations and terms that are still subject to considerable uncertainty regarding interpretation and for which clarifications have not yet been published in each case. The Executive Board presents how it made the necessary interpretations of the EU Taxonomy Regulation and the delegated acts adopted in this regard. Due to the inherent risk that undefined legal terms can be interpreted differently, the legal conformity of the interpretation is subject to uncertainty. We have not modified our opinion on the combined management report in respect of this matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "Bertelsmann_KA+LB+2021_ESEF-2021-03-14.zip" (SHA256 hash value: a81f3eff3c6d84221de2cdb6a1a1009dd a71bf58837db7e79e1cef5cd7b5c3b3) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (10.2021)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's Executive Board is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's Executive Board is responsible for such internal control that it has considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

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

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in

the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL), in accordance with the requirements of Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the Annual General Meeting on 6 May 2021. We were engaged by the Supervisory Board on 7 July 2021. We have been the group auditor of Bertelsmann SE & Co. KGaA since financial year 2020.

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

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format – including the versions to be published in the German Federal Gazette (Bundesanzeiger) – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the audit is Frank Thiele.

Bielefeld, 17 March 2022

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr Tonne	Thiele
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)