FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023 AND MANAGEMENT REPORT

PROSIEBENSAT.1 MEDIA SE

UNTERFÖHRING

MANAGEMENT REPORT OF PROSIEBENSAT.1 MEDIA SE FOR FINANCIAL YEAR 2023

PROSIEBENSAT.1 MEDIA SE

ProSiebenSat.1 Media SE, headquartered in Unterföhring (Germany), is a managing holding company with its own operational businesses. In particular, it generates revenue from the intercompany charges of holding services and from the sale of programming assets including ancillary rights. The company is responsible for management functions such as corporate strategy and risk management for the ProSiebenSat.1 Group, management of investments, central financing and other service functions. At ProSiebenSat. 1 Media SE we distinguish between three basic tasks. Firstly, the holding function, which is also shown separately in the consolidated financial statements, in which overarching funcitons that are not directly attributable to the segments such as Group communication, Investor Relations, Group controlling and accounting or the Group strategy are located. In addition, there are so-called “Center of Excellence” that are used by all segments and the holding company, charged according to performance and thus cost-efficiently making the establishment of special units in the respective Group companies unnecessary. A third essential function is represented by the shared service center, in which volume transactions and comprehensive accounting competencies are bundled and efficiently provided for main parts of the Group.

ProSiebenSat.1 Media SE controls the significant operational investments it directly holds in Seven.One Entertainment Group GmbH, Unterföhring, NCG-NUCOM GROUP SE, Unterföhring, ParshipMeet Holding GmbH, Hamburg and Seven.One Studios GmbH, Unterföhring, as well as indirectly those held by these companies. ProSiebenSat.1 Media SE receives investment income from these investments in the form of profit transfers or dividends. The net assets, financial position and results of operations of ProSiebenSat.1 Media SE are strongly influenced by this investment result and thus significantly by the business development of the entire ProSiebenSat.1 Group.

The Management Declaration according to section 289f HGB is publicly available on the Company’s website (https://www.prosiebensat1.de/investor-relations/corporate-governance/erklaerung-zur-unternehmensfuehrung).

ORGANIZATION AND GROUP STRUCTURE

BUSINESS ACTIVITIES AND SEGMENTS

The economic situation of ProSiebenSat.1 Media SE as the Group's top holding company is largely determined by the Group activities described below.

CORPORATE PROFILE AND BUSINESS ACTIVITIES

ProSiebenSat.1 is a leading entertainment and commerce player in the German-speaking region. We are the home of popular entertainment and infotainment. Because our claim is "Viewers and Users First." We gear our offerings entirely to their needs and offer local and relevant content, which we broadcast live and on-demand in a targeted manner across all platforms.

The German-speaking region (Germany, Austria and Switzerland) is our core market, where we use the multi-million reach of our TV brands to establish strong consumer brands. Based on this growth strategy, we are driving our digital transformation – in the Entertainment segment as well as in the Commerce & Ventures and Dating & Video segments.

Segments and Brand Portfolio

Entertainment: Entertainment is our core business. We cover the complete value creation process, from production to distribution and sales. Our revenue profile is accordingly diversified. The main source of revenues is the sale of advertising time in the German-speaking region. Our most important entertainment brands are our TV stations and our streaming platform Joyn, which is at the center of our digital entertainment offering.

With the broad diversity of our programming offerings, we address different, complementary target groups, which in turn represents an important competitive advantage for sales. In total, ProSiebenSat.1 operates 15 free and pay TV stations in Germany, Austria and Switzerland. These include the free TV stations SAT.1, ProSieben, Kabel Eins, sixx, SAT.1 Gold, ProSieben MAXX and Kabel Eins Doku in Germany and the free TV stations PULS4, PULS24, ATV I, ATV II and Puls 8 in Austria and Switzerland.

ProSiebenSat.1 is driving digital transformation by offering content via as many distribution channels as possible and thus serving different user interests. The streaming platform Joyn is at the center of this strategy. We connect Joyn to all our channels and thus aim to increase our reach. Joyn provides access to all live TV offerings of the ProSiebenSat.1 station family, a comprehensive media library and exclusive previews and catch-ups of all our formats on demand. The Group also primarily sets on an advertising-financed offering in the area of streaming, which is therefore freely available to user. This sets the Group apart from the competition, since global streaming platforms are currently refinanced primarily by subscriptions.

Digitalization is making media usage more diverse, more individual, and more flexible. But it is not only the range of usage options that is growing. Additional offerings – e.g. audio formats such as podcasts – are also becoming increasingly important. With Seven.One Audio and its portfolio of exclusive marketable and in-house produced podcasts, we are leading in Germany and have tapped into an additional and dynamically growing revenue market. As part of ProSiebenSat.1's digital entertainment offering, the digital media & entertainment company Studio71 also specializes in the creation and sale of digital offerings worldwide, mainly in cooperation with influencers. Studio71 develops content, that is marketed and distributed daily on platforms such as YouTube, TikTok, Facebook and Instagram and has a presence in the US, Canada, Germany and the UK. All these audience brands are bundled under the umbrella of Seven.One Entertainment Group GmbH ("Seven.One Entertainment Group").

Our goal is to consistently increase the share of local programming produced in-house on our platforms. With this strategy, we are sharpening the profile of our brands and at the same time operating more independently in the market. ProSiebenSat.1's program production and distribution business is pooled under the umbrella brand Seven.One Studios GmbH ("Seven.One Studios"). This comprises eight production companies in Europe and Israel, including four companies in Germany, namely RedSeven Entertainment GmbH ("Redseven Entertainment"), Pyjama Pictures GmbH ("Pyjama Pictures"), Cheerio Entertainment GmbH ("Cheerio

Entertainment") and Flat White Productions GmbH ("Flat White Productions"). The global programming distribution house Red Arrow Studios International GmbH ("Red Arrow Studios International") is also part of Seven.One Studios with its broad fiction, factual and format portfolio.

The ProSiebenSat.1 brands stand for entertainment — any time, anywhere, and on any device. Addressing viewers via multiple platforms also benefits ProSiebenSat.1 in the advertising market. With cross-media offerings, we offer tailor-made solutions and thus create added value in sales. With its subsidiaries Seven.One Media GmbH ("Seven.One Media") and Seven.One AdFactory GmbH ("Seven.One AdFactory"), the Group also supports advertising customers and agencies from finding ideas to conception and implementation. At the same time, ProSiebenSat.1 is investing in the fields of AdTech and data to create additional monetization opportunities through data-driven offerings and to target advertising ever more precisely to specific target groups.

Commerce & Ventures: In the Commerce & Ventures segment, the Group bundles its investments in digital commerce companies with consumer-focused business models. ProSiebenSat.1 pursues various investment models and supports companies in different stages of growth in their further development. In doing so, the Group practices active financial management and regularly reviews different options for value creation.

SevenVentures GmbH ("SevenVentures") offers a flexible investment model of minority investments and media cooperations. We make targeted use of advertising time as an investment currency and offer individually tailored support for high-growth companies with a strong consumer focus. Based on the principle of "reach meets idea," we invest advertising time and in return participate in the company's growth (in the form of media-for-revenue or media-for-equity deals). By using our reach, we can thus consistently expand our digital portfolio without major cash investments. SevenVentures' offering is supplemented by SevenAccelerator, which focuses on early-phase, scalable start-ups. Young companies at an early stage of development in particular benefit from a type of start-up financing in the form of TV advertising.

The investments from ProSiebenSat.1 Group's digital platform and commerce business are also bundled in the Commerce & Ventures segment. These include the entities of NCG – NUCOM GROUP SE ("NuCom Group"), in which our partner General Atlantic PD GmbH ("General Atlantic") holds a share of 28.41% as a financial investor; the online comparison portal Verivox GmbH ("Verivox," Consumer Advice); the car rental comparison portal FLOYT Mobility GmbH ("billiger.mietwagen.de," Consumer Advice); and the online beauty provider Flaconi GmbH ("flaconi," Beauty & Lifestyle). The experience and leisure business of Jochen Schweizer mydays Holding GmbH ("Jochen Schweizer mydays," Experiences) is another of ProSiebenSat.1 Group's investments, which is part of the Commerce & Ventures segment.

In financial year 2023, Jochen Schweizer mydays Holding GmbH and its subsidiaries were transferred from NCG - NUCOM Group SE to ProSiebenSat.1 Media SE. General Atlantic no longer holds an interest in these companies.

Dating & Video: ParshipMeet Group was created out of a successful Commerce & Ventures business and now contributes to our diversified Group portfolio in the Dating & Video segment. The initial investment was made in 2012 via a media-for-revenue deal with Parship Group GmbH ("Parship Group"). The establishment of a predominantly German-language portfolio around Parship Group's dating business was followed by value-enhancing acquisitions with a focus on the US, including the acquisition of the online dating service eHarmony, Inc. ("eharmony") in 2018 and The Meet Group, Inc. ("The Meet Group") in 2020. Today, ParshipMeet Group is one of the leading online dating and social entertainment providers in the world. In addition to ProSiebenSat.1, General Atlantic acts as a financial investor with a 45.0% share in ParshipMeet Holding GmbH ("ParshipMeet Holding").

Under the motto "Meet – Date – Fall in Love," we cover a broad spectrum in the online dating as well as social entertainment market with the brands of ParshipMeet Group. The Company is also diversified geographically: Online dating platforms such as eharmony, Parship, ElitePartner and LOVOO help singles in Europe, North America, and Australia to find a partner. Video-based social entertainment apps such as MeetMe, Skout, Tagged and GROWLr enable their users to socialize and be entertained worldwide. In this way, ParshipMeet Group can make various target groups a comprehensive offer for their search for friendships, flirting or a relationship. The revenue model is likewise very diversified and includes long- and short-term subscriptions as well as one-off purchases such as in-app purchases of virtual products and marketing services.

PROSIEBENSAT.1 GROUP SEGMENTS IN FINANCIAL YEAR 2023

ENTERTAINMENT	COMMERCE & VENTURES	DATING & VIDEO
The Entertainment segment comprises Seven.One Entertainment Group with its station brands such as SAT.1 and ProSieben, the digital entertainment offerings with the streaming platform Joyn as the center of entertainment activities as well as the sales and distribution business. In addition, the production and program distribution business of Seven.One Studios complements the segment. We thus cover the entire value chain in the entertainment business.	**In the Commerce & Ventures segment, we bundle our investments in digital commerce companies with a strong consumer focus. We support these companies with our investment options at various stages of growth.**	**In the Dating & Video segment, ParshipMeet Group combines a wide range of online dating and social entertainment offerings under one roof. In this way, ParshipMeet Group can make different target groups a comprehensive offer for their search for friendships, flirting or a relationship.**

CORPORATE STRUCTURE AND INVESTMENTS

The economic development of ProSiebenSat.1 Group is determined primarily by the subsidiaries, held both directly and indirectly. ProSiebenSat.1 Media SE is the ultimate parent company of the Group. In this function, its tasks include central financing, Group risk management and the ongoing development of the corporate strategy.

STRATEGY AND MANAGEMENT SYSTEM

STRATEGY AND OBJECTIVES

ProSiebenSat.1 is the home of popular entertainment and infotainment and also a leading independent entertainment and commerce player in the German-speaking region. We will sustainably strengthen this position by focusing on three strategic priorities: We are investing more in programming content, maximizing our reach, and diversifying our monetization.

We are increasing our reach by providing local and relevant live content on our wide range of entertainment platforms and investing in attractive content. At the center of our entertainment strategy is our streaming platform Joyn, with which we serve different media usage interests. On Joyn, users can choose from a broad portfolio of content – with around 70 linear TV stations, 32,000 hours of on-demand content, and exclusive movies and shows. With this strategic focus, we are opening up additional opportunities for monetization. At the same time, we are expanding our offerings around our core business entertainment with modern digital services and products in the Commerce & Ventures and Dating & Video segments, thus diversifying ProSiebenSat.1 Group's revenue profile.

Due to this diversity in our portfolio, we have everything we need to reach millions of people on a daily basis. In Germany alone, we reached more than 60 million people in 2023. Our guiding principle is "Viewers and Users First." This means we put viewers and users at the center of everything we do and gear our offerings entirely to their needs. They can thus be entertained by our content, make use of our products, and ultimately spend as much time with us as possible.

The **Entertainment** business forms the core of ProSiebenSat.1 Group, whereby our goal is to establish Joyn as a leading free available entertainment platform for everyone in the German-speaking region. At the same time, initiatives such as our own newsroom, more local programming and closer integration with our creator business help to increase the attractiveness of our content and strengthen ProSiebenSat.1's reach across all platforms. With smart advertising products under the umbrella of Advanced TV, the Group will increasingly monetize its reach and thus strengthen the share of digital & smart advertising revenues. Cooperation with various industry partners is also an important part of the strategy. We will therefore expand Joyn further into an aggregation platform that offers content from partners alongside our own. Our ambitions for growth in the Entertainment segment are also complemented by regular reviews of potential and useful acquisitions.

ProSiebenSat.1 Group is consistently focusing on its entertainment activities and has initiated the necessary changes over the course of the year to prepare the Group for the future. We are now taking the next strategic step and will be investing significantly more in local content from 2024 onward. In this way, we will offer our viewers a unique programming experience in order to serve to a wide variety of media usage interests and, above all, to differentiate ourselves from the competitors of Joyn.

Our **Commerce & Ventures** segment has a strategic closeness to our Entertainment business. Since more than ten years, we have been supporting the development of aspiring digital companies with our expertise in brand building. We will continue this path by investing in attractive young companies with a strengthened focus on our media-for-equity/revenue model. This is a proven way of additionally monetizing our own advertising inventory. At the same time, ProSiebenSat.1 is concentrating on improving the operational performance of the Group's investments and will follow consequently the "best owner" strategy. This means that we will continually review which portfolio companies we can lift to the next stage of development with our extensive expertise and our particularly wide reach with the aim to create value. Conversely, if a business no longer benefits to a high degree from synergies within the Group and especially from our reach, it is part of the overall strategy to sell these well-developed commerce brands to a more suitable owner in order to monetize the investment.

Our **Dating & Video** segment offers a diversified revenue base with ParshipMeet Group and its wide product range for the online dating and social entertainment market. Since ProSiebenSat.1 has built ParshipMeet Group into a world-leading online dating provider beginning with a media-for-revenue investment in 2012, the Group is now focusing on improving the operating performance of the Dating & Video business. The aim remains to maximize the value of ParshipMeet Group in the medium- to long-term and to realize it at the appropriate time.

ProSiebenSat.1 Group's goal is to grow profitably across the Group, creating value for all stakeholders including viewers, users, advertising customers, shareholders and employees. To achieve this, we respond to the economic and structural developments in the market with clear decisions. In this context, we realigned our organization in 2023 with a stronger focus on the Entertainment business. The aim of this reorganization is to create a more efficient structure, a leaner cost base and processes that are clearly geared towards digital transformation. This is a priority in order to continue investing in the future of the Group, especially in content and digital offerings.

We are consistently pursuing our strategy and will increase our programming expenses in 2024 in order to significantly expand our offering on Joyn and to increasingly differentiate our TV stations from US streaming platforms with live and local content. As part of this programming offensive, ProSiebenSat.1 will increase the share of local formats and at the same time maintaining a more selective range of US licensed content, which remains important. At the same time, ProSiebenSat.1 Group must continue to apply financial discipline with a clear focus on earnings and cash flow in order to improve its profitability despite higher programming investments. Our mid- to long-term ambition is organic revenue growth averaging a mid-single digit percentage. We aim to grow profitably across the Group and to deliver on our mid-term financial targets: to generate a P7S1 ROCE (return on capital employed) of over 15% and to achieve a financial leverage ratio between 1.5x and 2.5x.

This also reflects the dividend policy that has been in place since the financial year 2023: The Group generally aims to pay out 25% to 50% of adjusted net income as a dividend. Besides the general economic environment and the adjusted net income as reference basis for distributions to shareholders, the Group takes into particular focus an appropriate level of financial leverage when determining distributions to shareholders. Furthermore, ProSiebenSat.1 also takes into account requirements for investments into the business, including the realization of strategic growth opportunities, particularly in the core Entertainment business.

ProSiebenSat.1 Group is clearly committed to its responsibility in the fields of public value & corporate citizenship, diversity & inclusion, climate & environment, and governance & compliance, which form the basis of our sustainability strategy. In doing so, the Group aligns its sustainability work with the UN Sustainable Development Goals.

PLANNING AND MANAGEMENT

The control parameter for ProSiebenSat.1 Media SE as the parent company is the balance sheet profit. The implementation of the dividend policy is to be ensured, in particular, through the investment result in the form of profit transfers and distributions from affiliated companies. Therefore, controlling the entire Group is essential for ProSiebenSat.1 Media SE.

The balance sheet profit and the corresponding investment result essentially depend on the economic development of the ProSiebenSat.1 Group. ProSiebenSat.1 Group's management system based on key figures forms the basis for all of the Company's economic and strategic decisions. The company-specific key performance indicators (KPIs) are derived from the Group's strategy and cover both financial and non-financial aspects. They are planned and managed centrally by the Executive Board of ProSiebenSat.1 Media SE. The planning and management process is complemented by the monitoring of key figures on the basis of regularly updated data. This also includes the assessment of developments as part of opportunity and risk management.

Intragroup Management System

The performance indicators specific to ProSiebenSat.1 Group are aligned to the interests of the capital providers and cover financial planning as well as aspects of comprehensive revenue and earnings management.

OVERVIEW OF THE MOST IMPORTANT PERFORMANCE INDICATORS AS OF DECEMBER 31, 2023

MOST IMPORTANT NON-FINANCIAL PERFORMANCE INDICATORS
Entertainment segment
– audience shares[1]

MOST IMPORTANT FINANCIAL PERFORMANCE INDICATORS
Group
– revenues
– adjusted EBITDA
– adjusted net income
– adjusted operating free cash flow
– P7S1 ROCE
– leverage ratio

Most important non-financial performance indicators: The development of **audience shares** is an important criterion in programming and media planning in the advertising-financed TV business. In addition, this data is used as a benchmark for the calculation of advertising time prices: The market share expresses the average number of viewers of a broadcast as a percentage of the number of viewers of the entire TV market. The data indicate what proportion of the entire TV audience a broadcast has reached. The focus is on audience shares in prime time, as prime time from 8:15 p.m. to 11:00 p.m. in particular represents the main advertising period.

In view of demographic shifts and structural changes in media usage behavior, ProSiebenSat.1 adjusted the definition of its target group at the start of 2024 in order to better reflect TV usage: In the analysis of audience shares at Group level, ProSiebenSat.1 now uses the advertising-relevant target group of viewers aged 20 to 59; previously, the focus was on the 14- to 49-year-old target group. In addition, a more detailed view of audience shares is applied within the Group in order to reflect the different relevant target groups of each station. In Germany, TV usage data is collected by GfK Fernsehforschung on behalf of AGF Videoforschung GmbH ("AGF Videoforschung").

ProSiebenSat.1 Group analyzes viewer market shares that have been empirically collected by the institutions on a daily basis. In addition to data on linear TV consumption, we analyze digital reach figures and KPIs relating to our data-based business models.

1 Market share of ProSiebenSat.1 Group's TV stations in Germany.

Most important financial performance indicators: Revenues, adjusted EBITDA, adjusted net income, adjusted operating free cash flow, P7S1 ROCE (return on capital employed), and the leverage ratio are the central key figures used to manage profitability. A primary objective is to improve the above earnings figures through continuous, profitable revenue growth in all segments. The business units operate mainly as profit centers. This means that they act with full responsibility for revenues and earnings. In addition, flexibility is an important prerequisite for our success, as ProSiebenSat.1 Group operates in a very dynamic industry environment. The organizational entities – within a centrally adopted framework – therefore make their operating decisions independently, based on the competitive environment, and with the clear objective to generate added value for our shareholders.

The earnings figure **adjusted EBITDA** stands for adjusted earnings before interest, taxes, depreciation and amortization (adjusted operating result). Reconciling items, such as M&A-related expenses, reorganizations and legal claims, are not taken into account in the adjusted operating result, so this figure provides the Executive Board as the chief operating decision maker with the appropriate performance measure to assess the operating profitability of the Group. **Adjusted net income** is the adjusted net income attributable to the shareholders of ProSiebenSat.1 Media SE. In addition to the adjustments from adjusted EBITDA, impairments of goodwill, depreciation, amortization and impairments from purchase price allocations, and other reconciling items in particular are adjusted for in the calculation.

Reconciling items can influence or even overshadow operating performance and can make a multi-year comparison difficult. Therefore, adjusted earnings figures constitute suitable measures of performance for assessing the sustainable development of the profitability of the Group and its segments. However, the analysis of unadjusted key earnings' figures provides a holistic view of the expense and income structure. At Group level – in addition to revenues, adjusted EBITDA, adjusted net income, adjusted operating free cash flow, P7S1 ROCE and the leverage ratio as the most important financial performance indicators – EBITDA is also relevant in this context as a less significant financial performance indicator. As the effects of taxes and depreciation and amortization and the financing structure are not taken into account, EBITDA – as well as adjusted EBITDA – also enables simpler comparison with international competitors.

To further focus on the segments' operating cash flow management, the Group uses **adjusted operating free cash flow** as the most important financial performance indicator. Adjusted operating free cash flow is defined as operating free cash flow before interest and taxes and is calculated as adjusted EBITDA corrected for non-cash expenses and income and less investments (programming and other investments) along with changes in net working capital.

P7S1 ROCE (return on capital employed) is another of the most important financial performance indicators used to manage profitability. It is the ratio of adjusted EBIT (adjusted earnings before interest and taxes) corrected for pension expenses and the result from investments accounted for using the equity method to average capital employed. In addition to the reconciling items of adjusted EBITDA, impairments of goodwill, depreciation, amortization and impairments from purchase price allocations, and other reconciling items are also adjusted for in the calculation of adjusted EBIT. Capital employed is the difference when other provisions, trade and other payables, liabilities to investments accounted for using the equity method, and other liabilities are deducted from intangible assets (including goodwill and purchase price allocations), property, plant and equipment, investments accounted for using the equity method, media-for-equity investments, programming assets, inventories, trade receivables, current other financial assets (excluding derivatives), and other receivables and assets. The figure relates to the average of the reporting dates of the last five quarters.

The mid-term aim is to generate a return on capital employed, i.e. P7S1 ROCE, of at least 15%. Expansion and new investments will therefore have to be paid back within three years and generate an internal rate of return (IRR) of at least 18%. Strategic projects are usually expected to pay off within five years. The Group therefore manages investments consistently and evaluates each project in the various segments according to the same target parameters.

A capital-efficient **leverage ratio** is a key performance indicator for the Group's financial planning. The leverage ratio indicates the level of net financial debt in relation to LTM adjusted EBITDA – the adjusted EBITDA that ProSiebenSat.1 Group has generated in the last twelve months (LTM = last twelve months). The target is a **factor of between 1.5x and 2.5x at the end of the relevant year**. Due to the importance of the fourth quarter and seasonal fluctuations during the year, the leverage ratio is only defined as a target value for the end of the respective year. During the year, reporting is provided for reasons of transparency and informational purposes. Cyclical influences or discretionary liquidity outflows – for example due to important strategic investments – may lead to the target corridor being exceeded under certain circumstances. However, this does not put the general target range into question.

Financial and non-financial performance indicators are the foundation for corporate management. It is therefore logical to use them as a basis for determining target-oriented variable compensation. The performance bonus is relevant for employees at senior management levels as well as selected sales functions. It is based on the Company's success and on the most important financial performance indicators, which are revenues, adjusted EBITDA and adjusted operating free cash flow. Various financial performance indicators served as a variable basis for determining the Executive Board's compensation in the financial year 2023; ESG targets are set in addition to these indicators.

DEFINITION OF SELECTED NON-IFRS FIGURES

ADJUSTED EBITDA

Adjusted EBITDA stands for adjusted earnings before interest, taxes, depreciation and amortization. It describes the earnings before interest, taxes, depreciation, amortization and impairments (operating result) adjusted for certain influencing factors (reconciling items). These reconciling items include:

– M&A-related expenses include consulting expenses and other expenses for ongoing, closed or canceled M&A transactions as well as costs in connection with an IPO or delisting process and integration costs incurred within a year of the economic acquisition.
– Reorganization expenses include material and personnel expenses for reorganization and restructuring. They comprise expenses such as severance payments, leave compensation, consulting costs, legal consultancy fees and impairments of at least EUR 0.5 million.
– Expenses for legal claims include charges, fines, penalties and consulting costs of at least EUR 0.5 million in conjunction with significant closed, ongoing or expected legal claims.
– Fair value adjustments of share-based payments include the portion of the changes in the fair value of cash-settled share-based payment plans that affects profit or loss.
– Results from changes in scope of consolidation include income and expenses in the context of mergers, demergers, acquisitions or disposals of Group entities.
– Results from other material one-time items include transactions approved by the Group CFO that are not connected to current operating performance and have a volume of at least EUR 0.5 million.
– Valuation effects relating to strategic realignments of business units comprise expenses incurred in the context of changes in the underlying business objective or strategy of the unit in question of at least EUR 25 million.

ADJUSTED NET INCOME

Adjusted net income is the net income attributable to shareholders of ProSiebenSat.1 Media SE, adjusted for reconciling items shown under adjusted EBITDA, as outlined above, and adjusted for additional reconciling items. These additional reconciling items include:

– Depreciation, amortization and impairments from purchase price allocations.
– Impairments on goodwill.
– Valuation effects included in other financial result, impairments and valuation effects of investments, entities accounted for using the equity method and other financial assets recognized in other financial result. The Group can also acquire control over investees previously accounted for using the equity method through multi-stage company acquisitions. Effects from the valuation of such original shares at fair value upon initial consolidation also fall under this category.
– Valuation effects of put-options and earn-out liabilities include valuation, currency and interest effects of put-options and earn-out liabilities.
– Valuation effects from hedging transactions include ineffectiveness and de-designation effects of cash flow hedges recognized in other comprehensive income and effects from hedging transactions for which there is no hedge accounting as defined by IAS 39.
– Results from other material one-time items include transactions approved by the Group CFO that are not connected to current operating performance and have a volume of at least EUR 0.5 million.

The tax effects resulting from such adjustments are also adjusted.

REPORTING AND USE OF NON-IFRS FIGURES

In addition to the financial information determined in accordance with IFRS, this Annual Report also includes non-IFRS figures. The reconciliation of these non-IFRS figures with the corresponding IFRS figures is shown in the following section:

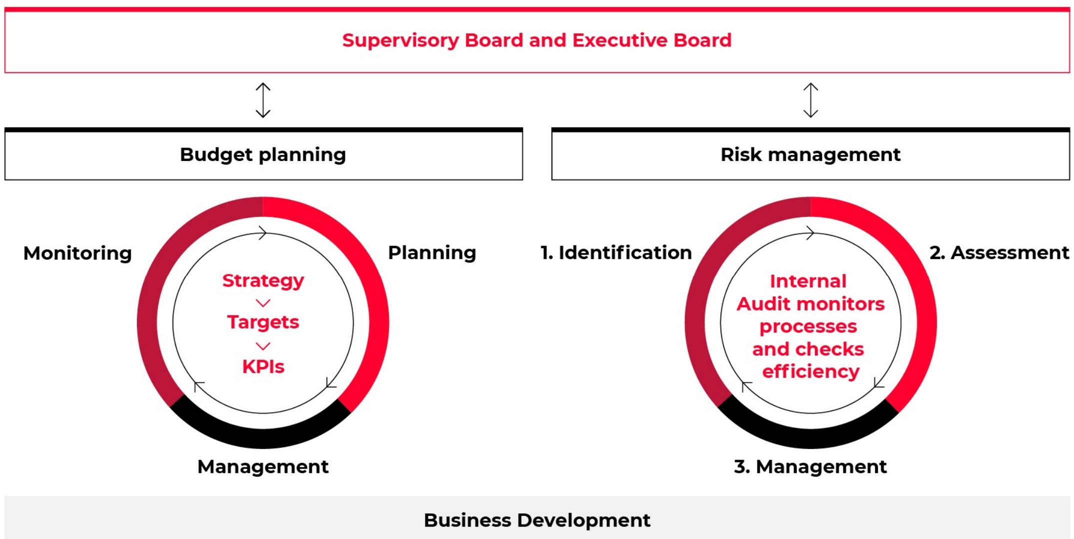
For its financial, strategic and operating decisions, ProSiebenSat.1 Media SE uses primarily non-IFRS figures as the basis of decision-making. These also provide investors with additional information which allow a multi-year performance comparison, as they are adjusted for specific factors. These figures are not determined on the basis of IFRS and may therefore differ from other entities' non-IFRS figures. Therefore, they do not replace the IFRS figures or are more significant than the IFRS figures, but represent supplementary information. We are convinced that the non-IFRS figures are of particular interest to our investors for the following reasons:

– Reconciling items can influence or even overshadow operating performance; figures adjusted for such items therefore offer supplementary information for the assessment of the Company's operating performance. Adjusted figures thus are more relevant for managing the Company.
– In addition to other figures, adjusted net income also serves as a basis for the calculation of the dividend payment at ProSiebenSat.1 Media SE, as we want to give our shareholders a share in the Company's operating profitability.
– The Group has implemented a holistic management system. Non-IFRS figures are calculated consistently for the past and the future; they form an important foundation for internal controlling and the management's decision-making processes.

Operational and Strategic Planning

Management and planning are closely intertwined at ProSiebenSat.1 Group. Target figures are defined and determined for various periods within the context of planning, with a focus on the performance indicators outlined above. The different levels in the planning process build on each other and are linked to our risk management. The Supervisory Board is also regularly informed by the Executive Board about all issues relevant to the Company's strategy, planning, business performance, risk situation, risk management, and compliance, both within and outside the Supervisory Board meetings.

BUDGET PLANNING AND RISK MANAGEMENT AT PROSIEBENSAT.1 GROUP



Corporate planning: Corporate planning comprises the operating annual planning (budget) plus the long-term corporate planning (multi-year planning) and constitutes a detailed quantitative depiction of strategic planning. It is on a monthly basis for the first year and on an annual basis for a further four years. The strategically derived targets for the first planning year are specified for the most important financial and non-financial performance indicators in a top-down/bottom-up process and carried forward to the multi-year planning. The financial figures from the income statement or statement of financial position and statement of cash flows of individual subsidiaries are analyzed and aggregated at segment and Group level.

Monthly reporting and trend projections: Trend projections are an important tool in planning during the year. They allow the expected performance for the year to be calculated on the basis of the economic performance to date and to be compared with the target figures that were originally budgeted. The aim is to identify potential discrepancies between the target and actual figures immediately and to implement the necessary countermeasures promptly. The Executive Board regularly informs the Supervisory Board about the Company's short-term and long-term economic performance.

In addition to monthly reporting, potential risks are reported to the Group Risk Officer on a quarterly basis. In particular, any changes to the early warning risk indicators during the year and over time are analyzed here. For example, the development of audience shares is an important early warning indicator. As soon as the probability of occurrence of risks exceeds 50%, they are taken into account in budget planning. Additional opportunities and therefore possible positive deviations from projected targets are analyzed in parallel with risk management and taken into account in budget planning if their probability of occurrence is more than 50%.

CONDITIONS AND ENVIRONMENT OF PROSIEBENSAT.1 MEDIA SE

ProSiebenSat.1 Media SE bundles all central administration services for the entire Group. For this reason, the same general conditions apply to the company as to the entire Group. As a result, the further explanations are explained at Group level.

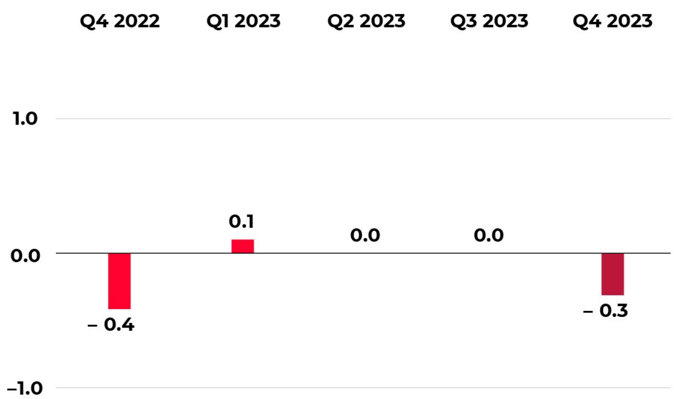
DEVELOPMENT OF ECONOMY AND ADVERTISING MARKET

After a modest expansion in 2022, the **global economy** again saw little growth momentum in 2023. The ongoing – albeit to a lesser extent – effects of the COVID-19 pandemic, the Russia/Ukraine war, and high inflation impacted the economy's performance over the course of the year. Moreover, many central banks pursued a restrictive monetary policy, which impacted the rate of global recovery. However, there were regional differences in development: While the US economy proved robust, the Chinese economy did not recover with the momentum expected following the end of the restrictive pandemic restrictions. The European economy also remained weak. According to the International Monetary Fund (IMF), the global economy is expected to have grown by 3.1% in real terms in 2023 after 3.5% in the previous year.

In 2023, the **German economy** was impeded by low external demand and – despite a solid order backlog, significantly lower supply chain shortages and falling inflation rates – did not gain momentum as initially expected. In particular, private consumption fell short of the economic research institutes' expectations. While economic output remained stable in the first three quarters, there was a slight decline in the fourth quarter of 2023 (-0.3% vs. previous quarter in real terms, Destatis). This was due to lower investments in buildings and equipment.

At the beginning of 2023, the economic research institutes forecast that the German economy would grow slightly in 2023 and benefit from a recovery in private consumption in the second half of the year. However, the growth impetus in private consumer behavior did not materialize. In the full-year 2023, gross domestic product fell by 0.3% in real terms compared to the previous year, remaining well below the average for OECD countries (Organisation for Economic Cooperation and Development). Private consumption declined by minus 0.8%.

DEVELOPMENT OF GROSS DOMESTIC PRODUCT IN GERMANY IN %, CHANGE VS. PREVIOUS QUARTER



Chained, adjusted for price, seasonal and calendar effects. Source: Federal Statistical Office (Destatis), press release dated January 30, 2024.

The economic ups and downs are reflected in the development of the advertising market, which is very sensitive to and closely correlates with private consumer spending. According to Nielsen Media, investments in TV advertising declined by minus 3.5% to EUR 16.55 billion in 2023 (previous year: EUR 17.15 billion). The negative macroeconomic effects were particularly noticeable in the first half of the year, when advertising spending fell by minus 9.1% to EUR 6.90 billion (previous year: EUR 7.59 billion).

Nielsen Media indicates that ProSiebenSat.1 Group's gross TV advertising revenues developed in parallel with the overall market over the full-year, declining by minus 6.6% to EUR 5.90 billion (previous year: EUR 6.31 billion). This corresponds to a market share of 35.6% (previous year: 36.8%). While the Group's TV advertising revenues were below the previous year in the first three quarters, ProSiebenSat.1 grew faster than the market in the fourth quarter, when TV advertising revenues amounted to EUR 2.22 billion (previous year: EUR 2.10 billion). This resulted in a market share of 37.4% (previous year: 36.9%).

On a net basis, the trend is identical across all media types: According to the current forecast by the German Advertising Federation (Zentralverband der deutschen Werbewirtschaft, "ZAW"), the total volume of the advertising market increased slightly by 1.4% over the year. However, the growth is mainly due to the disproportionate increase in investments in digital advertising. This is also reflected in the forecasts published by the media agencies ZenithOptimedia and Magna Global for 2023. Whereas total advertising spending in Germany increased by 8.0% or 6.8%, respectively, due to the dynamic growth of investments in online advertising, investment in TV advertising has likely declined by minus 1.0% and minus 9.5%, respectively.

By selling in-stream video ads, which are shown online before, after or during a video stream, ProSiebenSat.1 Group generated gross revenues of EUR 510.7 million in the full-year (previous year: EUR 379.6 million) according to Nielsen Media. The Group is thus significantly enhancing its market position and growing faster than the market with a growth rate of 34.5%. This shows that ProSiebenSat.1 Group is monetizing its digital reach increasingly effectively, especially with Joyn. The market volume for advertising budgets in in-stream video ads in Germany increased by 18.3% to EUR 1,242.4 million gross (previous year: EUR 1,050.2 million). The data from Nielsen do not include global platform providers such as Alphabet Inc. ("Alphabet")/Google and Meta Platforms, Inc. ("Meta")/Facebook.

TV ADVERTISING MARKETS IN GERMANY, AUSTRIA AND SWITZERLAND ON A GROSS BASIS

in %

	Development of the TV advertising market in Q4 2023 (Change against previous year)	Development of the TV advertising market in 2023 (Change against previous year)
Germany	+4.1	–3.5
Austria	+7.7	–1.4
Switzerland	–7.3	–8.1

	Market shares ProSiebenSat.1 Group Q4 2023	Market shares ProSiebenSat.1 Group Q4 2022	Market shares ProSiebenSat.1 Group 2023	Market shares ProSiebenSat.1 Group 2022
Germany	37.4	36.9	35.6	36.8
Austria	42.6	41.8	41.4	41.2
Switzerland	25.1	25.8	26.2	25.8

Germany: January–December, gross, Nielsen Media.
Austria: January–December, gross, Media Focus.
Switzerland: January–December, the advertising market shares relate to the German-speaking part of Switzerland, gross, Media Focus.

DEVELOPMENT OF PROSIEBENSAT.1 GROUP'S RELEVANT MARKET ENVIRONMENTS

Entertainment

The media landscape is changing rapidly and dynamically. In addition to technological innovations and increasingly digital usage, the industry and the way we use media are also shaped by social trends. Faced with the diversity of entertainment and information offerings, people are increasingly seeking a reliable point of contact. As a media group and an important partner in the dual system of public and private broadcasting, we have a special social responsibility. It is our duty to provide people with objective information, reflect the diversity of our society, and explain content independently. An important step is therefore to establish Joyn as a counterpart to multinational streaming offerings for everyone in the German-speaking region. Joyn has an advertising-financed, free available and cost-free model. Joyn users can choose from a broad portfolio of content – with linear TV stations, on-demand content, and exclusive movies and shows.

With regard to media usage behavior, the "Media Activity Guide 2023" highlights three significant developments for the German market to which we have adjusted our strategy: While TV remains the medium with the highest reach and usage time, the traditional subscription model (subscription video on demand, "SVoD") is approaching saturation. In contrast, podcasts continue their dynamic growth.

With the "Media Activity Guide 2023," Seven.One Media provides an up-to-date analysis of media usage in Germany. This analysis shows that media usage has returned to its pre-pandemic level and video usage is reaching new heights. For example, people spend around twelve hours a day consuming media, with TV including media libraries accounting for daily usage of 203 minutes (previous year: 221 minutes) in the overall sample of 14- to 69-year-olds. This means that 34% and thus a large portion of daily media usage is attributable to TV, including both live and on-demand content. At the same time, podcasts continue to grow dynamically, gaining in reach and usage time. With an average listening duration of 68 minutes per usage day and person in 2023 (previous year: 51 minutes), they have established themselves as a relevant medium with an attractive target group.

Digitalization is making media usage more diverse, more individual, and more flexible. In addition to the various usage options, the diversity of offerings is also increasing across all media types. The streaming market in particular has benefited considerably from this trend in recent years. Although the SVoD-market gained new users in 2023, usage time reached saturation: While reach in the overall target group of 14- to 69-year-olds continues to grow, usage remains at around 34 minutes. In contrast, usage time for ad-financed on-demand offerings such as media libraries, YouTube and social media videos is increasing. It now amounts to 57 minutes (previous year: 45 minutes).

It appears that social networks are increasingly evolving into video channels: More than 50% of usage time now comprises video content – and this figure is rising. However, unlike media libraries, only a small proportion of social media offerings and YouTube are viewed on a big screen. Market research also shows that the advertising environment is still crucial in the digital age. For example, the media equivalence study by Seven.One Media demonstrates that commercials on Joyn have a much greater advertising impact than YouTube spots: Spontaneous advertising recall is nearly twice as high after just one contact on Joyn. This is partly because Joyn offers viewers a decisive advantage on the big screen – high-quality and thus long-format video content.

AUDIENCE SHARES OF PROSIEBENSAT.1 STATIONS IN GERMANY, AUSTRIA AND SWITZERLAND

in %

	Audience Shares Q4 2023	Audience Shares Q4 2022	**Audience Shares 2023**	Audience Shares 2022
Germany	24.4	24.3	24.5	24.9
Austria	25.0	26.0	25.9	26.1
Switzerland	16.1	14.0	16.2	15.2

Germany: Target group: 14–49; ProSiebenSat.1 Group: SAT.1, ProSieben, Kabel Eins, sixx, SAT.1 GOLD, ProSieben MAXX, Kabel Eins Doku/AGF Videoforschung in cooperation with GfK; VIDEOSCOPE 1.4; January 1, 2022–December 31, 2023; market standard: TV.
Austria: Target group: 12–49; SAT.1 Österreich, ProSieben Austria, Kabel Eins Austria, PULS 4, sixx Austria, SAT.1 Gold Österreich, ProSieben MAXX Austria, Kabel Eins Doku Österreich, ATV + ATV 2, PULS 24; sources: AGTT/GfK TELETEST; Evogenius Reporting; January 1, 2022–December 31, 2023; weighted for number of people; including VOSDAL/time shift; standard.
Switzerland: Figures are based on 24 hours (Mon–Sun), all platforms, overnight +7. SAT.1 Schweiz, ProSieben Schweiz, Kabel Eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz, Puls 8; advertising-relevant target group: 15–49 years; market shares relate to German-speaking Switzerland D-CH; total signal; source: Mediapulse TV Data.

In order to serve various user interests across all target groups, ProSiebenSat.1 aims to offer content via as many distribution channels as possible. Our streaming platform Joyn is at the center of this strategy. With Joyn, we combine the areas of linear TV, streaming and social media – and thus aim to increase our overall reach. In addition to its goal of offering content across platforms, ProSiebenSat.1 is increasingly focusing on local programming content in order to strengthen the market share in linear TV and the growth of Joyn. At the end of 2023, Joyn already recorded around 4,9 million users per month. The dynamic development in the fourth quarter in particular contributed to this: In the last three months, the number of users increased year-on-year to 6.3 million (previous year: 4.8 million users).

By focusing on local content, we are creating an important competitive advantage: With a wide range of exclusive content, we clearly differentiate ourselves from multinational streaming providers while also sharpening our brand profile in linear TV. In 2024, the Group will further reduce the share of US licensed content to the benefit of local formats. Although US licensed content will remain important in the future, the Group will acquire it more selectively. This decision consistently builds on the successes of the last few months, in which much of ProSiebenSat.1 Group's local programming achieved above-average reach on TV and especially on the streaming platform Joyn.

The ProSiebenSat.1 stations' audience shares were stable overall in 2023 for the German market and in the 14- to 49-year-old target group. The stations had a market share of 24.5% over the full year (previous year: 24.9%) and 24.4% in the fourth quarter of 2023 (previous year: 24.3%). In prime time, which is particularly relevant for the advertising industry, the combined audience share of ProSiebenSat.1 stations amounted to 25.2% in 2023 (previous year: 24.9%). This reflects the stronger focus in the programming strategy on exclusive, local prime-time-content such as "Wer stiehlt mir the Show?" (Stealing the Show) and "Germany's Next Topmodel – by Heidi Klum." In 2023, these shows generated market shares of up to 25.2% and 23.5% in prime time (viewers aged 14 to 49) and were thus well above the station average.

» **INFORMATION**

In view of demographic shifts and structural changes in media usage behavior, ProSiebenSat.1 has adjusted the definition of its target group at the start of 2024 in order to better reflect TV usage: In the analysis of audience shares at Group level, ProSiebenSat.1 now uses the advertising-relevant target group of viewers aged 20 to 59. In the target group of 20- to 59-year-olds, the audience share across the entire station group came to 21.5% in the full-year (previous year: 22.2%); in prime time it was 21.3% (previous year: 21.2%).

ProSiebenSat.1 is the home of popular entertainment. At the same time, we make an important contribution to the diversity of media and opinion with our programs and address socially relevant topics, especially in young target groups. In this context, independent reporting is important to meet the growing demand for current information and reliable contextualization of news. Since January 1, 2023, we have therefore been producing news in-house, which we broadcast live from Unterföhring and from our capital city studio very close to the German government at Potsdamer Platz in Berlin. We are therefore flexible in our current news reporting and can broadcast content across all platforms. All news broadcasts on SAT.1, ProSieben and Kabel Eins and the news offerings on digital channels and Joyn are bundled under the shared brand :newstime in order to offer a comprehensive and consistent journalistic offering for various target groups around the clock.

In everything we do, we put “Viewers and Users First.” We align our offerings to their needs. Our sales portfolio also reflects this strategic approach. By closely integrating TV and digital, we cater for various user interests while effectively monetizing our reach. ProSiebenSat.1 relies on new technologies and offers various products in the area of Advanced TV to advertising customers both in the TV environment and on Joyn. Addressable TV spots are just one example. These spots allow our target groups to be addressed based on their interests and in a smarter, i.e. very tailored manner. The revenue share of digital and smart forms of advertising grew dynamically in 2023. One example of this is the cooperation between “The Voice of Germany” and CUPRA: Over eight shows, show sponsor CUPRA joined the search for Germany’s best new rapper in “The Voice Rap by CUPRA” on Joyn. The winner of the streaming spin-off went straight through to the semi-final of the regular season of “The Voice of Germany” on TV.

Digitalization gives rise to additional opportunities to monetize our reach as well as the option to diversify our revenue profile. One example of this is the distribution of programs in HD quality. Here, ProSiebenSat.1 Group participates in the technical service fees that end customers pay to the respective providers for programs in HD quality. In Germany, ProSiebenSat.1 Group’s HD stations had 12.9 million users in the reporting period and therefore 11.3% more than in the previous year.

Another example of how ProSiebenSat.1 caters for new user interests and generates revenues beyond the traditional sale of video advertising is the business model of Seven.One Audio, our podcast marketer. The portfolio comprises podcasts in a wide range of categories, including nearly half of Germany’s Top 50 podcasts, according to Arbeitsgemeinschaft Media-Analyse (agma). Examples include “Baywatch Berlin” and the true-crime hits “Mordlust” and “Mord auf Ex.” The podcast market is developing dynamically, with podcasts from Seven.One Audio recording an average over 43 million listens or downloads per month in 2023.

The Group’s digital offering is complemented by Studio71, where we develop and distribute a broad portfolio of influencers on digital platforms such as YouTube, TikTok, Facebook and Instagram – and thus address the young target group in particular. In the financial year 2023, Studio71 generated 13.1 billion video views a month on YouTube alone, with around 1,350 channels worldwide (previous year: 11.8 billion video views).

As well as a broad range of media offerings, partnerships are an important way to extend our reach in the digital environment in particular. One example of this is the distribution partnership with Vodafone Deutschland, which the Group extended in 2023: In addition to the linear availability of all ProSiebenSat.1 stations, the new distribution agreement centers on increased cooperation on digital product offerings, especially in the area of video-on-demand.

Commerce & Ventures

Online shopping is now an integral part of our everyday lives. Services such as consumer advice are also frequently provided virtually. According to the German e-commerce and distance selling association (Bundesverband E-Commerce und Versandhandel Deutschland e.V., bevh), one in three consumers shops online at least once a week. At the same time, sustainable consumption is becoming increasingly important: Consumers value products that are manufactured in a resource-efficient manner and make a positive social and ecological impact. We make targeted use of these trends in our Commerce & Ventures portfolio:

Our investment strategy is focusing increasingly on sustainable companies and especially food industry start-ups whose products are suited for sales in the high-reach medium TV and simultaneously offer direct added value for consumers. Examples from 2023 include our media-for-equity deals with NEXT GEN FOODS Pte. Ltd. ("Next Gen Foods"), KoRo Handels GmbH ("KoRo"), nu company GmbH ("nucao") and Motatos GmbH ("Matsmart-Motatos"). Also in 2023, we invested in the food start-up Dine In Taste GmbH ("getvoila") via SevenAccelerator and initiated a licensing partnership with the SAT.1 format "The Taste." This shows how we use our investment business to create synergies.

By supporting e-commerce companies at various stages of growth, we can raise awareness of their brands via advertising on ProSiebenSat.1 platforms and thus use media-for-equity or media for revenue deals to expand into digital consumer markets without large amounts of cash. As it turns out, online portals with a strong consumer focus benefit in particular from TV advertising as a growth lever. This is evidenced by the data in the latest Media Activity Guide.

Although we expanded our portfolio in 2023, SevenVentures' investment business was influenced by the difficult advertising market environment. In addition, there were rising interest rates and growing pressure on start-ups to be profitable, which resulted in reduced marketing spending. According to the research institute IFH Köln GmbH ("IFH Köln"), the volume of the online retail market was almost stable in 2023 following strong growth in 2020 and 2021 in the context of the COVID-19 pandemic and the associated restrictions on public life. At the same time, the situation on the energy markets eased at the start of 2023, which directly benefited the online comparison portal Verivox. In addition, the expansion of the service options had a positive effect on Verivox's revenue development.

The Beauty & Lifestyle business with our investment flaconi also performed above the previous year and benefited from the continued high demand from consumers in the Beauty segment, among other things. Despite general consumer restraint, revenues in the e-commerce sales channel in particular developed dynamically according to the German Cosmetic, Toiletry, Perfumery and Detergent Association (Industrieverband Körperpflege- und Waschmittel e. V., IKW).

Dating & Video

In the **Dating & Video** segment, we have a wide product range in the online dating and social entertainment market with the platforms of ParshipMeet Group. ParshipMeet Group is widely diversified thanks to its offerings for diverse target groups and in terms of its revenue sources and geographical presence. The Group comprises eight consumer brands and is present on three continents. The Group generates around two-thirds of its revenues outside of the German-speaking region (Germany, Austria and Switzerland). Accordingly, the factors influencing business performance are also extremely diverse. This includes macroeconomic developments in various countries as well as legal changes.

In addition to consumer sentiment, the Fair Consumer Contracts Act had a significant impact on revenue performance in the Dating & Video segment 2023. The law, adopted in Germany in March 2022, provides for tighter regulation of contracts with longer terms and had a negative impact on the revenues of the online dating platforms Parship and ElitePartner since the second quarter of 2023. The market environment is also intensely competitive, with the result that usage of video offerings in the US declined. In addition, there are technological and social trends that can influence the business situation.

Online dating, our biggest revenue driver in the Dating & Video segment, has become increasingly popular in recent years, not least as a result of advancing digitalization. The global volume of the online dating market is now estimated to be around USD 9.6 billion (previous year: USD 8.9 billion), of which New Street Research LLP ("New Street Research") attributes EUR 5.5 billion to Europe and North America (previous year: EUR 5.0 billion). Online dating is firmly established, particularly in the younger target group, who use it to look for new friendships, flirting or a relationship. In Germany, for example, a study by Bitkom Servicegesellschaft mbH ("Bitkom Research") in 2023 found that approximately 80% of 16- to 29-year-olds had experience of online dating, compared with around 70% among 30- to 49-year-olds. At the same time, the online dating industry is facing industry-wide challenges such as a lack of commitment and superficiality. These social trends were intensified during the COVID-19 pandemic. ParshipMeet Group operates in this dynamic market environment and sets new standards with its features in online dating to meet these challenges.

RESEARCH AND DEVELOPMENT

ProSiebenSat.1 Group does not carry out research and development (R&D) in the conventional sense of an industrial manufacturing company.

Nevertheless, research has a high priority at ProSiebenSat.1 Group. We operate in a dynamic competitive environment and therefore conduct intensive market research in all areas that are relevant for the business or offer potential for growth. In 2023, expenses for Group-wide market research activities amounted to EUR 7 million (previous year: EUR 8 million). The various research units in the Group prepare investigations and analyses on advertising impact, on trends in the advertising market and digital industries, and on media usage and assess economic and market projections. The results of the market analyses are a basis for our operational and strategic planning. With its studies, ProSiebenSat.1 also provides valuable knowledge for marketing and advertising planning, which in turn constitutes an important basis for investment decisions for our advertising customers. In the program development phase, program research also plays a decisive role. An important task is the assessment of international TV and streaming trends with regard to their potential for the German-speaking entertainment market. In addition, research teams regularly provide quantitative and qualitative studies and analyses of our linear and digital platforms.

In the area of development, ProSiebenSat.1 is working on the digitalization of TV advertising in the Entertainment segment. The aim is to combine the advantages of traditional television, such as its high reach, with those of digital advertising, such as its data-based broadcast options. Here, ProSiebenSat.1 relies on new technologies and offers various products in the area of Advanced TV to advertising customers both in the TV environment and on the streaming platform Joyn. Addressable TV spots are just one example. These spots allow target groups to be addressed based on their interests and thus in a very tailored manner. The offer is based on an advertising technology that Seven.One Media developed and has applied for a European patent. In order to enable the reach generated by combined TV and video campaigns to be measured and evaluated using unified criteria despite increasingly fragmented media usage, ProSiebenSat.1 and the licensor Sky Media GmbH (“Sky Media”) have jointly developed the CFlight concept for the German market. CFlight includes transparent, cross-media campaign reporting, which guarantees the comparability of TV and video advertising exposures. By strengthening TV with premium video, CFlight opens up expanded target group potential, especially in the younger target group segments. We have also developed Programmatic TV, a new and innovative offer that makes linear television available to customers via digital channels and enables the automated and individualized buying and selling as well as the adaptation of advertising space in real time. We can thus tap into new customer groups for TV – such as advertisers that have previously advertised mainly online. In addition, the topic of artificial intelligence (AI) is becoming increasingly important at ProSiebenSat.1 with the goal of enabling responsible interaction between people and modern technologies and driving forward the digitalization of the Group. ProSiebenSat.1 is therefore working intensively on how we can integrate AI into daily business processes and support the Group in achieving strategic milestones. Current areas of application are mainly geared toward the strategic areas of our Entertainment segment and support the production of our content as well as the enhancement and monetization of our reach. We are also continuously updating our digital platforms and brands in the Commerce & Ventures and Dating & Video segments with the aim of aligning our offerings with the needs of our users in the best possible way.

COMPARISON OF ACTUAL AND PROJECTED BUSINESS PERFORMANCE FOR THE GROUP

The most important planning assumption for ProSiebenSat.1 is the development of the economic situation in Germany, as the advertising market in particular correlates very closely with private consumption. Assuming an economic recovery in the German-speaking region (Germany, Austria, Switzerland), the Group therefore expected at the beginning of 2023 that the financial development in the financial year 2023 would be divided into two parts: Considerable negative effects should be offset by significant catch-up effects in revenues and adjusted EBITDA in the second half of the year.

Against this backdrop, ProSiebenSat.1 had expected Group revenues in the target range of EUR 4.10 billion plus/minus EUR 150 million, while adjusted EBITDA was expected to be EUR 600 million plus/minus EUR 50 million. On this basis, the Group had also expected adjusted net income at the beginning of 2023 to be in the mid double-digit million EUR range below the previous year's level of EUR 301 million. ProSiebenSat.1's adjusted net income is largely determined by the development of adjusted EBITDA; this key figure is also influenced by the financial result and income taxes. Adjusted operating free cash flow is the Group's relevant cash flow performance indicator and is also based on the development of adjusted EBITDA. Accordingly, ProSiebenSat.1 had assumed that the adjusted operating free cash flow – for reasons of comparability adjusted for the change in investments in relation to the construction of the new campus at the premises in Unterföhring – would be in the low three-digit million EUR range below the previous year's figure of EUR 492 million. At the same time, the Group assumed that – if the mean value of the adjusted EBITDA forecast is achieved – the leverage ratio will be between 2.5x and 3x (previous year: 2.4x).

However, the German economy did not gain the momentum over the course of the year that economic research institutes had expected in the winter of 2022/2023. After ProSiebenSat.1's market environment remained challenging, particularly in the first half of the year, due to high inflation and the associated consumer restraint, and the high-margin advertising business in particular was negatively impacted as expected, the Group's financial performance stabilized in the third quarter of 2023. With the publication of the quarterly figures on November 14, 2023, ProSiebenSat.1 Group specified its outlook for the full-year: For Group revenues, ProSiebenSat.1 now expected a figure slightly below the target range of EUR 4.10 billion plus/minus EUR 150 million that was announced at the beginning of 2023. For adjusted EBITDA, the Group specified its expectation to a figure at the lower end of the range of EUR 600 million plus/minus EUR 50 million. In addition, the Group assumed that net financial debt will decrease in the financial year 2023 (December 31, 2022: EUR 1.61 billion).

Against this backdrop of macroeconomic conditions, ProSiebenSat.1 Group closed the financial year 2023 on a good note – driven in particular by the growth in revenues and adjusted EBITDA in the fourth quarter: For the full-year, ProSiebenSat.1 Group generated Group revenues of EUR 3.85 billion (previous year's figure adjusted for currency and portfolio effects: EUR 4.02 billion). Adjusted EBITDA amounted to EUR 578 million (previous year's figure adjusted for currency and portfolio effects: EUR 623 million). The revenue and earnings figures for the full-year are therefore in line with our recent specified expectations. This also applies to other financial performance indicators: Adjusted net income amounted to EUR 225 million (previous year: EUR 301 million), while adjusted operating free cash flow decreased to EUR 260 million (previous year: EUR 492 million). Net financial debt also decreased as recently communicated, by 4% to EUR 1,546 million (previous year: EUR 1,613 million).

Against this backdrop, the leverage ratio of 2.7x at the end of the year was also within the forecast target range of 2.5x to 3x (December 31, 2022: 2.4x) – despite the decline in adjusted EBITDA.

The development of audience shares in Germany is ProSiebenSat.1 Group's most important non-financial performance indicator – here the Group had assumed that it will confirm its market position. In 2023, the ProSiebenSat.1 stations' audience share in the 14- to 49-year-old target group in Germany was 24.5% (previous year: 24.9%); in prime time, which is particularly relevant for the advertising market, the ProSiebenSat.1 stations' combined audience share in 2023 was 25.2% (previous year: 24.9%).

COMPARISON OF ACTUAL AND PROJECTED BUSINESS PERFORMANCE OF PROSIEBENSAT.1 MEDIA SE

The forecast for the annual result for the 2023 financial year assumed stable income from profit transfers and therefore stable income from investments. Earnings effects from the valuation of investments were not included in the forecast, as these are not foreseeable. Overall, net income under commercial law adjusted for earnings effects from the valuation of investments was expected to be at the previous year's level.

Mainly driven by the decision taken in December 2023 to further expand exclusive local programming content and thus further reduce the share of US licensed content, impairment losses were recognized on existing programming assets at the direct subsidiary Seven.One Entertainment Group GmbH, Unterföhring, in the 2023 financial year and provisions for onerous contracts were recognized for purchase obligations for programming assets. In addition, ProSiebenSat.1 Group took the next step in its strategic realignment in 2023, focusing in particular on the core entertainment business with the streaming platform Joyn. At the same time, an efficient structure, a competitive cost base and processes clearly geared towards digital transformation were implemented. As part of these measures, it was necessary to make socially responsible job cuts in the form of a voluntary redundancy program. Against this backdrop, the investment result recorded a significant decline.

In addition, a write-up of EUR 178 million was recognized on the carrying amount of the investment in the subsidiary NCG - NUCOM GROUP SE, Unterföhring.

Overall, ProSiebenSat.1 Media SE generated a net loss for the year of EUR 54 million (previous year: EUR 123 million).

SIGNIFICANT EVENTS

Organization consistently aligned with growth strategy

In 2023, ProSiebenSat.1 Group took the next step in its strategic realignment. The main focus is the core Entertainment business with the streaming platform Joyn, which we want to establish as the number one in the German-speaking market. At the same time, it is crucial to implement an efficient structure, a competitive cost base, and processes clearly geared to digital transformation. This is a priority in order to continue investing consistently in the future of the Group, especially in content and digital offerings.

As part of the measures taken, a reduction in the number of jobs was necessary. The reduction in the number of jobs are made in a socially responsible manner through a voluntary program. The company had agreed this in talks with employee representatives. The Group informed the capital market about this set of measures on July 18, 2023. The new structure took effect in November. The full savings effect for 2024 will amount to a mid double-digit million EUR amount. At the same time, the associated cash outflows will largely take place in the financial year 2024.

Increased focus on investments in local programming content

In order to strengthen the market share in linear TV and the growth of the streaming platform Joyn, ProSiebenSat.1 Group is expanding its exclusive local programming content and increasing the associated programming investments. ProSiebenSat.1 Group’s programming expenses will therefore increase by around EUR 80 million in 2024. This decision consistently builds on the successes of the last few months, in which many of the local programming achieved above-average reach. US licensed content will remain important in the future, but ProSiebenSat.1 will increasingly acquire it more selectively. This marks the end of the long-standing practice of acquiring US licensed content on the basis of extensive, long-term output deals with Hollywood studios.

The decision of the Executive Board led to an impairment on existing programming assets and the recognition of a provision for onerous contracts for the acquisition of future programming assets in the fourth quarter of 2023. Against this background, additions to provisions for onerous contracts in the amount of EUR 126 million and impairments in the amount of EUR 198 million were recognized in December 2023. Both extraordinary effects do not affect the adjusted key figures of the Group for the financial year 2023, especially adjusted EBITDA. Moreover, they resulted in no cash outflows in the financial year 2023 and therefore no change in net financial debt.

The future cash outflows for programming still to be completed, resulting primarily from the onerous contracts, will amount, in the upcoming financial years, taking into account offsetting tax effects, to a total of around EUR 90 million, whereby these will not have a negative impact on earnings. The additional investments in local programming resolved for 2024 will have a negative impact on adjusted EBITDA of the Group in the Entertainment segment in 2024 – despite offsetting savings effects from the efficiency measures implemented in 2023 – but will strengthen the segment's growth in the long-term and drive its digitalization.

Personnel change on the Executive Board

Martin Mildner has been a member of the Executive Board and Chief Financial Officer (Group CFO) of ProSiebenSat.1 Media SE since May 1, 2023. Most recently, he was Chief Financial Officer of the MDAX-listed United Internet AG (“United Internet”) and had successfully taken the Group subsidiary IONOS public. Prior to this, he spent many years as General Counsel and Global Head of M&A at

Otto Group, where he was responsible, among other things, for the setup of the online fashion retailer ABOUT YOU Holding SE ("ABOUT YOU") and the preparation for its IPO in 2021. Martin Mildner succeeds Ralf Peter Gierig, who resigned from his office as Chief Financial Officer on April 27, 2023, prior to the resolution on the preparation of the Annual and Consolidated Financial Statements for the financial year 2022, by mutual agreement with the Supervisory Board of ProSiebenSat.1 Media SE and left the Executive Board. In addition, Wolfgang Link, former Chief Entertainment Officer and CEO of Seven.One Entertainment Group GmbH, decided to leave the Group by mutual agreement as of July 15, 2023. Reflecting the strategic realignment of the Group and the focus on the core Entertainment business, Bert Habets has taken charge of the Entertainment segment. As Group CEO, he will utilize his experience in the streaming sector to set new accents.

The Executive Board of ProSiebenSat.1 Media SE therefore comprises three members: Bert Habets (Group CEO), Martin Mildner (Group CFO) and Christine Scheffler (CHRO). The reduction of the Executive Board to three members also corresponds to the Group-wide transformation program to optimize structures and costs.

Personnel changes on the Supervisory Board

On June 30, 2023, the Annual General Meeting of ProSiebenSat.1 Media SE elected Katharina Behrends, Dr. Katrin Burkhardt, Thomas Ingelfinger and Prof. Dr. Cai-Nicolas Ziegler as new members of the ProSiebenSat.1 Supervisory Board by a clear majority. The Annual General Meeting thus followed the proposals of the Supervisory Board. The mandates were up for election as the regular terms of office of Dr. Marion Helmes, Vice Chairwoman of the Supervisory Board, as well as Lawrence A. Aidem and Dr. Antonella Mei-Pochtler, members of the Supervisory Board, each expired at the end of the Annual General Meeting. A further seat had become vacant due to the transition of Bert Habets from the Supervisory Board to the Group's Executive Board as of November 1, 2022.

Katharina Behrends has more than 25 years of experience in management positions at global media groups. Since October 2022, she has been General Manager for the German-speaking region at MFE-MEDIAFOREUROPE N.V. ("MFE"). Dr. Katrin Burkhardt is a member of the Supervisory Board of the private bank ODDO BHF SE ("ODDO BHF") and has extensive experience in the fields of accounting, risk management and compliance. Most recently, Thomas Ingelfinger was responsible for the cosmetics business in Europe on the Executive Board of Beiersdorf AG ("Beiersdorf"). He has many years of leadership experience from a listed, internationally operating company as well as expertise in brand management of some of the world's best-known consumer brands. Prof. Dr. Cai-Nicolas Ziegler is CEO of the health tech company doctari group ("doctari group") and an informatics professor specializing in Artificial Intelligence. He has in-depth knowledge of digital business development, digital product management, data and advertising technologies.

At the application of the Executive Board of ProSiebenSat.1 Media SE, the Munich Local Court (Amtsgericht München) also appointed Klára Brachtlová as a member of the Supervisory Board of ProSiebenSat.1 Media SE by resolution dated October 6, 2023. She succeeds Erik Huggers, who resigned from his office after nine years on June 30, 2023. The appointment became effective on October 16, 2023 and is initially valid until the end of the next Annual General Meeting. Klára Brachtlová has many years of experience as a media manager and is Chief External Affairs Officer of the Central and Eastern European media group Central European Media Enterprises Ltd. ("CME"), which belongs to the Czech PPF Group.

The realignment of the Supervisory Board takes the skills profile into account: The new members can support ProSiebenSat.1 in its digital transformation due to their years of experience and wide range of qualifications. At the same time, the ownership structure of ProSiebenSat.1 Media SE is also taken into account.

Other Resolutions of the 2023 Annual General Meeting

Besides the election of Supervisory Board members, the shareholders at the Annual General Meeting of ProSiebenSat.1 Media SE on June 30, 2023, approved that a significantly reduced dividend of EUR 0.05 per share will be distributed to the holders entitled to dividends for financial year 2022 (previous year: EUR 0.80). The dividend totaling EUR 11 million was paid on July 5, 2023.

With the reduced dividend payment, ProSiebenSat.1 is laying the foundation for the Company's long-term, healthy growth and solid financial structure. This target also reflects the adjusted dividend policy, which was communicated on April 27, 2023, and applies from the financial year 2023 onwards. Besides the general economic environment and the adjusted net income as a reference basis for distributions to shareholders, the Group now takes into particular focus an appropriate level of financial leverage when determining distributions to shareholders. Furthermore, ProSiebenSat.1 also takes into account requirements for investments in the operating business. Taking into account the aforementioned criteria, the Group will generally aim to pay out 25% to 50% of adjusted net income in the future.

Following the announcement of the convening of the Annual General Meeting, the Supervisory Board decided this year to discharge the Supervisory Board members individually for the financial year 2022, thereby accommodating the request of numerous shareholders. In this vote, all Supervisory Board members with the exception of the former Chairman of the Supervisory Board Dr. Werner Brandt were granted discharge by a majority. All other proposed resolutions requiring approval were accepted by a clear majority.

Information on the Matter of German Payment Services Supervision Act

ProSiebenSat.1 Group has already reported in detail on the business activities of Jochen Schweizer GmbH ("Jochen Schweizer") and mydays GmbH ("mydays") with regard to the German Payment Services Supervision Act ("Zahlungsdiensteaufsichtsgesetz" – ZAG") and the associated transactions in the Annual Report for the financial year 2022 published on April 28, 2023.

On February 28, 2023, ProSiebenSat.1 Media SE issued an ad-hoc announcement stating that, following a notice received shortly before, it assumes on the basis of the results of an external assessment that the business activities of its two subsidiaries Jochen Schweizer GmbH and mydays GmbH, which mainly consist in the sale of vouchers, fall partly under the German Payment Services Supervision Act ("Zahlungsdiensteaufsichtsgesetz" – "ZAG").

Jochen Schweizer and mydays subsequently adjusted their product offering on March 13/14, 2023, in order to address the regulatory concerns mentioned in the ad-hoc announcement. Prior to this, Jochen Schweizer mydays Holding GmbH, including its subsidiaries was transferred from NCG – NUCOM Group SE to ProSiebenSat.1 Media SE. In a letter dated April 6, 2023, the German Federal Financial Supervisory Authority ("Bundesanstalt für Finanzdienstleistungsaufsicht" – "BaFin") as the responsible supervisory authority informed Jochen Schweizer and mydays that for the continued operation of their product offering adjusted as of March 13/14, 2023, no authorization from BaFin is required.

At the same time, BaFin announced that, based on its current administrative practice, it assumes that Jochen Schweizer and mydays required authorization from BaFin under the ZAG to offer certain voucher products issued before March 13/14, 2023, with a voucher value of more than EUR 250, which accounted for around 20% of total revenues of Jochen Schweizer and mydays in the financial year 2022. Jochen Schweizer and mydays then coordinated the modalities of the settlement of the affected voucher products with BaFin. During the reporting period, BaFin did not take any coercive measures under supervisory law in connection with the ZAG matter, nor did it impose or announce any fines.

Immediately after the publication of the ad-hoc announcement, the company contacted the Munich Public Prosecutor's Office I (Staatsanwaltschaft München I) and proactively informed of the facts underlying the ad-hoc announcement. The Munich Public Prosecutor's Office I (Staatsanwaltschaft München I) initiated a monitoring process ("Beobachtungsvorgang") to examine whether there is an initial suspicion of possible criminal acts or administrative offenses. ProSiebenSat.1 Media SE and its affected subsidiaries are fully cooperating with the relevant authorities. To the knowledge of ProSiebenSat.1 Media SE, the public prosecutor's office has not yet decided whether to open a formal investigation. It therefore remains open at present whether criminal or administrative fine proceedings will be initiated in connection with the ZAG matter.

The Supervisory Board of ProSiebenSat.1 Media SE initiated an independent internal investigation conducted by an external law firm immediately after publication of the ad-hoc announcement. The Executive Board of ProSiebenSat.1 Media SE fully supports this investigation. In particular, the investigation includes a complete and independent clarification of the handling of the ZAG matter in the acquisition, management and monitoring of Jochen Schweizer and mydays. As of the date of preparation of the Consolidated Financial Statements and the Statutory Financial Statements for the financial year 2023, the external law firm had essentially completed its investigation of the facts and submitted its final report on the facts found. The legal classification of these facts and the examination of any follow-up measures are ongoing. The Executive Board of ProSiebenSat.1 Media SE will decide on the basis of the results of the internal investigation whether further measures are to be initiated.

The business activities of the Jochen Schweizer mydays Group (excluding Regiondo GmbH, "Regiondo") accounted for EUR 65 million or 2% of the Group's revenues in the financial year 2023. With an adjusted EBITDA of EUR 2 million, the Jochen Schweizer mydays Group (excluding Regiondo) contributed around 0.3% to the Group's earnings in the financial year 2023.

OVERALL ASSESSMENT OF THE COMPANY'S BUSINESS PERFORMANCE BY THE EXECUTIVE BOARD

ProSiebenSat.1 Media SE closes the financial year 2023 with a net loss for the year of EUR 54 million (previous year: EUR 123 million). The investment result (consisting of the balance of income and expenses from profit transfers) of minus EUR 13 million (previous year: EUR 404 million) decreased in particular due to the sharp reduction in the profit transfer from Seven.One Entertainment Group GmbH. In the 2023 financial year, a write-up of the carrying amount of the investment in the subsidiary NCG - NUCOM GROUP SE, Unterföhring, in the amount of EUR 178 million was recognized, mainly due to the positive economic development of the investments. Taking into account a reduction in tax expenses of Euro 58 million, the net loss for the year amounted to Euro 54 million (previous year: Euro 123 million). Equity decreased by EUR 64 million to EUR 3,122 million. The equity ratio remained constant at 39% (previous year: 39%).

EARNINGS OF PROSIEBENSAT.1 MEDIA SE

STATEMENT OF INCOME ACCORDING TO GERMAN GAAP (HGB)

EUR m

	2023	2022
Revenues	95	123
Other operating income	244	102
Program and material expenses	49	53
Personnel expenses	64	63
Depreciation	8	9
Other operating expenses	96	124
Operating expenses	217	249
Investment result	−13	404
Financial result	−168	−451
Taxes	+8	−53
Income after taxes	**−51**	**−123**
Other taxes	3	0
Loss of the year	**−54**	**−123**

ProSiebenSat.1 Media SE's revenues decreased by EUR 28 million to EUR 95 million in financial year 2023. Intragroup revenues (consisting of services for administration and rental as well as other revenues) decreased slightly by EUR 6 million to EUR 77 million. External income from the sale of programming assets and ancillary rights fell significantly by EUR 13 million to EUR 14 million.

Other operating income increased by EUR 142 million year-on-year to EUR 244 million. This was due in particular to a EUR 185 million increase in income from write-ups on financial assets, of which EUR 178 million is attributable to the reversal of impairment losses on the carrying amount of the investment in the subsidiary NCG - NUCOM GROUP SE, Unterföhring. In contrast, income from currency translation fell by Euro 37 million.

Operating expenses amounted to EUR 217 million (previous year: EUR 249 million). While programming and material expenses remained almost constant at EUR 49 million and personnel expenses at EUR 64 million, other operating expenses fell by EUR 28 million to EUR 96 million. This was due in particular to the EUR 20 million decrease in foreign currency effects. In addition, additions to provisions for onerous contracts for freestanding derivatives decreased by EUR 9 million. ProSiebenSat.1 Media SE has concluded long-term rental agreements for real estate used at the Unterföhring site, which are classified as operating leases. Rental expenses including ancillary costs amounted to EUR 25 million in the 2023 financial year (previous year: EUR 20 million).

The investment result as the balance of income from profit transfers less expenses from loss transfers amounted to minus EUR 13 million (previous year: EUR 404 million). The expenses from the transfer of losses of EUR 29 million (previous year: income from the transfer of profits of EUR 432 million), which originated almost exclusively from Seven.One Entertainment Group GmbH and whose decline in earnings was caused in particular by impairment losses on existing programming assets and the recognition of provisions for contingent losses on purchase obligations for programming assets as part of the strategic realignment of the Entertainment division, were offset by income from profit transfers totaling EUR 16 million (previous year: expenses from the transfer of losses of EUR 28 million) with Seven. One Studios GmbH, Unterföhring, and ProSiebenSat.1 Digital Data GmbH, Unterföhring.

The financial result as the balance of interest income and interest expenses as well as write-downs on financial assets improved by EUR 284 million to EUR minus 168 million in the 2023 financial year (previous year: EUR -451 million). On the one hand, this was due to the partial write-down on the carrying amount of the investment in the subsidiary NCG - NUCOM GROUP SE, Unterföhring, amounting to EUR 430 million in the previous year. On the other hand, interest expenses increased significantly by EUR 103 million to EUR 158 million in the 2023 financial year due to the rise in interest rates.

The developments described above resulted in a net loss of EUR 54 million for the 2023 financial year. This corresponds to an improvement of Euro 69 million compared to the previous year.

PERFORMANCE, FINANCIAL POSITION AND LIQUIDITY OF PROSIEBENSAT.1 MEDIA SE

BALANCE SHEET IN ACCORDANCE WITH GERMAN GAAP (HGB)

EUR m

	Dec 31, 2023	Dec 31, 2022
Assets		
Intangible assets	1	1
Properties	111	93
Financial assets	7,124	6,995
Non-current assets	**7,236**	**7,089**
Receivables and other assets	282	681
Cash and cash equivalents	423	357
Current assets	**705**	**1,038**
Prepaid expenses	1	5
Excess of plan assets over pension liability	0	0
Total assets	**7,942**	**8,132**
Liabilities and equity		
Equity	3,122	3,186
Provisions	153	136
Liabilities	4,667	4,783
Deferred tax liabilities	-	26
Total liabilities and equity	**7,942**	**8,132**

BALANCE SHEET

Fixed assets increased by 2% or € 147 million to € 7,236 million compared to the previous year's reporting date. This development is due in particular to a write-up of the carrying amount of the investment in the subsidiary NCG - NUCOM GROUP SE, Unterföhring, in the amount of EUR 178 million. This was offset by the repayment of capital reserves of the subsidiary ParshipMeet Holding GmbH, Hamburg, amounting to EUR 65 million.

Current assets decreased by 32% or EUR 333 million to EUR 705 million. On the one hand, bank balances increased by EUR 66 million to EUR 423 million and tax receivables by EUR 26 million to EUR 80 million. On the other hand, intercompany receivables decreased, in particular due to a reduction of EUR 416 million in receivables from profit and loss transfers. Another significant item in current assets is trade receivables amounting to EUR 21 million (previous year: EUR 27 million).

ProSiebenSat.1 Media SE concludes a significant part of its license agreements with production studios in the USA. In general, ProSiebenSat.1 Media SE meets its financial obligations from these program rights acquisitions in US dollars. In order to hedge against market-related exchange rate changes, the company uses derivative and original financial instruments in the form of currency forwards, currency swaps, currency options and currency holdings (currency spot position). As of December 31, 2023, the hedging ratio was 76 percent (previous year: 57%) based on the total volume of all future US dollar payments resulting from existing license agreements and which are due within a period of seven years as part of the implemented hedging strategy.

As of December 31, 2023, the equity of ProSiebenSat.1 Media SE decreased by 2 percent or EUR 64 million to EUR 3,122 million. The equity ratio was therefore 39 percent (previous year: 39%). In the 2023 financial year, a dividend of EUR 11 million was distributed from retained earnings as of December 31, 2022.

Provisions increased by EUR 17 million to EUR 153 million. The main reason for this was the increase in tax provisions by EUR 34 million to EUR 85 million. In contrast, provisions for onerous contracts decreased by EUR 10 million.

At EUR 4,667 million, the liabilities as of December 31, 2023 were EUR 116 million below the previous year's level of EUR 4.783 million. The decrease results from both the EUR 62 million drop in liabilities to affiliated companies and the EUR 61 million drop in trade payables.

As of December 31, 2023, no deferred tax liabilities (previous year: EUR 26 million) were recorded.

The total assets of ProSiebenSat.1 Media SE decreased by 2 percent or EUR 190 million to EUR 7,942 million as of December 31, 2023.

FINANCIAL POSITION AND LIQUIDITY

Cash management of the ProSiebenSat.1 Group is carried out centrally in ProSiebenSat.1 Media SE, the Group-wide cash flows flow through the implemented cash pooling system for the most part in ProSiebenSat.1 Media SE as the parent company. In this respect, the cash flows of the entire ProSiebenSat.1 Group influence the liquidity of ProSiebenSat.1 Media SE to a very high degree. In the past fiscal year, the balance of cash pool receivables and cash pool liabilities improved by EUR 72 million to EUR minus 2,158 million.

ProSiebenSat.1 Media SE uses various financing instruments and practices an active financial management.

The durations and volumes of the long-term financing instruments are as follows:

– As of December 31, 2023, ProSiebenSat.1 Media SE had a syndicated loan agreement. This comprises a revolving credit facility (RCF) of EUR 500 million and a term loan tranche of EUR 800 million, each with a term until April 2027. A second term loan tranche of EUR 400 million with a term until April 2026 can be extended by one year under certain conditions.

– In addition, as of December 31, 2023, ProSiebenSat.1 Media SE has promissory note loans totaling EUR 925 million with maturities until 2025 (EUR 226 million), 2026 (EUR 225 million), 2027 (EUR 346 million), 2029 (EUR 80 million) and 2031 (EUR 48 million).

The Group's financing instruments are not subject to compliance with key financial figures. The interest on the syndicated term loan and the syndicated revolving credit facility is variable at Euribor money market conditions plus a credit margin, with the agreement providing for a lower limit for the base interest rate of 0 percent. The Group uses derivative financial instruments in the form of interest rate swaps and interest rate options to hedge against market-related changes in interest rates. As of December 31, 2023, the fixed interest rate was 86 percent (previous year: 86 %) of the entire long-term financing portfolio.

For Group companies, especially the German TV stations, ProSiebenSat.1 Media SE acts as purchasing agent for programming assets. In financial year 2023, EUR 352 million (previous year: EUR 319 million) was spent on investments in programming assets (including prepayments for programming assets). In financial year 2023, the inflow from the internal transfer of programming assets to Group companies amounted to EUR 270 million (previous year: EUR 331 million). As of December 31, 2023, the total future financial obligations from programming purchase agreements already concluded decreased to EUR 655 million (previous year: EUR 1,018 million).

In the period under review, cash outflows for purchases of tangible fixed assets at ProSiebenSat.1 Media SE amounted to EUR 25 million (previous year: EUR 26 million).

ProSiebenSat.1 Media SE received an amount of EUR 65 million (previous year: EUR 0 million) from repayment of capital reserves of the subsidiary ParshipMeet Holding GmbH, Hamburg. In 2023, no money (previous year: EUR 13 million) was spent on contributions to the capital reserve of direct subsidiaries.

There are intragroup commitments from financing commitments to affiliated companies in the amount of EUR 145 million (previous year: EUR 196 million), however, the amount and timing of which cannot be foreseen.

Additionally, on March 13, 2023, ProSiebenSat.1 Media SE acquired all shares in Jochen Schweizer mydays Holding GmbH, Munich, held by NCG - NUCOM GROUP SE, Unterföhring, and granted it a financing commitment. The financing commitment with a maximum amount of EUR 87 million and a term until December 31, 2024 was necessary so that the two wholly-owned subsidiaries of Jochen Schweizer mydays Holding GmbH, Jochen Schweizer GmbH, Munich, and mydays GmbH, Munich, could adjust their product range on March 13 / 14, 2023 due to the previously existing regulatory concerns. As of December 31, 2023, Jochen Schweizer mydays Holding GmbH has made use of the financing commitment by taking out loans amounting to EUR 41 million. These loan receivables were fully written off as of the reporting date. ProSiebenSat.1 Media SE expects further financing needs in the 2024 financial year. In addition to this measure, ProSiebenSat.1 Media SE issued a letter of comfort to Jochen Schweizer mydays Holding GmbH in April 2023 with regard to its payment obligations to its subsidiaries, which is initially limited until mid-2024 and is intended to ensure the going concern of the beneficiary company.

ProSiebenSat.1 Media SE was and is capable of satisfying its own payment obligations at any time.

For further information on the balance sheet and income statement, refer to the Notes to the Annual Financial Statements of ProSiebenSat.1 Media SE.

PRINCIPLES AND OBJECTIVES OF FINANCIAL MANAGEMENT

Group-wide financial management is performed centrally by the Treasury department of the holding company. The core aims of financial management include:

– to secure financial flexibility and stability, i.e. to maintain and optimize the Group's funding ability,
– to ensure that the entire Group remains solvent by managing its liquidity efficiently across the organization,
– to manage financial risks by using derivative financial instruments.

The Group's financial management covers the capital structure management and Group-wide funding, cash and liquidity management, and the management of market price risks, counterparty risks and credit default risks. In detail, this includes the following tasks:

– Capital structure management: Managing the leverage ratio is given particular priority for capital structure management as well as the dividend policy of ProSiebenSat.1 Group. The Group takes into account factors such as the level of market receptivity, funding terms and conditions, flexibility or restrictions, diversification of the investor base and maturity profiles in its choice of suitable financing instruments. The Group manages its funds on a centralized basis.

– Cash and liquidity management: As part of its cash and liquidity management, the Group optimizes and centralizes cash flows and secures liquidity across the Group. Cash pooling is an important tool here, which centralizes a large part of the Group's liquidity at ProSiebenSat.1 Media SE. Using a rolling, Group-wide liquidity planning, ProSiebenSat.1 Group captures and forecasts both operating cash flows and cash flows from non-operating activities, thus deriving liquidity surpluses or requirements. Liquidity requirements are covered either by existing cash positions or the revolving credit facility (RCF).

– Management of market price risks: The management of market price risks comprises centrally managed interest rate and currency management. In addition to spot transactions, derivative financial instruments in the form of conditional and unconditional forward transactions are deployed. These instruments are used for hedging purposes and serve to limit the effects of interest and currency volatility on net income and cash flow.

– Management of counterparty and credit default risks: The management of counterparty and credit default risks centers on trading relationships and creditor exposure to financial institutions. When entering into trading transactions, ProSiebenSat.1 Group pays attention to ensuring that volumes are widely diversified involving counterparties of sufficiently high credit quality. External ratings supplied by international agencies are used for this purpose. Risks with respect to financial institutions arises primarily from its investment of cash and cash equivalents and from its use of derivative financial instruments as part of its interest rate and currency management activities.

RISK AND OPPORTUNITY REPORT

OVERALL ASSESSMENT FROM THE MANAGEMENT'S VIEW: RISK AND OPPORTUNITY SITUATION

We regard our opportunity situation as unchanged, even though it is largely dependent on further macroeconomic developments. In 2024, the German economy and private consumption are likely to pick up again, but expectations for growth still vary widely, especially in light of macroeconomic and geopolitical uncertainties.

Advancing digitalization is opening up new growth markets for ProSiebenSat.1 Group. Media usage, for example, is becoming more and more diverse, while video is being consumed independently of time, place, and device – and the ability to address specific target groups with advertising is becoming increasingly flexible. To play an active role in shaping this digital transformation, we consistently focused on our entertainment activities in 2023 and initiated the necessary changes here. Our entertainment strategy is now centered around our streaming platform Joyn, which we are linking with all our brands and linear channels.

At the same time, digitalization also entails risks. Therefore, the identification and management of potential opportunities is just as important for our Company as the recognition and controlling of potential risks. As of the end of the financial year, we estimate that there are no identifiable risks that could have a material adverse effect on our business performance. The Group‘s overall risk in 2023 has decreased compared to the previous year.

RISK REPORT

As a holding company, ProSiebenSat.1 Media SE itself and through the operational holdings with a wide range of business activities it directly and indirectly is exposed to a wide variety of risks. Due to the perceived holding function, the risks and opportunities of the Group are essentially congruent with the risks and opportunities of ProSiebenSat.1 Media SE.

PROCESS MANAGEMENT

ProSiebenSat.1 Group has a comprehensive risk management system, which covers all activities, products, processes, departments, investments, and subsidiaries that could have an adverse impact on our Company's business performance. The traditional risk management process is structured into four phases:

1. Identification: The basis is to identify material risks by means of a target/actual comparison. The decentralized risk managers are responsible for this. They use early warning indicators defined for relevant circumstances and key figures. For example, the development of audience shares is an important early warning indicator.

2. Assessment: The relevant consolidated risks are assessed on the basis of a matrix. On the one hand, the circumstances are categorized on a five-level percentage scale in terms of the likelihood of their occurrence. On the other hand, their level of potential financial impact is estimated; the financial equivalents are likewise broken down into five levels. The visual presentation of that matrix can be found in the following section "Development of risks". Using the matrix presentation, potential risks are classified as "high," "medium," or "low" depending on their relative significance. In addition to classification, risk assessment also includes analyzing causes and interactions. Measures to counteract or minimize risks are included in the assessment (net assessment). In order to obtain the most precise view of the risk situation possible, however, opportunities are not taken into account.

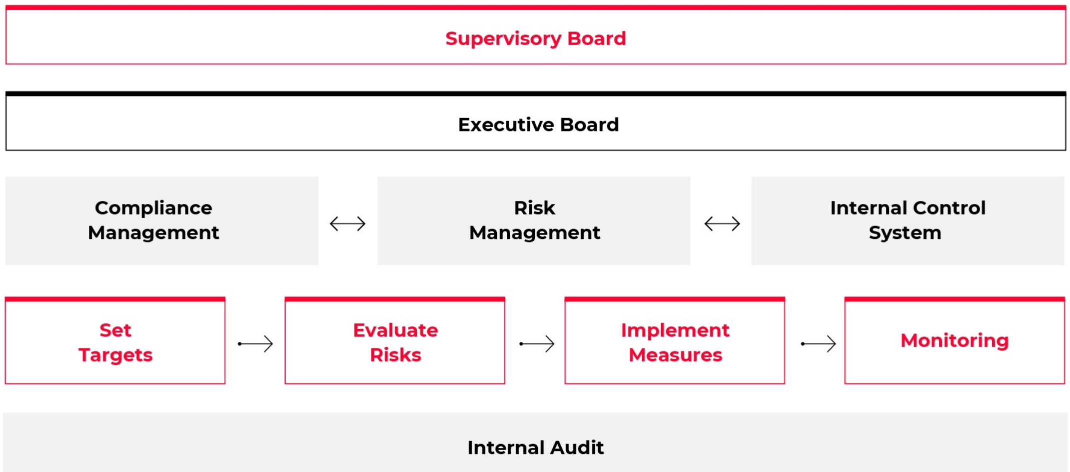
3. Management: Using appropriate measures, ProSiebenSat.1 Group can reduce the likelihood of occurrence of potential losses and limit or reduce possible damage. In order to handle risks safely, it is therefore very important to take adequate countermeasures as soon as an indicator exceeds a certain tolerance limit.

4. Monitoring: Risk monitoring as well as the quarterly and need based risk reporting round off the risk management process. The aim is to monitor changes and review the effectiveness of the management measures taken. Monitoring also includes documentation, which ensures that all hierarchy levels relevant to decision-making have adequate information on risks.

» **INFORMATION**

Risk is defined in this report as a potential future development or event that could significantly influence our business situation and result in a negative deviation from targets or forecasts. The risk factors that we have already taken into account in our financial planning or in the Consolidated Financial Statements as of December 31, 2023, therefore do not come under this definition and are consequently not explained in this Risk Report.

RISK MANAGEMENT SYSTEM



In addition to a structured process, the fundamental requirements for handling risks safely throughout the Group include clear decision-making structures, standardized guidelines, and a methodical approach by the responsible bodies. At the same time, processes and organizational structures must be flexible enough to allow ProSiebenSat.1 Group to respond appropriately to new situations at all times. For this reason, the regular classification of risks takes place on a decentralized basis and thus directly in the different corporate units, as described below:

- **Decentralized risk managers:** The decentralized risk managers identify the risks from their respective area of responsibility according to the standard Group system described. They document their results in an IT database every quarter.

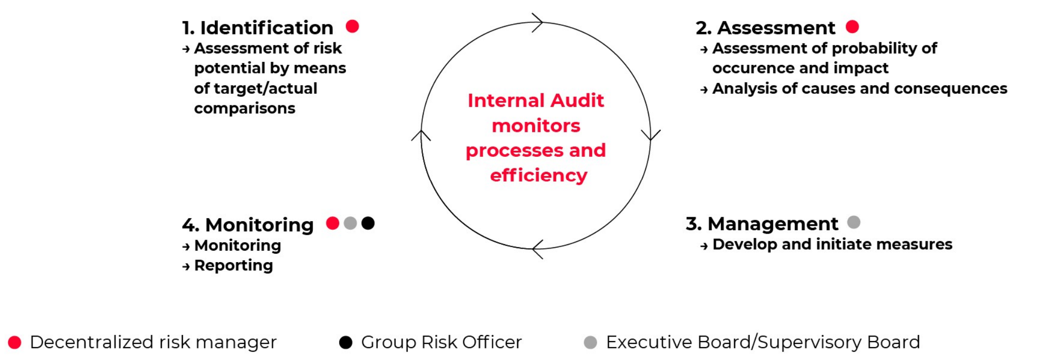
- **Group Risk Officer:** The Group Risk Officer reports the relevant risks identified in the database to the Executive Board and Supervisory Board on a quarterly basis. In addition, relevant risks arising at short notice are reported immediately. In this way, the Executive Board and Supervisory Board receive all analyses and data relevant to decision-making regularly and at an early stage so that they can respond appropriately.

- **Group Risk Management** supports the various corporate units in identifying risks at an early stage. It ensures the efficacy and timeliness of the system by training the decentralized risk managers and continually monitoring the scope of risk consolidation. Moreover, the Internal Audit unit regularly reviews the quality and propriety of the risk management system. The results are reported directly to the Group CFO and then discussed in the Executive Board and presented to the Supervisory Board for its information.

The regular review of the risk management system by Internal Audit again generated a positive result in the financial year 2023. The basis for this review is the risk management framework guideline. This guideline summarizes company-specific principles and reflects the internationally recognized standard for enterprise risk management and internal control systems of COSO (Committee of Sponsoring Organizations of the Treadway Commission). This, among other things, enables the ProSiebenSat.1 Group to continuously develop its systems. ProSiebenSat.1 Group is thus responding to the dynamic business environment, changing regulatory requirements or issues such as the ZAG matter with regard to the business activities of Jochen Schweizer and mydays. In this context, the Executive Board, based on the mandate of the Audit and Finance Committee of the Supervisory Board of ProSiebenSat.1 Media SE, initiated an analysis of the maturity level of the entire internal control and risk management system by an auditing company. Based on the results of this analysis and other monitoring activities, the ProSiebenSat.1 Group has identified additional opportunities for further development. Some fundamental measures have been taken directly in the financial year 2023, such as the implementation of organizational changes for a holistic governance, risk and compliance management system (GRC) to manage corporate risks and separating this integrated GRC system from Internal Audit in accordance with the Three-Lines Model of the IIA (The Institute of Internal Auditors) as a regulatory framework. In addition, further steps were already initiated in the financial year 2023, which will continue to be implemented in the financial year 2024. These include, in particular, closer integration of the risk management processes of the various governance functions, including through the harmonization of risk catalogs and assessment methods (risk assessments and analyses), the standardization of risk reports to the relevant committees and the review and improvement of documentation in connection with internal control systems.

Some fundamental measures have been taken, such as the implementation of organizational changes in accordance with the Three Lines Model of the IIA as a regulatory framework for a holistic governance, risk and compliance management (GRC system) to manage corporate risks. In addition, further steps – such as closer integration of the risk management processes of the various governance functions, including the alignment of risk catalogues and assessment methods as well as the standardization of risk reports – have been initiated.

RISK MANAGEMENT PROCESS



DEVELOPMENT OF RISKS

For nearly four years, the German economy has been facing major challenges – visibility is low. In 2024, gross domestic product in Germany is likely to grow slightly again, but expectations for growth still vary widely, especially in light of global economic and geopolitical uncertainties. The assumptions regarding general economic development current at the time this Annual Report was prepared have been taken into account in our financial planning.

At the same time, the business performance of our segments is reflected in our financial planning and therefore in the risk assessment as well. Considering this information, ProSiebenSat.1 Group's overall risk situation has decreased compared to the previous year 2022.

We regularly examine the overall risk situation in comparison with the risk bearing capacity to examine the continued existence of the Group as a going concern. We estimate that there are currently no risks that, either individually or in combination with other risks, could have a material or lasting adverse effect on earnings, financial position and performance. The identified risks pose no threat to the Group as a going concern, even looking into the future.

» **INFORMATION**

In ProSiebenSat.1 Group's risk management process, risks are reported and analyzed using a bottom-up and top-down approach. To assess the overall risk situation, ProSiebenSat.1 Group initially classifies all individual risks as part of the quarterly assessment process based on an ongoing twelve-month view, aggregates them, and assigns them to general risks. When assessing the overall risk situation, ProSiebenSat.1 Group weights the risks according to their significance for the Group. The assessment of the overall risk situation is thus the result of an aggregate analysis of the main risk categories of the Group and its three segments Entertainment, Commerce & Ventures, and Dating & Video. To identify existential risks, this assessment is supplemented by the risks evaluated as part of long-term corporate planning. ProSiebenSat.1 Group divides the risks at segment and Group level into the categories of operating risks, finance risks, compliance risks, strategic risks, and non-financial risks. The Group defines operational risks as risks that can arise from internal processes, system errors or human error as well as external events. Financial risks arise in the financial sector and can therefore have a direct impact on the Consolidated Income Statement. Compliance risks include legal sanctions, financial and reputational losses due to violations of the law or non-compliance with internal guidelines. The Group summarises events that could impair the achievement of corporate goals under strategic risks. Non-financial risks lie outside the area of finance and include potential environmental pollution, human rights violations and reputational damage or loss of revenues due to a negative ESG rating.

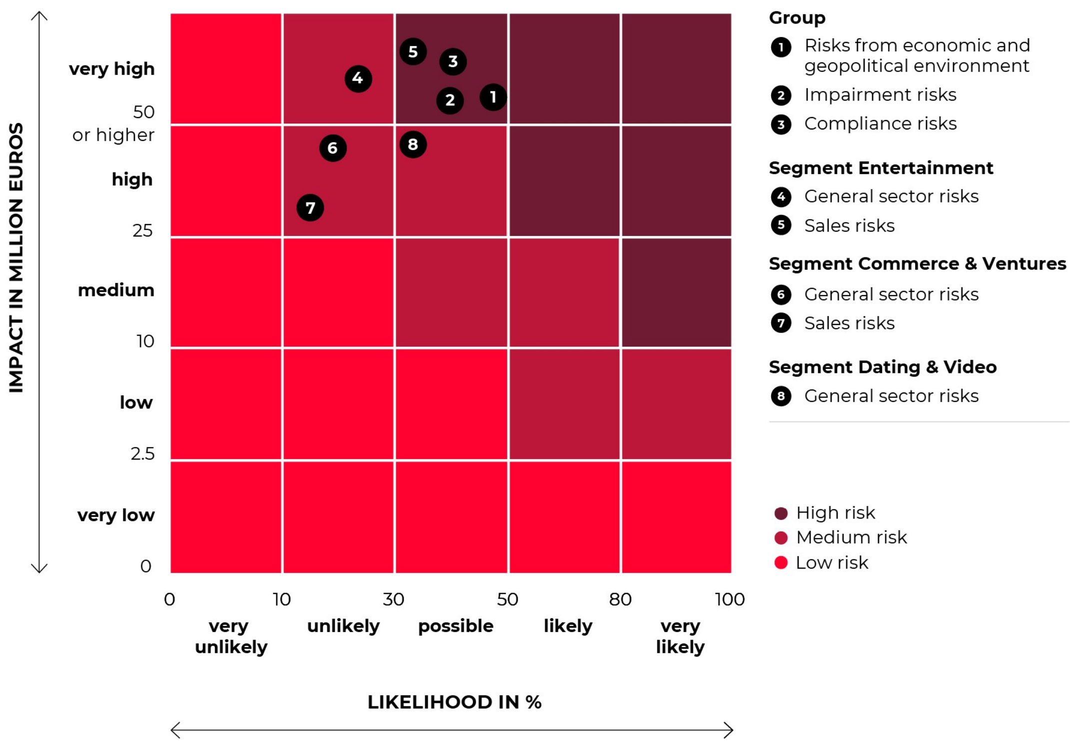
We monitor all risks covered by the risk management process continuously and systematically. These are not necessarily the only risks that the Group faces. However, we are currently not aware of any additional risks that could affect our business activities, or we do not consider them relevant in the context of this report. Risks with an overall risk assessment of low are not reported here.

An overview of the relevant risks as of December 31, 2023, is shown in the table below:

OVERVIEW OF THE RELEVANT RISKS

	Category	Risk	Change as of December 31, 2023 over the previous year	Possible Impact	Probability	Overall Risk
Group	Operating risks	Risks from the economic and geopolitical environment	Unchanged	Very high	Possible	High
		Impairment risks	Unchanged	Very high	Possible	High
	Compliance risks	Compliance risks	Unchanged	Very high	Possible	High
Segment Entertainment	Operating risks	General sector risks	Unchanged	Very high	Unlikely	Medium
		Sales risks	Unchanged	Very high	Possible	High
Segment Commerce & Ventures	Operating risks	General sector risks	Decreased	High	Unlikely	Medium
		Sales risks	Decreased	High	Unlikely	Medium
Segment Dating & Video	Operating risks	General sector risks	Decreased	High	Possible	Medium
		Sales risks	Decreased	Medium	Possible	Medium

OVERVIEW OF THE TOP RISKS



Graph is not drawn to scale. This Annual Report only presents relevant risks with a high or very high potential impact; we do not report on risks with a very low, low or medium potential impact here.

» **INFORMATION**

This Annual Report only presents relevant risks with a high or very high potential impact. We do not report on risks with a very low, low, or medium potential impact here. We also do not report on risks with an overall risk assessment of low here. However, if a risk that currently has a very low, low, or medium potential impact changes into a risk with a high or very high potential impact, we will include this change in our future Risk Reports. Conversely, if risks which we currently rate as having a high or very high impact are downgraded to a very low, low, or medium impact, such risks will not be described in detail in this report except for the change compared to the risk situation published in the Annual Report 2022 itself. Similarly, if a risk with an overall low assessment changes to a risk with an overall medium or high assessment, such a risk would be included in our future risk reports as soon as we assess the potential impact of the risk as high or very high. If, on the other hand, a risk with an overall high or medium assessment changes to a risk with an overall low assessment, this risk would not be described in detail, regardless of the potential impact level – with the exception of the change compared with the risk situation itself published in the Annual Report 2022.

RISKS AT LEVEL OF PROSIEBENSAT.1 MEDIA SE

As the holding company of the ProSiebenSat.1 Group, ProSiebenSat.1 Media SE is exposed to a variety of risks due to its extensive business activities. Insofar as the prerequisites for accounting consideration were given, adequate provision was made for all discernible risks.

The following sections describe risks that could affect the ProSiebenSat.1 Group's net assets, financial position and results of operations.

GROUP LEVEL

Operating Risks

Risks from the economic and geopolitical environment: Advertising expenditures are corporate investments and are therefore directly linked to general economic development and in particular to private consumption. Unfavorable (domestic) economic prospects therefore represent a significant risk for our business. Consequently, we continuously monitor key economic indicators and forecasts and adjust our business expectations accordingly.

Economic forecasts naturally entail uncertainties, but these are still very high – especially against the backdrop of geopolitical events. For nearly four years, the German economy has been confronted with continuous challenges, from the effects of the COVID-19 pandemic to the Russia/Ukraine war. Over the course of 2022, the collapse of gas and oil supplies from Russia sent energy prices skyward. Ever since, the highly inflationary environment has severely impaired private households' purchasing power. In 2023, the European Central Bank (ECB) also raised its interest rates, which curbed borrowing and corporate investment.

Despite the various adverse factors, the German economy was almost stable in 2023 with a real contraction of 0.3% (-0.1% when adjusted for calendar effects). It is currently assumed that the German economy will pick up again over the course of 2024 – despite persistently weak foreign demand and heavy strain on businesses. This forecast is based on a positive trend in private consumption: Falling inflation and higher real incomes should provide more momentum than in 2023. On the other hand, no support is expected from government spending, especially after the Federal Constitutional Court's ruling that mandated cuts in the public budget.

In summary, both upward and downward forces are at work in the winter half-year 2023/2024: While private consumption ought to gradually regain momentum, the stresses and strains on businesses remain high and the macroeconomic growth prospects limited. In view of this, we continue to categorize risks from the economic and geopolitical environment as overall high, like at the end of the previous year. We still see the probability of occurrence as possible and the potential impact as very high.

Impairment risks: The macroeconomic environment remained challenging for ProSiebenSat.1 Group in 2023. Inflation is high and weighing down both capital expenditure and private consumption. This has forced the ECB to raise interest rates, which has increased the cost of capital.

The Group is monitoring and analyzing the valuation parameters in the context of the risks from the economic and geopolitical environment very closely at the level of the cash-generating units in all segments. In addition, the Group monitors the economic development of all cash-generating units as well as potential future risks and their impact on planning. Indicators of impairment are analyzed on a quarterly basis and an impairment test is carried out if necessary. Intangible assets with an indefinite useful life are also tested for impairment at least once a year. Against this background, we see an overall high risk in relation to possible impairments. The potential impact would be very high, while the probability of occurrence is still possible.

Compliance Risks

Overall, we consider compliance risks to be unchanged: We categorize compliance risks as a high risk, still with a possible probability of occurrence and a potentially very high impact. We have considered the following issues in this risk assessment:

General compliance risks (including legal proceedings, antitrust law, statutory reporting requirements): Digital development is confronting legislators with new challenges, and companies are facing very dense regulation, particularly in the areas of consumer and data protection. To prevent possible legal violations, we closely monitor developments in the law in order to respond to changes appropriately. Together with policymakers and industry, the Group is aiming to promote the opportunities of digitalization in order to strengthen Germany as a location for business and innovation in the long-term. The following issues are currently top priorities:

The General Data Protection Regulation (GDPR) has harmonized the legal requirements for processing personal data in the European Union. The online advertising industry developed the Transparency & Consent Framework (TCF) at an early stage to enable operators to request users' consent as required by data protection law, inquire about objections to legitimate interests in processing data, and provide mandatory information. At the beginning of 2022, the responsible Belgian data protection regulatory authority (APD) had objected to key aspects of the TCF mechanism and imposed various rectification requirements on the standard-setting organization, Interactive Advertising Bureau Europe (IAB Europe). In April 2022, IAB Europe submitted an action plan with proposed improvements, which was approved by the regulatory authority in January 2023 and implemented by IAB Europe over the course of the year. In parallel with this process, IAB Europe appealed against the APD's decision in February 2022 and took the case to the Belgian Market Court. In fall 2022, however, this court suspended the case submitted questions, on which the APD's original official decision was based, to the European Court of Justice (ECJ) for a preliminary ruling. If the ECJ's ruling necessitates changes to the TCF mechanism, this could compromise ProSiebenSat.1 Group's advertising-financed business model and possibly require adjustments to the request for consent in accordance with data protection law.

Various legislative initiatives at national and European level aim to strengthen consumers' interests by way of modern online regulation. For example, as part of the "New Deal for Consumers," the EU Omnibus Directive provides for changes to withdrawal rights, new transparency regulations for online marketplaces, and a revision of the Price Indication Regulation (Preisangabenverordnung), among other things. These provisions came into force at a national level on May 28, 2022. In the event of certain violations, a provider could face fines of up to 4% of its annual revenues. Another component of the "New Deal for Consumers" package is the EU Collective Redress Directive, which strengthens consumers' collective legal protection. Implementing this directive, the new German Consumer Rights Enforcement Act, which entered into force on October 13, 2023, stipulates among other things that, in addition to injunctive rights, "qualified entities" can assert all civil consumer claims against companies for redress – such as compensation, rectification, or contract termination – provided these claims are comparable. The Fair Consumer Contracts Act has also already been adopted, which, among other things, provides for more stringent regulation of long-term contracts, including making it easier for consumers to terminate contracts via an online cancellation button. These regulations came into force on March 1, 2022, and July 1, 2022, respectively, and affect parts of the Group's Dating & Video and Commerce & Ventures segments.

The EU Regulation on the Digital Services Act (DSA) also came into force in November 2022. The DSA establishes a uniform legal framework for dealing with illegal and other harmful content on intermediary platforms and also regulates the relationship between providers of intermediary services and their users. In addition, the Regulation includes provisions on exemption from liability, due diligence obligations tailored to certain categories of intermediary services, and regulatory provisions on the implementation and enforcement of these requirements, including sanctions. For "very large online platforms," the regulations of the DSA will take effect on a staggered basis in 2023, while for all other providers of intermediary services they will take effect on February 17, 2024.

At national level, the draft "Digital Services Act" (DDG-E) to implement the DSA is also in the legislative process. For the first time, the DDG-E also provides for sanctions for violations of the EU Regulation Promoting Fairness and Transparency for Business Users of Online Intermediation Services, which has applied since July 2020 and is primarily relevant for the Commerce & Ventures segment. The DSA affects the Group to different degrees in all segments. Depending on their classification in the various categories of intermediary services, the ProSiebenSat.1 Group's business models within the scope of application are subject to different due diligence obligations, the implementation of which is being monitored in the light of further legal developments.

Finally, the amended Consumer Rights Directive was adopted at EU level at the end of November 2023. Among other things, it introduces an obligation to implement an online withdrawal button for all distance contracts for the sale of goods and provision of services in order to make it easier for consumers to exercise an existing right of withdrawal. Starting from the effective date of the directive on December 19, 2023, the member states have two years to transpose the requirements into national law, which will then take effect on June 19, 2026. The changes are expected to affect the Group in all segments.

The dynamics of digital markets also mean that adjustments to national and European antitrust law are necessary. Companies that are in a dominant position on the market have faced stricter supervision with regard to abuses since the introduction of the German Act to Digitalize the Act against Restraints of Competition (GWB-Digitalisierungsgesetz). An ex ante regulation on digital platforms and centralized implementation of the new regulatory framework came into effect at European level in November 2022 with the Digital Markets Act (DMA). On September 6, 2023, the European Commission named six companies as gatekeepers. The selected companies have until March 2024 to comply with all obligations under the Act and submit a compliance report in which they set out in detail which solutions they have implemented. These are crucial steps in ensuring equal competitive conditions in digital markets and enabling action to be taken promptly in future against distortions of competition in digital ecosystems.

Finally, the reform of copyright contract law in 2021 is also relevant in light of digital developments. The new legal regulations, in particular the reporting obligation for contractual partners of authors and ancillary rights holders (usually the producer), which will apply from June 2022, contain undefined legal terms and some other, still unclear formulations, with regard to which more legal certainty can only be achieved through case law and industry practice in the coming years. The effects on the ProSiebenSat.1 Group are therefore not yet finally foreseeable.

For the regulation of Artificial Intelligence (AI), the Artificial Intelligence (AI) Act was adopted at European Level in December 2023, creating a regulatory and legal framework for offering and using all kinds of AI in the EU. The AI Act entered into force after publication. Affected companies have a period of up to two years to align themselves with the amended framework. The use of AI is supremely relevant for ProSiebenSat.1, because it can optimize existing processes and offer new opportunities, such as in the creation of content. The AI Act is therefore also relevant for ProSiebenSat.1 Group, since it is expected to define transparency requirements with regard to AI-generated support in image, sound and video content.

The German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz, LkSG) came into force on January 1, 2023. This requires ProSiebenSat.1 Group companies to implement certain appropriate measures to protect against risks relating to human rights and the environment, both within their own area of business and with respect to their direct and indirect suppliers. Any breach of the resulting obligations may have significant negative consequences in terms of liability and may lead to legal action and fines. In 2022, ProSiebenSat.1 Group started an interdivisional project and appointed a Human Rights Officer. In addition, a complaints system was introduced in December 2022, which was integrated into the existing whistleblower system, and rules of procedure were published. To ensure a comprehensive and consistently up-to-date overview of any risks in the supply chains, ProSiebenSat.1 conducts both annual and ad hoc risk analyses. In 2023, a policy statement was also published on the ProSiebenSat.1 website. In line with its reporting obligations, ProSiebenSat.1 Group will issue a public report in accordance with Section 10 LkSG for the first time in 2024 and then annually.

Compliance risks in the context of the Payment Services Supervision Act with regard to the business activities of Jochen Schweizer GmbH and mydays GmbH: On February 28, 2023, ProSiebenSat.1 Media SE issued an ad-hoc announcement stating that, following a notice received shortly before, it assumes on the basis of the results of an external assessment that the business activities of its two subsidiaries Jochen Schweizer GmbH ("Jochen Schweizer") and mydays GmbH ("mydays"), which mainly consist in the sale of vouchers, fall partly under the German Payment Services Supervision Act ("Zahlungsdiensteaufsichtsgesetz" – "ZAG").

Jochen Schweizer and mydays subsequently adjusted their product offering on March 13/14, 2023, in order to address the regulatory concerns mentioned in the ad-hoc announcement. In a letter dated April 6, 2023, the German Federal Financial Supervisory Authority ("Bundesanstalt für Finanzdienstleistungsaufsicht" – "BaFin") as the responsible supervisory authority informed Jochen Schweizer and mydays that for the continued operation of their product offering adjusted as of March 13/14, 2023, no authorization from BaFin is required.

At the same time, BaFin announced that, based on its current administrative practice, it assumes that Jochen Schweizer and mydays required authorization from BaFin under the ZAG to offer certain voucher products issued before March 13/14, 2023, with a voucher value of more than EUR 250, which accounted for around 20% of total revenues of Jochen Schweizer and mydays in the financial year 2022. Jochen Schweizer and mydays then coordinated the modalities of the settlement of the affected voucher products with BaFin. During the reporting period, BaFin did not take any coercive measures under supervisory law in connection with the ZAG matter, nor did it impose or announce any fines.

Immediately after the publication of the ad-hoc announcement, the company contacted the Munich Public Prosecutor's Office I (Staatsanwaltschaft München I) and proactively informed of the facts underlying the ad-hoc announcement. The Munich Public Prosecutor's Office I (Staatsanwaltschaft München I) initiated a monitoring process ("Beobachtungsvorgang") to examine whether there is an initial suspicion of possible criminal acts or administrative offenses. ProSiebenSat.1 Media SE and its affected subsidiaries are fully cooperating with the relevant authorities. To the knowledge of ProSiebenSat.1 Media SE, the public prosecutor's office has not yet decided whether to open a formal investigation. It therefore remains open at present whether criminal or administrative fine proceedings will be initiated in connection with the ZAG matter.

The Supervisory Board of ProSiebenSat.1 Media SE initiated an independent internal investigation conducted by an external law firm immediately after publication of the ad-hoc announcement. The Executive Board of ProSiebenSat.1 Media SE fully supports this investigation. In particular, the investigation includes a complete and independent clarification of the handling of the ZAG matter in the acquisition, management and monitoring of Jochen Schweizer and mydays. As of the date of preparation of the Consolidated Financial Statements for the financial year 2023, the external law firm had essentially completed its investigation of the facts and submitted its final report on the facts found. The legal classification of these facts and the examination of any follow-up measures are ongoing. The Executive Board of ProSiebenSat.1 Media SE will decide on the basis of the results of the internal investigation whether further measures are to be initiated. The total costs for the Group associated with the investigation cannot be reliably estimated at present. However, after receiving confirmation from BaFin that the adjusted product offering of Jochen Schweizer and mydays complies with the ZAG, the Executive Board assumes that the risk of financial burdens from any official claims in connection with the ZAG matter has been materially reduced. In the previous year, it was assumed that the potential financial charges for the Group could be significant.[2]

2 The assessment "significant" in this case does not correspond to the definition of "high impact" otherwise used in this risk report, i.e. > EUR 25 – 50 million.

Tax Risk

As part of the ongoing tax audit, the tax authorities verbally informed the Group during the course of the third quarter about a possible imminent change in their view on the tax treatment of programming assets, which could result in a one-time additional tax burden that would be reversed in subsequent years through corresponding tax reductions. ProSiebenSat.1 Group considers its previous accounting practice to be in compliance with the law. This has since been confirmed by a verbal notification during the tax audit following a prior review by the Federal Ministry of Finance, meaning that this no longer results in any risk.

SEGMENT ENTERTAINMENT

Operating Risks

General sector risks (including consumer trends and reach development):

Television is the most important mass medium, in terms of both reach and media usage time. However, advancing digitalization has changed media usage behavior on the video usage sector on a lasting basis, leading to a significant diversification of the offerings in terms of both technology and content. For a long time now, TV content, for example, has been consumed not only live on TV sets, but also on-demand via apps and on mobile devices such as laptops or smartphones. Additional content offerings such as Pay-VoD (Netflix, Amazon Prime) or Ad-VoD (especially YouTube) reduce the time budget available for traditional linear television.

In 2023 – following the high during the COVID-19 pandemic – the use of all media types overall has returned to its original level. At 4.5 hours, video usage is slightly higher than the pre-pandemic level and is extremely stable to slightly increasing in the long-term. However, the above-described shift in video usage from the linear to the digital environment is clearly evident: While traditional TV usage is declining, digital offerings are growing in significance. This is particularly true of advertising-financed offerings, with the usage time of online videos in particular growing very dynamically.

The risk for the Group in this changing environment is therefore not reaching a sufficient number of viewers, thereby reducing the overall reach across all programs and losing important viewer segments such as the younger population groups.

Several measures have been implemented to counter this risk.

The Joyn platform has moved to the center of our entertainment offering in 2023. This means that our content is available both live and on demand on TV sets and via devices such as laptops or tablets/smartphones on all major reception channels. Joyn also forms an integral part of content format considerations, so that viewers have access to a harmonized overall offering of the stations and Joyn.

In terms of content, we concentrate on local content with our program offering and focus on prime time on TV, which is relevant for advertising industry. We address different target groups, which is reflected in the complementary positioning of our broadcasting group: For the younger viewer groups, sixx and ProSieben Maxx have the right offering; for the older viewer groups, these are Sat.1 Gold and Kabel Eins Doku (each tending to be female and male); Sat.1, ProSieben and Kabel Eins also cover the broader viewer segments 14-59 years and 14-49 years respectively.

This strategy is rounded off by the close integration of the station offerings and the platform Joyn, e.g. via previews together with target group-orientated content that can only be used exclusively via Joyn.

In addition to video, audio formats in the form of podcasts also supplement our range of offerings – we are leading in Germany here with Seven.One Audio and its portfolio of exclusive podcasts produced in-house and thus reach additional user groups.

Against this backdrop, we feel that the risks of a change in the general sector risks in the Entertainment segment are unchanged compared to the end of the previous year and still consider their occurrence to be unlikely. We continue to rate this as a medium risk overall; the potential financial impact is very high.

Sales risks: Competition with global platform providers is intense. We cannot rule out a very high impact on our revenue development in the TV advertising market, although we are pursuing a digital and cross-platform entertainment strategy. At the same time, we are increasingly focusing on local programming content in order to cater to a variety of media usage interests and thus differentiate ourselves from the competition. With exclusive local content as a clear priority and the increase in programming expenses in 2024, ProSiebenSat.1 intends to strengthen its market share in linear TV and the growth of Joyn. However, the visibility of future macroeconomic developments is still limited. We have arranged our financial planning accordingly and still categorize the remaining sales risks as possible. Sales risks are therefore unchanged overall and are still rated as high.

COMMERCE & VENTURES SEGMENT

Operating Risks

General sector risks: Although the sectors relevant to us in the Commerce & Ventures segment are likely to develop at different rates, private consumption is relevant for many business models because of their strong consumer focus. Consumer demand is therefore an important foundation for our financial planning. In light of current macroeconomic developments, we still categorize the general sector risks for the Commerce & Ventures segment as an overall medium risk with an unlikely likelihood of occurrence and a high impact (previously: very high).

Sales risks: Increased competitor activity could cause selling expenses in connection with customer acquisition in the Commerce & Ventures segment to rise. To contain these risks, portfolio companies in this segment are working on even closer communication with customers and are expanding their offerings with services such as personalized information. We thus intend to offer added value compared to the competition. At the same time, the market environment for start-up companies is still challenging, not least due to increased financing costs, and the visibility of macroeconomic developments remains limited. We are trying to counter these risks with new sales channels and offerings. We continue to rate the resulting sales risks as medium overall, whereby the potential impact is high and occurrence is now classified as unlikely (previously: possible).

DATING & VIDEO SEGMENT

Operating Risks

General sector risks: The number of singles as well as willingness to use dating apps is increasing all over the world, so the market for online dating and social entertainment is growing dynamically. Nevertheless, the market environment also harbors risks: Firstly, demand for online dating and interaction services could change negatively. Secondly, regulatory changes and intervention at national and international level could lead to risks for the Dating & Video segment's established business models. In particular, restrictions on free product design and pricing could negatively impact the development of revenues and earnings and compromise economic performance in the medium to long term as a result of associated legal disputes (such as administrative fine proceedings, collective redress, warnings under competition law). In addition, competition is still intense. As a result, there is a risk that consumer demand will change very rapidly due to new market players, competing offers, and technologies. Furthermore, the digital business models on this market entail a risk of dependence on third-party providers, e.g. for processing payments, providing video services, or compliance with the rules on personalized advertising on mobile devices. Changes in these business relationships could negatively affect revenues or costs.

We are monitoring these developments regularly in order to assess negative changes early on so that we can initiate countermeasures. If signs of regulatory changes emerge, work is done proactively on alternative services to counteract potentially negative impacts if the risks occur. By constantly refining the digital product offering, the Group is also aiming to secure a long-term competitive edge in the market. Regulatory changes known at the time of our planning process have already been taken into account in our planning. Based on this – in contrast to the end of the previous year 2022 – we categorize the general sector risks as medium overall (previously: high). We still rate the probability of occurrence as possible, whereby the potential financial impact is high (previous year: very high).

Sales risks: The risk assessment has also been updated with regard to sales risk: ParshipMeet Group has altered its B2B (Business-to-Business) video strategy and will in the future rely to a substantially reduced extent on an offer to third-party companies. As a result, risks in this area have decreased considerably. The potential impact is now rated as medium (previously: high). The probability of occurrence is still possible, so we still categorize the risk as medium overall. The risk assessment also accounts for the fact that changes in consumer behavior influence marketing activities. As consumers turn away from traditional channels, for example, there is a growing need to develop new marketing strategies. ParshipMeet Group is one of the most innovative providers in its industry, but there is still a risk that the chosen sales and marketing concepts will not succeed in the ongoing challenging macroeconomic situation.

DISCLOSURES ON THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO THE (CONSOLIDATED) REPORTING PROCESS WITH EXPLANATORY NOTES

The internal control and risk management system in relation to the (consolidated) reporting process is intended to ensure that transactions are appropriately reflected in the Individual and Consolidated Financial Statements of ProSiebenSat.1 Media SE (in accordance with the International Financial Reporting Standards ("IFRS") effective at the end of the reporting period, as adopted by the European Union, and in accordance with the additional requirements of German commercial law pursuant to Sec. 315e (1) of the German Commercial Code ("HGB")) and that assets and liabilities are recognized, measured and disclosed appropriately. This presupposes Group compliance with legal and company requirements. The scope and focus of the implemented systems were defined by the Executive Board to meet the specific needs of ProSiebenSat.1 Group. They are regularly reviewed and updated as necessary. Nevertheless, even appropriate, and properly functioning systems cannot offer any absolute assurance that all risks will be identified and controlled. The company-specific principles and procedures to ensure that the Group's single-entity and (consolidated) reporting is effective and correct are described below.

GOALS OF THE RISK MANAGEMENT SYSTEM IN REGARD TO FINANCIAL REPORTING PROCESSES

The Executive Board of ProSiebenSat.1 Media SE views the internal control system with regard to the financial reporting process as a component of the Group-wide risk management system. Controls are implemented in order to provide an adequate assurance that despite the identified risks inherent in recognition, measurement and presentation, the single-entity and (Consolidated) Financial Statements will be in full compliance with regulations. The principal goals of a risk management system in regard to single-entity and (consolidated) reporting processes:

- **To identify risks that might jeopardize the goal of ensuring that the (consolidated) Financial Statements and the (Group) Management Report comply with regulations.**
- **To limit risks that are already known by identifying and implementing appropriate countermeasures.**
- **To analyze known risks as to their potential influence on the (Consolidated) Financial Statements, and to take these risks duly into account.**

In addition, our process descriptions and our risk control matrices are subject to an annual review. This ensures that the descriptions are up-to-date and thus also brings about the establishment of continually effective control mechanisms. The results of these reviews of regular control tests become an integral part of the internal control and risk management system in relation to the (consolidated) reporting process as part of updates. Control tests are carried out regularly. On the basis of the test results there is an assessment of whether the controls are appropriate and effective. Any identified deficiencies in the controls are eliminated, taking into account their potential impact.

ORGANIZATIONAL STRUCTURE

– The single-entity financial statements that are incorporated into the Consolidated Financial Statements are prepared using standardized software.
– The input data is then consolidated to form the Consolidated Financial Statements using stable market-based standardized software.
– The financial statements of the individual entities are prepared in compliance with local financial reporting standards, the input data in compliance with the accounting and reporting manual based on IFRS, which is made available to all employees involved in the reporting process. The individual entities included in the Consolidated Financial Statements provide their input data to the "Group Accounting & Reporting" department in a pre-specified format.
– The financial systems employed are protected with appropriate access authorizations and controls (authorization concepts).
– For the purposes of the Consolidated Financial Statements, there is a standardized chart of accounts, which must be followed in recording the various relevant transactions.
– Certain matters relevant to reporting (e.g. expert opinions with regard to pension provisions) are determined with the assistance of external experts.
– The principal functions of the reporting process – accounting, taxes, controlling, and treasury – are clearly separated. Areas of responsibility are clearly assigned.
– The departments and other units involved in the reporting process are provided with adequate resources in terms of both quantity and quality. Regular professional training sessions are held to ensure that financial statements are prepared at a consistent and reliable level of quality.
– An appropriate system of guidelines (e.g. HGB and IFRS-based accounting and reporting manual, intercompany transfer pricing guideline, purchasing guideline, travel expense guideline, etc.) has been set up and is updated as necessary.
– The efficiency of the internal control system in regard to processes relevant to financial reporting is reviewed (on a sample basis) by the process-independent Internal Audit unit.

PROCESS ORGANIZATION

– For the planning, monitoring, and optimization of the process of preparing the Consolidated Financial Statements, the Company uses tools that include a detailed calendar and all important activities, milestones, and responsibilities. All activities and milestones are assigned specific deadlines. Compliance with reporting duties and deadlines is monitored centrally by Group Accounting.
– In all accounting-related processes, controls are implemented such as the separation of functions, the dual-control principle, approval and release procedures, and plausibility testing.
– Tasks for the preparation of the Consolidated Financial Statements are clearly assigned (e.g. reconciliation of intragroup balances, capital consolidation, monitoring of reporting deadlines and reporting quality with regard to the data of consolidated companies, etc.). The "Corporate Accounting" and "Group Accounting & Reporting" departments are the central points of contact for specific technical questions and complex accounting issues.
– All material information included in the Consolidated Financial Statements is subjected to extensive systematic validation to ensure the data is complete and reliable.
– Risks that relate to the (consolidated) reporting process are recorded and monitored continually as part of the risk management process described in the Risk Report.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM[3]

KEY FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Internal Control and Risk Management System

The Company-wide internal control and risk management system (ICS or RMS) is designed to ensure the reliability of financial reporting, the effectiveness and efficiency of business operations, and compliance with relevant laws, internal and external requirements, and guidelines. Furthermore, it is used to identify, evaluate, and manage risks in relation to the achievement of business objectives. It also includes sustainability aspects that are continuously updated based on regulatory requirements. Overall responsibility for the ICS and RMS lies with the Executive Board of ProSiebenSat.1 Media SE.

The ICS as well as the RMS are designed on the basis of the internationally recognized COSO (Committee of Sponsoring Organizations for Standardization) framework for internal control systems (Internal Control – Integrated Framework) and risk management systems (Enterprise Risk Management – Integrating with Strategy and Performance). Corresponding regulations have been specified by the Executive Board in guidelines that are applicable to ProSiebenSat.1 Group. Compliance with these regulations is subject to auditing activities by the Internal Audit unit. These are performed either as part of the risk-based annual audit plan or in audits during the year. Compliance is also regularly validated by external audit firms.

In terms of fundamental principles, the Group-wide ICS corresponds to the accounting-related ICS. The accounting-related ICS and Group-wide RMS are described in the Risk Report that is included in the Management Report.

To identify risks that could negatively impact the above-mentioned goals of the ICS and RMS at an early stage and manage them effectively, the Executive Board of ProSiebenSat.1 Media SE has created specific centralized and decentralized responsibilities and structures. Central, Group-wide responsibility for methodology, quality assurance, monitoring, and reporting lies with the ICS and RMS departments at ProSiebenSat.1 Media SE, which are assisted in the performance of their duties by experts from other Group functions. The process owners and risk managers at the entities represent the decentralized ICS and RMS organization. They are responsible for implementing the ICS in terms of identifying, documenting, and performing controls and for implementing the RMS with regard to identifying, evaluating, and managing risks.

Compliance Management System

The governance system at ProSiebenSat.1 Media SE includes a Group-wide compliance management system (CMS) that is geared toward the risk position. Based on an analysis of relevance and risk, the CMS focuses in particular on the areas of money laundering prevention, corruption prevention, sanctions and embargoes, and data protection. This involves using a compliance program based on the standard IDW PS 980 to help our employees act in compliance with the rules.

The CMS focuses on ensuring that all employees think and act with integrity and in accordance with company policies and the law in order to prevent violations of laws and regulations. The

3 This section is not part of the audited Management Report.

foundation for this is the compliance culture. The compliance goals are aligned with the culture and the topics identified as part of the regular and ad-hoc risk analyses. As part of the compliance organization, the necessary resources for the establishment, maintenance, review, and continuous development of the CMS are made available. At the Group companies, we have appointed contacts at management level for compliance issues, as well as unit compliance officers in some cases. The compliance program was designed to manage and mitigate the risks identified as part of the risk analysis. For this purpose, we issued a code of conduct and relevant guidelines, supplemented by measures such as training, controls, and a whistleblower system. Compliance communication includes regular information about compliance topics. In addition, reports are submitted to the Executive Board of ProSiebenSat.1 Media SE on a regular and ad-hoc basis.

The CMS is continuously adapted in line with the business-specific risks and applicable legal requirements.

STATEMENT BY THE EXECUTIVE BOARD ON THE APPROPRIATENESS AND EFFECTIVENESS OF THE ICS, RMS, AND CMS

The Executive Board of ProSiebenSat.1 Media SE has established organizational measures for process-integrated and process-independent internal monitoring to ensure the appropriateness and effectiveness of the ICS, RMS, and CMS.

As part of the process-integrated internal monitoring, approval and reporting processes are incorporated in the Group. Compliance with Group-wide regulations in the respective organizational entities is monitored, the content of related reporting is checked for plausibility, critical control deficiencies are discussed, and improvement measures are initiated if necessary. The Executive Board receives regular reports on the results of the process-integrated internal monitoring.

An internal certification process takes place each quarter. Supported by confirmations from the management of entities in their area of responsibility, this involves confirming the accuracy of the reported financial data and reporting on the effectiveness of the control systems.

To enable process-independent internal monitoring, an internal auditing system (IAS) has been set up as an integral part of the corporate governance system. All entities, management systems, and processes at ProSiebenSat.1 Group may be subject to an audit. The annual audit planning for the entities and processes to be audited is risk-oriented, taking account of various internal and external factors. In addition, the annual audit plan can be expanded flexibly with ad-hoc audits. The Internal Audit unit also monitors the timely implementation of the measures agreed in the respective audit report.

ProSiebenSat.1 Group continually develops its systems. ProSiebenSat.1 Group is thus responding to the dynamic business environment, changing regulatory requirements or issues such as the ZAG matter with regard to the business activities of Jochen Schweizer and mydays. In this context, the Executive Board, based on the mandate of the Audit and Finance Committee of the Supervisory Board of ProSiebenSat.1 Media SE, the Executive Board initiated an analysis of the maturity level of the entire internal control and risk management system by an auditing company. Based on the results of this analysis and other monitoring activities, the ProSiebenSat.1 Group has identified additional opportunities for further development. Some fundamental measures have been taken directly in the financial year 2023, such as the implementation of organizational changes for a holistic governance, risk and compliance management system (GRC) to manage corporate risks and separating this integrated GRC system from Internal Audit in accordance with the Three-Lines Model of the IIA as a regulatory framework. In addition, further steps were already initiated in the financial year 2023, which will continue to be implemented in the financial year 2024. These include, in particular, closer integration of the risk management processes of the various governance functions, including through the harmonization of risk catalogs and assessment methods (risk assessments and analyses), the standardization of risk reports to the relevant committees and the review and improvement of documentation in connection with internal control systems.

At the time of preparation of this report, there is nothing to indicate in any material respect that the internal control and risk management system as a whole is inadequate or ineffective. Nevertheless, there are inherent limits to the effectiveness of any risk management and control system. No system – even if it has been judged to be appropriate and effective – can guarantee, for example, to detect in advance all risks that actually occur or to prevent all process violations under all circumstances.

OPPORTUNITY REPORT

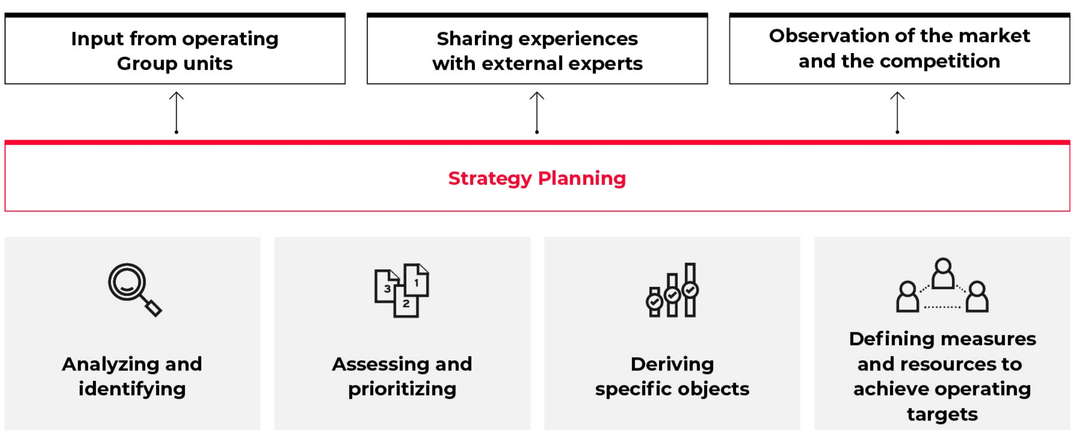
OPPORTUNITY MANAGEMENT

Our aim is to identify opportunities as soon as possible and to take advantage of them through suitable measures. To this end, ProSiebenSat.1 records the growth opportunities defined as relevant as part of its strategic planning. Individual opportunities are prioritized, specific objectives are derived, and measures and resources for operational target attainment are determined.

Our opportunity management is part of the intragroup management system and is decentrally organized in the business units. The process is supported and coordinated by the Group Strategy department. Through close contact with the individual operational units, the department gains detailed insights into the business situation and is continually searching for additional growth opportunities. In addition, market and competition analyses and experience exchanges with external experts are important sources to identify growth opportunities for ProSiebenSat.1 Group.

» **INFORMATION**
We have already incorporated opportunities that we consider to be likely in our forecast for 2024 and our planning for 2025 to 2028. We report on these growth opportunities in the Company Outlook for the financial year 2024. In addition, there is potential that has not yet been or not fully been budgeted for; we describe these possible positive budget variances in the section below if they are material and important for the planning period until 2028.

OPPORTUNITY MANAGEMENT



OPPORTUNITIES FROM MACROECONOMIC AND REGULATORY DEVELOPMENTS

In Germany – our largest revenue market – the macroeconomic environment is likely to remain challenging even though inflation rates are now declining. Private consumption is the most important early warning indicator for our financial planning, because it correlates very closely with the volume of investment in advertising.

Economic forecasts are inherently subject to high levels of uncertainty, but visibility is currently particularly limited. At present, the economic research institutes expect private consumption to pick up again over the course of 2024 and be supported by both declining inflation rates and rising real wages. If private consumption gains more dynamic momentum than currently expected and this leads to a positive deviation from this planning assumption, additional growth opportunities will arise for the entire Group and especially for our core Entertainment business.

In addition to economic conditions, opportunities could arise from the regulatory environment, particularly with regard to the dynamics of digital markets. ProSiebenSat.1 Group is therefore actively involved in the media policy debate with the aim of creating a level playing field for all competitors in digital markets and countering competitive distortion in the ecosystem.

OPPORTUNITIES FROM PORTFOLIO MEASURES

Initial signs of an economic recovery are also likely to have a positive impact on the M&A market and create additional opportunities. Portfolio measures provide new opportunities for growth both strategically and financially. The Group has the option of using media as an investment currency to enlarge its portfolio without a large amount of cash funds – especially with regard to digital consumer markets in the Commerce & Ventures segment. At the same time, we also regularly examine M&A options in the core Entertainment business in order to expand our portfolio in the German-speaking region (Germany, Austria, Switzerland) and strengthen our competitive position.

ProSiebenSat.1 follows various M&A approaches, but the investment criteria have a clear guideline: We only enter into majority investments if they synergistically complement our Entertainment segment. Moreover, we have introduced stricter criteria for when we make cash investments in our Commerce & Ventures portfolio. Conversely, this investment approach also means that we divest investments if we are no longer the best owner to promote growth primarily through reach in our core markets. We use this approach to optimize our portfolio, improve our financial base and at the same time enlarge the headroom for investments in further growth.

OPPORTUNITIES RELATING TO DIGITALIZATION OF TV AND TV ADVERTISING

ProSiebenSat.1 Group is responding to media usage trends in a targeted manner and putting Joyn in the center of its entertainment strategy. We have expanded the streaming platform to a broader target group, putting it at the center of all our channels and brands and thus aim to strengthen our reach. At the same time, Joyn is an aggregator and thus a platform which is open to the integration of partner content. This could result in additional opportunities for the Group and the entire media industry in the German-speaking region (Germany, Austria and Switzerland). The aim is to offer audiences a free and reliable point of contact and thus respond to the developments in the industry. Given the market power of global corporations and the noticeable loss of trust in conventional media, it is becoming increasingly important to strengthen the dual system – a media system that stands for diverse and independent reporting. We are an important constant here, and we are aiming to be a pioneer with Joyn as a strong streaming platform with local roots. The idea behind Joyn – to bundle content and reach – also offers new sales opportunities for the advertising industry. For example, close integration with our influencer business could give rise to new and innovative advertising formats. All innovative advertising formats from TV are also available on Joyn.

Advertising is the key lever for quickly and effectively raising brand awareness. This is particularly true for cross-media forms of advertising. Therefore, ProSiebenSat.1 Group was among the first companies to combine the advantages of traditional TV – such as its high reach – with the advantages of digital advertising, such as data-based targeting, and to offer cross-media forms of advertising. Under the heading "Advanced TV," ProSiebenSat.1 is driving the digitalization of advertising and creating increasingly tailored solutions for customers both in the TV advertising environment and on Joyn. Our various Addressable TV products, which enable a targeted, contextual adaptation of advertising on TV, are examples of this. The growth prospects for digital TV advertising such as Addressable TV are great, as the usage of internet-based TV sets is continually increasing.

In addition, ProSiebenSat.1 is meeting the dynamically growing demand for innovative advertising products with new technologies: With Total Video based on CFlight, we have created a strong distinguishing feature in reach measurement, as it translates the high TV quality standards to the digital environment and guarantees the comparability of TV and online video advertising contacts. Despite increasingly fragmented media usage, Total Video based on CFlight therefore gives our customers a comprehensive and transparent overview of their video campaigns. Another area in which we have strongly invested recently is Programmatic TV, so that the process from booking to placement of linear TV advertising space can be automated. Via Programmatic TV, we can acquire new customers for the medium of TV and further strengthen the relevance of TV in an intermedia comparison.

We are therefore focusing on digital growth in our core business with the aim of consistently expanding the share of our digital & smart advertising revenues. This also includes the successful expansion of our digital offerings in the field of podcast sales. All these innovative products hold great potential for us as a Group, because successful digital transformation is not just about selling advertising products, but about being a brand consultant. ProSiebenSat.1 covers the entire value chain and can – unlike a pure TV marketer – combine content, marketing, and technology. This is an important distinguishing feature from traditional media companies as well as global technology groups.

OUTLOOK

In its further business development, ProSiebenSat.1 Media SE depends largely on the subsidiaries of the Group, because the result of ProSiebenSat.1 Media SE is determined to a large extent by the investment result and thus by the possible distributions from the subsidiaries. The forecast for the Group's economic developments thus serves as an assumption for the forecast of ProSiebenSat.1 Media SE. Therefore, in addition to the future framework conditions, the development of key parameters in the Group is also discussed below.

OVERALL ASSESSMENT FROM THE MANAGEMENT'S VIEW: FORECAST FOR 2024

In 2023, ProSiebenSat.1 Group realigned its organization and focused even more clearly on the Entertainment segment with the streaming platform Joyn. We are therefore strategically well positioned for the future to translate the opportunities of digitalization into growth. At the same time, our efficiency measures are taking effect, strengthening our profitability and opening up headroom for investments – particularly in local programming content.

For 2024, economists expect the German economy to recover, even if the overall conditions for export-oriented Germany remain challenging. In our financial forecast, we have taken this into account. We expect adjusted EBITDA to remain stable in 2024. The development of the advertising business in the German-speaking region (Germany, Austria, Switzerland) will be particularly relevant here. This is because our core business is highly profitable, but it is very sensitive to economic developments and consumer sentiment in particular.

FUTURE BUSINESS AND INDUSTRY ENVIRONMENT

FUTURE BUSINESS ENVIRONMENT

The **global economy** continued to lose further momentum in 2023, and neither the IMF nor the OECD expects a sustained recovery in 2024: The high inflation is likely to fall further. At the same time, however, monetary policy will remain restrictive for the time being, which will continue to be accompanied by higher financing costs. Only later in the course of the year might falling interest rate in the US and the eurozone provide relief for the economy. When and how quickly they will come, is nevertheless unclear and highly dependent on further developments in the economy and inflation.

Against this backdrop, the US economy is likely to slow down somewhat after a surprisingly good performance in the previous year. The IMF expects real growth of 2.1% here, after 2.5% in 2023. Also the Chinese economy is likely to cool down noticeably in 2024. This is due to fundamental structural problems, such as in the real estate sector. The same applies to the global economy as a whole. The IMF therefore expects growth to remain subdued overall at 3.1% in 2024 (previous year: 3.1%).

In contrast, the outlook for the eurozone has improved. In light of robust labor markets, falling inflation rates and a significant increase in purchasing power, the recovery of private consumption should gain momentum over the course of 2024. The IMF therefore expects real growth of 0.9% for the eurozone, after 0.5% in the previous year.

The highly export-focused **German economy** should also be able to grow again in 2024. However, growth expectations are once again diverging significantly: According to forecasts, gross domestic product is likely to grow between 0.5% (IWH, Leibniz Institute for Economic Research Halle) and 0.9% (IfW) in real terms by the end of 2023. The Deutsche Bundesbank is particularly cautious, expecting growth of 0.3% in real terms. In light of subdued global environment, positive impetus is primarily expected from private consumption.

Forecasts for private consumption range between a real increase of 0.9% (RWI, Leibniz Institute for Economic Research; German Institute for Economic Research e.V., DIW) and 1.7% (IfW). The prerequisite for the recovery in consumption is that inflation continues to decline over the course of 2024 and real wages grow strongly. Estimates for the average annual inflation rate range from 2.1% (RWI) to 3.0% (IWH), after 5.9% in 2023. At the same time, there are major uncertainties: If incomes or inflation develop differently than currently expected, the recovery in consumption could be further delayed. In addition, there are tensions from the geopolitical environment and in particular the Russia/Ukraine war and the conflict in the Middle East.

EXPECTED DEVELOPMENT OF KEY ECONOMIC INDICATORS
in %, 2024e

	Germany
Gross domestic product (real)[1]	0.3–0.9
Private consumption (real)[2]	0.9–1.7
Inflation rate[3]	2.1–3.0

1 Bundesbank; IfW.
2 RWI, DIW; IfW.
3 RWI; IWH.

FUTURE INDUSTRY ENVIRONMENT

According to the study “German Entertainment & Media Outlook 2023-2027” by PricewaterhouseCoopers GmbH (“PricewaterhouseCoopers”), the **Entertainment** market is likely to reach a total volume of EUR 43.1 billion in 2024 (+1.5% compared with the previous year), of which EUR 12.5 billion (2023: EUR 11.8 billion) relates to spending on digital entertainment services. In the forecast period up to 2027, the digital entertainment market is likely to grow by 5.0% per year, with dynamic growth expected for the streaming sector, among others.

In addition to structural developments in connection with digitalization, macroeconomic indicators will also have a significant influence on the further development of spending on entertainment services. This also applies to the advertising industry as a whole, meaning that the forecasts for the individual types of media differ: In 2024, the media agencies Magna Global and ZenithOptimedia forecast a net increase in total advertising spending of 4.3% and 3.5% respectively. As in 2023, this growth will be driven by the development in the online market. This is expected to grow between 7.6% (ZenithOptimedia) and 7.8% (Magna Global). At the same time, another decline is expected for linear TV, where the forecasts for net advertising spending currently range from minus 0.5% (ZenithOptimedia) to minus 3.1% (Magna Global). This wide divergence is because macroeconomic developments are still subject to uncertainty, so the visibility of the particularly economically sensitive TV advertising market remains limited.

We have accounted for these implications in our financial planning. In the **Entertainment** segment, we will consistently diversify our revenue portfolio in order to respond to changed user interests. For example, we are using innovative advertising products under the umbrella of Advanced TV to drive the digital transformation by making our advertising products “smarter.” The more tailored the advertising, the higher the added value for our advertising customers and our viewers. To this end, we are combining the advantages of the digital world – such as data-based broadcast options – with our high TV reach. We are thus expanding our sales opportunities both in the linear environment and on our streaming platform Joyn.

Macroeconomic conditions in particular are also influencing consumer behavior in the **Commerce & Ventures** segment at the moment. At the same time, the trends show that consumers have adopted online shopping as an integral part of their daily lives. According to the research institute IFH Köln GmbH (“IFH Köln”), the German e-commerce market is likely to reach an average volume of EUR 119 billion in 2027. Average annual growth from 2023 to 2027 would thus amount to 4.4%. The share of online retail in the retail sector is expected to increase to 14.6% in 2027, compared to 13.4% forecast for 2023.

Digital channels are now a common means of communication and help to establish or deepen social interactions. Offerings in the **Dating & Video** segment also benefit from this. According to a recent study by New Street Research, the total volume of the global online dating market is set to grow by a low double-digit percentage every year until it reaches USD 20.5 billion in 2030, whereas the share attributable to the European and North American markets is projected to be USD 9.6 billion. This is twice the 2023 figure. At the same time, technological developments are leading to a wider range of opportunities in online dating and thus in dating behavior itself.

COMPANY OUTLOOK

The macroeconomic environment in the German-speaking region (Germany, Austria, Switzerland) remains challenging, although the German economy is likely to grow again in 2024 based on the current macroeconomic parameters: Despite diverging expectations, the economic research institutes agree in winter 2023/2024 that private consumption will develop positively over the course of the year and thus contribute to the economic recovery. As an early-cyclical company, we should benefit directly from this.

Our high-margin advertising business in particular correlates closely with macroeconomic developments and especially with private consumption. ProSiebenSat.1 therefore expects advertising revenues in the German-speaking region to recover quickly in the financial year 2024. However, if incomes or inflation develop differently than currently expected, the recovery in private consumer spending could be further delayed. This forecast does not reflect any adverse effects on our business that could arise as a result of further escalating geopolitical tensions. Based on these assumptions – and excluding further portfolio changes – ProSiebenSat.1 Group expects the following results for the financial year 2024[4]:

Forecast for ProSiebenSat.1 Media SE

As the parent company of the Group, ProSiebenSat.1 Media SE collects the results of the main German subsidiaries through profit and loss transfers and distributions. The economic situation of ProSiebenSat.1 Media SE is characterized in particular by this investment result and thus significantly by the business development of the entire ProSiebenSat.1 Group. Based on the forecast for the development of the Group presented below and assuming the corporate structures remain the same, we expect significantly higher income from profit transfers in the 2024 financial year compared to 2023. Earnings effects from the valuation of investments are not taken into account in this forecast due to their lack of predictability. The annual result under commercial law for 2024 will therefore develop significantly positively compared to the result for the reporting year adjusted for earnings effects from the valuation of investments.

If the supervisory board and shareholders approve the intra-group reorganization decided by the board of directors of ProSiebenSat.1 Media SE at the Annual General Meeting on April 30, 2024, the control and profit transfer agreement currently in place between the company and Seven.One Entertainment Group GmbH would be terminated during the financial year 2024. Consequently, the future results of Seven.One Entertainment Group GmbH generated after the termination date would no longer be transferred to the company, but would be retained after offsetting against current losses and existing loss carryforwards within Joyn GmbH as the direct parent of Seven.One Entertainment Group GmbH. If no distribution of these results is decided to the parent company of Joyn GmbH, the company assumes that the investment result will be significantly lower. As a result, the company expects an annual loss under commercial law for the 2024 financial year in the high double-digit to low three-digit million euro range. The Executive Board of ProSiebenSat.1 Media SE expects the intra-group reorganization to enable future use of tax loss carryforwards within the Group and thus result in lower tax payments.

4 For ProSiebenSat.1 Group, the main currency apart from the euro is the US dollar. The Group anticipates a US dollar share in Group revenues and for adjusted EBITDA for 2024 of c. 14%. An average strengthening or weakening of the US dollar in relation to the euro by 1 cent over the entire financial year impacts Group revenues by c. EUR 5 million and adjusted EBITDA by c. EUR 1 million. For the outlook regarding all of the key figures described, the Group uses a EUR/USD exchange rate of USD 1.10 to the euro in financial year 2024.r

Forecast for the Group

Revenues

In 2024, ProSiebenSat.1 aims to increase **Group revenues** to around EUR 3.95 billion compared to the financial year 2023 with a variance of plus/minus EUR 150 million (previous year: EUR 3.85 billion). Adjusted for currency effects and portfolio changes, Group revenues in the financial year 2023 amounted to EUR 3.82 billion[5]. The expected growth in Group revenues for 2024 depends in particular on the development of Entertainment advertising revenues in the German-speaking region.

With Group revenues at the mid-point of the target range, ProSiebenSat.1 expects Entertainment advertising revenues in the German-speaking region to grow by around 2%. For the TV advertising revenues included in this figure, ProSiebenSat.1 expects a stable development compared to the previous year's level. In contrast, we expect digital & smart advertising revenues to continue their growth, driven by Joyn, among other things .

Earnings Performance and Cash Flow

ProSiebenSat.1 Group expects an **adjusted EBITDA** of EUR 575 million for the Group with a variance of plus/minus EUR 50 million (previous year: EUR 578 million) – and thus a mid-point adjusted EBITDA at the previous year's level. Adjusted for currency effects and portfolio changes, adjusted EBITDA amounted to EUR 580 million[6] in the financial year 2023. This forecast reflects the previously announced increase in programming investments, which – despite offsetting savings effects from efficiency measures – will have a negative impact on adjusted EBITDA, but will sustainably strengthen growth in the Entertainment business.

The Group expects **adjusted net income** to be around the previous year's level of EUR 225 million. Adjusted net income is significantly influenced by the development of adjusted EBITDA as well as the financial result and income taxes.

The **adjusted operating free cash flow** is the Group's relevant cash flow management indicator. It is also based on the development of adjusted EBITDA. For the financial year 2024, ProSiebenSat.1 assumes that adjusted operating free cash flow – for reasons of comparability adjusted for the change in investments in relation to the construction of the new campus at the premises in Unterföhring – will be in a double-digit million EUR amount above the previous year's figure of EUR 260 million.

Capital Efficiency

ProSiebenSat.1 Group pursues a clear strategy aimed at sustainable and profitable growth. ProSiebenSat.1 therefore measures the Company's medium-term financial success using the key figure **P7S1 ROCE** (return on capital employed). Due to the expected stable development of adjusted EBITDA, the Group expects P7S1 ROCE in the financial year 2024 to be at the previous year’s level of 11.0%. The aim is to achieve a return on capital employed, i.e. P7S1 ROCE, of at least 15% in the mid-term.

Investments and Capital Structure

The Group is focusing on strengthening profitability and a lean cost structure, which will have an increasingly positive impact on earnings performance and at the same time open up more headroom for investments – especially in local programming content. In order to strengthen the

5 Based on revenues in financial year 2023 translated at the exchange rates used for planning purposes in financial year 2024 less the revenues of companies deconsolidated in 2023/2024 Regiondo and Stylight (around EUR 17 million).
6 Based on adjusted EBITDA in financial year 2023 translated at the exchange rates used for planning purposes in financial year 2024 less the revenues of companies deconsolidated in 2023/2024 Regiondo and Stylight (around EUR 5 million).

market share in linear TV and the growth of Joyn, ProSiebenSat.1 Group will focus even more clearly on exclusive local content and increase its programming expenses by around EUR 80 million in 2024. The Group's total programming costs will thus amount to around EUR 1.03 billion in 2024 (previous year: EUR 0.95 billion). As in previous years, this is to be financed from operating cash flow.

ProSiebenSat.1 generally aims for a **leverage ratio** (ratio of the Group's net financial debt to its LTM adjusted EBITDA) between 1.5x and 2.5x at the end of the respective year. However, assuming a stable development of adjusted EBITDA and higher investments in programming content, the Group currently expects a leverage ratio of between 2.5x and 3.0x at the end of 2024 (previous year: 2.7x).

Most Important Non-Financial Performance Indicator

The development of **audience shares** is ProSiebenSat.1 Group's most important non-financial performance indicator. In view of demographic shifts and structural changes in media usage behavior, ProSiebenSat.1 adjusted the definition of its target group at the start of 2024 in order to better reflect TV usage: In the analysis of audience shares at Group level, ProSiebenSat.1 now uses the advertising-relevant target group of viewers aged 20 to 59; previously, the focus was on the 14- to 49-year-old target group. For the financial year 2024, the Group expects to at least confirm its position in audience shares in the advertising-relevant target group of 20- to 59-year-olds.

Dividend Policy and Dividend Proposal

The ProSiebenSat.1 Group pursues the goal of expanding its competitive position on the basis of a solid financial position. This is reflected in our dividend policy: Besides the general economic environment and the adjusted net income as reference basis for distributions to shareholders, the Group takes into particular focus an appropriate level of financial leverage when determining distributions to shareholders. In addition, ProSiebenSat.1 also takes into account requirements for investments into the operative business.

The reference figure for dividend payments is the Group's adjusted net income. The Group generally aims to pay out 25% to 50% of adjusted net income, taking into account the aforementioned criteria. For the time being, the upper end of our financial leverage target corridor of 1.5x to 2.5x will serve as a benchmark for maintaining an appropriate level of financial leverage (ratio of the Group's net financial debt to its LTM adjusted EBITDA). However, important strategic investments may lead to a temporary adjustment of the target corridor.

As the focus in 2024 is primarily on reducing net financial debt and thus also the leverage ratio, the Management Board and Supervisory Board propose to the upcoming Annual General Meeting that a dividend of EUR 0.05 per share be distributed to dividend-entitled shareholders for the financial year 2023 (previous year: EUR 0.05). This corresponds to an expected total distribution of around EUR 11 million (previous year: EUR 11 million) and a payout ratio of 5%. Payment of the proposed dividend is subject to the approval of the Annual General Meeting.

DIVIDEND PROPOSAL

Adjusted net income in EUR m	225
Number of shares outstanding[1]	233,000,000
Number of treasury shares[1]	6,299,657
Number of eligible shares[1]	226,700,343
Proposed dividend in EUR	0.05
Distribution in EUR m	11,335,017
Pay-out ratio in %	5

1 As of December 31, 2023.

Events after the reporting date

The Executive Board of ProSiebenSat.1 Media SE decided on an internal group reorganization on February 22, 2024. This reorganisation is subject to the approval of the Supervisory Board and the General Meeting. If the Supervisory Board approves the measure, it is intended to submit the reorganization for approval at the company's annual general meeting on April 30, 2024. Essentially, this measure is intended to make tax loss carryforwards in the mid three-digit million euro amount usable within the group in the future.

Predictive Statements

Forecasts are based on current assessments of future developments. In this context, we draw on our budget planning and comprehensive market and competitive analyses. The forecast values are calculated in accordance with the reporting principles used in the Group’s financial statements and are consistent with the adjustments described in the Group Management Report. However, forecasts naturally entail some uncertainties that could lead to positive or negative deviations from planning. If imponderables occur or if the assumptions on which the predictive statements are made no longer apply, actual results may deviate materially from the statements made or the results implicitly expressed. Developments that could negatively impact this forecast include, for example, a different economic development than expected at the time this report was prepared. These and other factors are explained in detail in the Risk and Opportunity Report. There we also report on additional growth potential; opportunities that we have not yet or not fully budgeted for could arise from corporate strategy decisions, for example. Potential risks are accounted for regularly and systematically as part of the Group-wide risk management process.

TAKEOVER-RELATED DISCLOSURES

As a publicly traded company whose voting shares are listed in an organized market as defined by section 2 (7) of the German Securities Acquisitions and Takeover Act (WpÜG), ProSiebenSat.1 Media SE is obliged to disclose the information stipulated in section 289a (1) of the German Commercial Code (HGB) in the Management Report. The disclosures are intended to enable a third party interested in taking over a publicly traded company to form an impression of the company, its structure, and any obstacles to the takeover. In addition to these statutory disclosures, the following section also includes the related explanations in accordance with section 176 (1) Sentence 1 of the German Stock Corporation Act (AktG) in conjunction with Article 9 (1) lit. c) ii) SE Regulation.

COMPOSITION OF THE SUBSCRIBED CAPITAL

As of December 31, 2023, the share capital of ProSiebenSat.1 Media SE amounted to EUR 233,000,000. It is divided into 233,000,000 no-par registered common shares with a pro rata share in the share capital of EUR 1.00 per share. All shares entail the same rights and obligations. Each share in ProSiebenSat.1 Media SE grants one vote at the Annual General Meeting and an identical share in profits.

As of December 31, 2023, the total number of treasury shares held by the Company was 6,299,657; this corresponds to 2.7% of the share capital.

RESTRICTIONS AFFECTING VOTING RIGHTS OR THE TRANSFER OF SHARES, AND SHAREHOLDINGS THAT EXCEED 10% OF THE VOTING RIGHTS

The Executive Board has no information on any restrictions on the exercise of voting rights or the transferability of shares that go beyond general regulatory requirements, especially of the law governing the capital market and competition as well as the media laws of the German federal states.

In accordance with section 63 Sentence 1 of the German Interstate Media Treaty (MStV), the competent state media authority must be notified in writing of any planned change in participating interests or other influences prior to their implementation. The competent state media authority may confirm that no objections exist to such changes only if a license could still be issued under such changed conditions. If a planned change is implemented to which confirmation pursuant to section 63 Sentence 3 MStV has not been given, the license necessary for the operation of national TV stations pursuant to section 52 MStV shall be revoked.

Checks will be made for the impermissible participation of domestic or foreign state institutions, their legal representatives, or political parties, as well as compliance with the rules for ensuring diversity of opinion in broadcasting (sections 53 and 60 et seq. MStV).

For minor changes in participating interests or other influences, the body responsible for the state media authorities in this matter pursuant to section 105 (3) MStV – the Commission on Concentration in the Media (KEK) – has provided for the following exceptions: Pursuant to section 2 in conjunction with section 3 of KEK's Reporting Obligation Directive, changes in participating interests are minor if they are effected by acquisition, disposal, or in any other way with less than 5% of capital or voting rights.

This does not apply if (1) the participating threshold reaches, exceeds or falls below the 25%, 50% or 75% threshold, (2) an increase or decrease in a notified shareholding interest of at least 5% is effected by one or more consecutive transactions, or (3) a shareholding in a listed stock corporation reaches or exceeds 5%, and the exceeding of this threshold has not already been reported within the preceding twelve months (see section 4 of the Reporting Obligation Directive).

The German federal states intend to reform media concentration legislation. In the states' Broadcasting Commission, there is a working group developing proposals for an amendment of the German Interstate Media Treaty. The aim is to further strengthen the pluralistic media system.

The Bavarian Media Law also includes catalog of criteria that the Bavarian regulatory authority for new media ("BLM") must consider in the event of changes to the shareholding structure of a broadcaster under the aegis of the BLM. In the event of planned changes in shareholdings, the BLM officially reviews whether the changes would significantly alter the structure of information in Bavaria. In addition, the BLM can take measures to prevent dominance in opinion-making and to secure the plurality of opinion and information.

On the basis of the voting rights notifications according to sections 33 and 34 of the German Securities Trading Act (WpHG) received by the Company by December 31, 2023, the following investments in the Company exceed 10% of the voting rights:

According to the voting rights notification that we received on September 21, 2023, from Marina Elvira Berlusconi, born August 10, 1966, and Pier Silvio Berlusconi, born April 28, 1969, MFE-MEDIAFOREUROPE N.V., Amsterdam, Netherlands ("MFE"), held a direct investment of 26.58% of the shares with voting rights as of June 12, 2023.

As the parent company of MFE, Finanziaria d'Investimento Fininvest S.p.A., Milan, Italy ("Finanziaria d'Investimento Fininvest"), was attributed an indirect investment in the Company within the meaning of section 34 WpHG of 26.58% of the shares with voting rights as of June 12, 2023.

Due to their joint control (multi-parent control) of Finanziaria d'Investimento Fininvest, Holding Italiana Prima S.p.A., Milan, Italy; Holding Italiana Seconda S.p.A., Milan, Italy; Holding Italiana Terza S.p.A., Milan, Italy; Holding Italiana Ottava S.p.A., Milan, Italy; Holding Italiana Quarta S.p.A., Milan, Italy; and Holding Italiana Quinta S.p.A., Milan, Italy (together the "holding companies"), were each attributed an indirect investment in the Company within the meaning of section 34 WpHG of 26.58% of the shares with voting rights as of June 12, 2023.

Finally, Marina Elvira Berlusconi and Pier Silvio Berlusconi as the heirs jointly controlling the community of heirs of Silvio Berlusconi were each attributed an indirect investment in the Company within the meaning of section 34 WpHG of 26.58% of the shares with voting rights as of June 12, 2023. The attribution to Marina Elvira Berlusconi and Pier Silvio Berlusconi was via the holding companies (except Holding Italiana Quinta S.p.A. in the case of Marina Elvira Berlusconi and except Holding Italiana Quarta S.p.A. in the case of Pier Silvio Berlusconi) and via the other aforementioned companies.

In addition, Marina Elvira Berlusconi and Pier Silvio Berlusconi indirectly held instruments within the meaning of section 38 (1) WpHG amounting to 2.29% of the voting rights via the entities named above.

According to the voting rights notification that we received on June 1, 2023, from Renáta Kellnerová, born July 4, 1967, PPF IM LTD (formerly: Acolendo Limited), Nicosia, Cyprus, held a direct investment of 11.60% of the shares in the Company with voting rights as of May 31, 2023.

As parent company of PPF IM LTD, PPF a.s., Prague, Czech Republic, was attributed an indirect investment in the Company within the meaning of section 34 WpHG of 11.60% of the shares with voting rights as of May 31, 2023.

As parent company of PPF a.s., PPF Group N.V., Amsterdam, Netherlands, was attributed an indirect investment in the Company within the meaning of section 34 WpHG of 11.60% of the shares with voting rights as of May 31, 2023.

Finally, Renáta Kellnerová was attributed an indirect investment in the Company within the meaning of section 34 WpHG of 11.60% of the shares with voting rights as of May 31, 2023. The attribution to Renáta Kellnerová was via her subsidiary, PPF Group N.V., and via the other aforementioned companies.

In addition, Renáta Kellnerová indirectly held instruments within the meaning of section 38 (1) WpHG amounting to 3.43% of the voting rights via the entities named above as of May 31, 2023.

SHARES WITH SPECIAL RIGHTS THAT CONFER CONTROLLING POWERS AND VOTING CONTROL IF EMPLOYEES HOLD A CAPITAL SHARE

No shares with special rights that confer controlling powers have been issued.

There is no control over voting rights in the event that employees hold a capital share of ProSiebenSat.1 Media SE and do not exercise their controlling rights directly.

REGULATIONS AND PROVISIONS ON THE APPOINTMENT AND REMOVAL OF EXECUTIVE BOARD MEMBERS

In accordance with section 7 (1) Sentence 1 of the Company’s articles of incorporation, the Executive Board of ProSiebenSat.1 Media SE comprises one or several people. The exact number is determined by the Supervisory Board in accordance with section 7 (1) Sentence 2 of the articles of incorporation. Members of the Executive Board are in principle appointed and removed by the Supervisory Board as the supervisory body in accordance with Article 39 (2) SE Regulation. In accordance with section 7 (2) Sentence 1 of the articles of incorporation in conjunction with Article 46 SE Regulation, Executive Board members are appointed for a maximum period of five years. Reappointments are permitted for a maximum of five years respectively. Executive Board members can be removed by the Supervisory Board prematurely for major cause. The appointment and removal of Executive Board members require a simple majority of the votes cast in the Supervisory Board. In the event of a tie, the vote of the Chairman of the Supervisory Board shall prevail (section 12 (1) Sentence 3 of the Company’s articles of incorporation). In urgent cases, the court shall appoint a member at the request of one of the parties involved if the Executive Board does not have the required number of members (section 85 (1) Sentence 1 AktG in conjunction with Article 9 (1) lit. c) ii) SE Regulation).

REGULATIONS AND PROVISIONS ON THE AMENDMENT OF THE ARTICLES OF INCORPORATION

The Annual General Meeting must generally decide on changes to the articles of incorporation (Article 59 (1) SE Regulation). In the case of ProSiebenSat.1 Media SE, a resolution by the Annual General Meeting to change the articles of incorporation requires the simple majority of the votes cast if at least half of the share capital entitled to vote is represented when the resolution is being passed (Article 59 (2) SE Regulation, section 51 Sentence 1 of the German SE Implementation Act (SEAG)). Otherwise, this requires a majority of two thirds of the votes cast (section 59 (1) SE Regulation) unless the articles of incorporation or the law require a greater majority. For example, this is the case for changing the purpose of the Company (section 179 (2) Sentence 1 AktG in conjunction with Article 59 (1) and (2) SE Regulation and section 51 Sentence 2 of the German SE Implementation Act) and creating Contingent Capital (section 193 (1) Sentences 1 and 2 AktG in conjunction with Article 57 SE Regulation, section 51 Sentence 2 of the German SE Implementation Act) or Authorized Capital (section 202 (2) Sentences 2 and 3 AktG in conjunction with Article 57 SE

Regulation, section 51 Sentence 2 of the German SE Implementation Act) for which a majority of at least three quarters of the valid votes cast is required respectively. The Supervisory Board is authorized to pass amendments that relate solely to the wording of the articles of incorporation (section 179 (1) Sentence 2 AktG in conjunction with Article 9 (1) lit. c) ii) SE Regulation and section 13 of the Company's articles of incorporation).

EXECUTIVE BOARD'S POWERS TO ISSUE OR REPURCHASE SHARES

In accordance with section 71 (1) No. 8 of the German Stock Corporation Act (AktG), the Annual General Meeting of June 12, 2019, authorized the Company, with the approval of the Supervisory Board, to acquire, in accordance with the more detailed conditions of the authorization, its treasury shares on or before June 11, 2024 (inclusive), in the total amount of up to 10% of the Company's share capital on the date the authorization was granted or – if this figure is lower – on the date the authorization is exercised, and to use these, also under exclusion of preemptive rights in the cases described in more detail in the authorization. Treasury shares may also be acquired using derivatives up to a total of 5% of the share capital on the date the authorization was granted or – if this figure is lower – on the date the authorization is exercised in accordance with the more detailed conditions of the authorization. No treasury shares were acquired in the financial year 2023.

By resolution of the Annual General Meeting of June 1, 2021, the Executive Board was authorized, subject to the consent of the Supervisory Board, to increase the share capital of ProSiebenSat.1 Media SE on one or more occasions on or before May 31, 2026 (inclusive), by not more than EUR 46,600,000 in return for contributions in cash and/or in kind by issuing new registered no-par value shares (Authorized Capital 2021). Subject to the consent of the Supervisory Board, the Executive Board is authorized to determine the further content of the share rights and the conditions of the share issue. The dividend rights of the new shares can also be designed in deviation from section 60 (2) of the German Stock Corporation Act (AktG); in particular, the new shares can also be given dividend rights from the start of the financial year preceding their issue if, on the date the new shares are issued, the Annual General Meeting has not yet passed a resolution on the allocation of profits from this financial year. Shareholders shall generally be granted the statutory preemptive right to the new shares. The preemptive rights can be entirely or partially designed as indirect preemptive rights within the meaning of section 186 (5) Sentence 1 of the German Stock Corporation Act (AktG). However, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' preemptive rights in accordance with the more detailed conditions of the authorization if the shares issued on the basis of Authorized Capital 2021 excluding the shareholders' preemptive rights do not exceed a total of 10% of the share capital either at the effective date or at the exercise date of the authorization to exclude preemptive rights.

By resolution of the Annual General Meeting of June 1, 2021, the Executive Board was authorized, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or warrant-linked bonds in the total nominal amount of up to EUR 800,000,000 with a limited or unlimited term, on one or more occasions on or before May 31, 2026 (inclusive), and to grant conversion or option rights to the holders or creditors of such bonds in order to acquire up to 23,300,000 new registered no-par value shares in the Company in the pro rata amount of up to EUR 23,300,000 of the Company's share capital as specified in more detail in the terms and conditions of the bonds and/or to stipulate the corresponding conversion rights of the Company.

By resolution of the Annual General Meeting on June 1, 2021, there was a contingent increase in share capital by up to EUR 23,300,000 due to the issuance of up to 23,300,000 new registered no-par value shares (Contingent Capital 2021). The Contingent Capital increase serves to grant shares to holders or creditors of convertible bonds in addition to holders of option rights attached to warrant-linked bonds to be issued before May 31, 2026 (inclusive), as a result of the authorization granted by resolution of the Annual General Meeting of June 1, 2021, by the Company or by a domestic/foreign entity in which the Company either directly or indirectly holds the majority of votes and capital.

SIGNIFICANT AGREEMENT OF THE COMPANY SUBJECT TO A CHANGE OF CONTROL, PURSUANT TO SECTION 289A SENTENCE 1 NO. 8 HGB

ProSiebenSat.1 Media SE concluded the following significant agreements that entail regulations for the event of a change of control, which could result from a takeover bid:

- ProSiebenSat.1 Media SE has a syndicated facilities agreement which, as of December 31, 2023, includes loans of EUR 1.2 billion and a revolving credit facility with an amount of EUR 500 million. In the event of a change of control over ProSiebenSat.1 Media SE due to the direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media SE by a third party, the lenders are entitled to terminate their participation in the facility and to demand repayment of outstanding amounts allocable to them within a certain period after the change of control takes place.

- In 2016, ProSiebenSat.1 Media SE issued a ten-year fixed-rate promissory note of EUR 225 million. In 2021, the Company issued further promissory notes totaling EUR 700 million with maturity ranges of four years (EUR 115.5 million at a fixed interest rate and EUR 110.5 million at a variable interest rate), six years (EUR 193 million at a fixed interest rate and EUR 153 million at a variable interest rate), eight years (EUR 46 million at a fixed interest rate and EUR 34 million at a variable interest rate) and ten years (EUR 48 million at a fixed interest rate). In the event of a change of control over ProSiebenSat.1 Media SE due to the direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media SE by a third party, the lenders of the above promissory notes are entitled to terminate their loan participation and demand repayment.

- In addition, some license agreements for films, TV series and other programs that are important for the Company include regulations that, in the event of a change of control, entitle the provider of the program content to terminate the corresponding license agreement prematurely. In addition, individual contracts with distribution platforms also grant the contract partner the right to terminate the respective agreements or demand security in the event of a change of control. The contractual relationships underlying these matters have a total volume of around EUR 720 million.

- There is a framework agreement between ProSiebenSat.1 Media SE and, among others, RTL Deutschland GmbH ("RTL Deutschland") and its indirect Group subsidiary Ad Alliance GmbH ("Ad Alliance") with regard to the investment in d-force GmbH ("d-force"). Ad Alliance is entitled to extraordinary termination of the framework agreement if a third party directly or indirectly holds more than 50% of the shares and/or voting rights in ProSiebenSat.1 Media SE. Upon the termination taking effect, Ad Alliance shall cease to be a shareholder of d-force as soon as possible.

- ProSiebenSat.1 Media SE is also subject in particular to media concentration law and the relevant media laws of the German federal states, as described in the "Restrictions Affecting Voting Rights or the Transfer of Shares, and Shareholdings That Exceed 10% of the Voting Rights" section, which can result in requirements in the event of a change of control. For example, the regulatory authorities can take measures to ensure a broadcasting company's independence from the state or the plurality of opinion and information, especially in the event of an interest in the share capital or voting rights of 25% or more.

COMPANY'S COMPENSATION AGREEMENTS WITH EXECUTIVE BOARD MEMBERS OR EMPLOYEES FOR THE EVENT OF A CHANGE OF CONTROL

The employment contracts of Executive Board members contain a change of control clause in the event of a change of control at the Company. In the event of a change of control, Executive Board members have the right to terminate their employment contract with three months' notice to the end of the month and resign from the Executive Board if the change of control would have significantly affected the position of these Executive Board members. There is no entitlement to severance payment in the event of a change of control.

In the financial year 2023, there were no change of control clauses with employees of ProSiebenSat.1 Media SE for the event of a takeover bid or change of control.

BALANCE SHEET AS OF DECEMBER 31, 2023

ASSETS

in Euro

			Dec 31, 2023		Dec 31, 2022
	Assets				
A.	**Fixed assets**				
I.	**Intangible assets**				
	1. Licenses, trademarks and patents as well as licenses to such assets and rights for a consideration	852,433.40		863,622.46	
	2. Advances paid on intangible assets	207,162.60	1,059,596.00	296,243.49	1,159,865.95
II.	**Property, plant and equipment**				
	1. Buildings on land owned by others	46,051,630.00		45,504,954.00	
	2. Other equipment, fixtures, furniture and equipmemnt	3,276,534.00		3,111,814.00	
	3. Advances paid on tangible assets under construction	61,466,959.94	110,795,123.94	44,330,359.67	92,947,127.67
III.	**Financial Assets**				
	1. Interests in Group companies	7,028,803,697.65		6,908,388,295.35	
	2. Loans to Group companies	62,194,824.46		63,978,236.34	
	3. Interests in associated companies	6,250.00		6,250.00	
	4. Long-term investments	193,255.22		—	
	5. Other loans	32,507,116.79	7,123,705,144.12	22,813,284.91	6,995,186,066.60
			7,235,559,864.06		**7,089,293,060.22**
B.	**Current assets**				
I.	**Receivables and other current assets**				
	1. Trade accounts receivable	21,476,168.80		27,187,162.92	
	2. Receivables from Group companies	117,194,198.31		529,131,268.37	
	3. Other assets	143,322,860.52	281,993,227.63	124,298,698.34	680,617,129.63
II.	**Cash and deposit at banks**		423,468,135.42		356,889,641.49
			705,461,363.05		**1,037,506,771.12**
C.	**Prepaid expenses**		**1,124,629.38**		**5,045,921.66**
D.	**Acitve difference from offsetting**		**128,142.00**		**73,844.00**
			7,942,273,998.49		**8,131,919,597.00**

BALANCE SHEET AS OF DECEMBER 31, 2023

LIABILITIES & EQUITY

in Euro

			Dec 31, 2023		Dec 31, 2022
	Liabilities and shareholders' equity				
A.	**Equity**				
I.	**Subscribed capital**	**233,000,000.00**		**233,000,000.00**	
	./. Nominal amount of treasury shares	-6,299,657.00		−6,514,679.00	
	Issued share capital		226,700,343.00		226,485,321.00
	Contingent capital EUR 23,300,00.00				
II.	**Capital reserves**		**1,133,530,830.38**		**1,132,435,703.10**
III.	**Other profit reserves**		**1,552,843,832.49**		**1,552,864,106.49**
IV.	**Distributable profit**		**209,397,746.72**		**274,667,803.33**
			3,122,472,752.59		**3,186,452,933.92**
B.	**Provisions**				
1.	Pension provisions and similar obligations		5,916,575.00		7,702,512.00
2.	Tax provisions		84,856,376.90		51,181,760.93
3.	Other provisions		61,822,388.25		77,588,509.20
			152,595,340.15		**136,472,782.13**
C.	**Liabilities**				
1	Liabilities to banks				
a.	Loan liabilities		2,125,000,000.00		2,125,000,000.00
b.	Interest and bank liabilities		12,152,369.41		7,068,565.28
2	Deposits received		36,000.00		327,286.93
3	Trade accounts payable		224,051,655.02		285,483,404.04
4	Liabilities to Group companies		2,267,625,410.38		2,329,367,319.63
5	Liabilities to companies which with there is an investment relationship		1,856.40		-
6	Other liabilities		38,338,614.54		35,507,630.65
	--thereof for taxes EUR 30,873,892.55 (previous year: EUR 28,630,810.20)--				
			4,667,205,905.75		**4,782,754,206.53**
D.	**Deferred income**		**-**		**25,884.39**
E.	**Deferred tax liabilities**		**-**		**26,213,790.03**
			7,942,273,998.49		**8,131,919,597.00**

INCOME STATEMENT FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2023

in Euro

			2023		2022
1.	Revenues		95,010,363.36		123,481,047.03
2.	Other operating income		244,023,546.07		102,445,625.43
	thereof from currency conversion EUR 20,106,743.27 (previous year: EUR 57,450,801.28)				
3.	Programming and material expenses				
	a. Cost of licenses, transmission fees and materials	28,688,943.03		33,763,431.28	
	b. Cost of purchased services	20,810,663.60	49,499,606.63	19,369,958.43	53,133,389.71
4.	Personnel expenses				
	a. Wages and salaries	56,927,188.82		56,677,924.83	
	b. Social security contributions and other employee benefits	6,778,482.00	63,705,670.82	6,806,371.93	63,484,296.76
	thereof for old age pensions EUR 445,798.48 (previous year: EUR 1,081,191.63)				
5.	Amortization and depreciation of tangible assets and intangible assets		7,579,731.21		8,786,270.42
6.	Other operating expenses		96,313,206.11		123,623,868.67
	thereof from currency conversion EUR 14,822,314.86 (previous year: EUR 34,703,374.45)				
7.	Income from profit transfer agreements		15,526,801.81		432,345,037.82
8.	Other interest and similar income		31,484,001.58		35,655,628.03
	thereof from Group companies EUR 5,240,251.11 (previous year: EUR 2,774,443.42)				
9.	Write-down of financial assets		40,798,767.05		432,087,149.96
10.	Expenses from loss absorption		28,654,243.17		28,143,567.40
11.	Interest and similar expenses		158,309,237.98		54,834,979.16
	thereof to Group companies EUR 65,028,948.22 (previous year: 9,974,914.57)				
	thereof from accumulation EUR 557,999.84 (previous year: EUR 592,124.17)				
12.	Income taxes		−8,131,398.66		53,198,779.81
	thereof income from deferred taxes EUR 26,213,790.03 (previous year: expenses from deferred taxes EUR 26,213,790.03)				
13.	Income after taxes		−50,684,351.49		−123,364,963.58
14.	Other taxes		3,261,439.07		69,978.20
15.	**Loss of the year**		**−53,945,790.56**		**−123,434,941.78**
16.	Profit carried forward from the previous year		263,343,537.28		398,102,745.11
17.	**Distributable profit**		**209,397,746.72**		**274,667,803.33**

NOTES TO THE FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2023

GENERAL DISCLOSURES

ProSiebenSat.1 Media SE is a publicly traded stock corporation under European law and registered at Munich District Court, Germany, (HRB 219 439) as the parent company of ProSiebenSat.1 Group trading under the name ProSiebenSat.1 Media SE. The registered common share is listed in Germany at the stock exchange in Frankfurt am Main and at the stock exchange in Luxembourg (Bourse de Luxembourg). The Company is headquartered in Unterföhring. Its address is ProSiebenSat.1 Media SE, Medienallee 7, 85774 Unterföhring, Germany.

BASIS AND METHODOLOGY

The Annual Financial Statements of ProSiebenSat.1 Media SE were prepared in compliance with the relevant requirements of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) in connection with Art. 61 of regulation (EG) No. 2157/2001 (SE-VO).

The cost of production method in accordance with section 275 (2) of the German Commercial Code was applied consistently to the income statement.

ProSiebenSat.1 Media SE prepares and publishes its Annual Financial Statements in EUR. Due to rounding, it is possible that individual figures in these Annual Financial Statements do not add exactly to the totals shown and that the percentage figures given do not reflect exactly the absolute figures they relate to.

ACCOUNTING POLICIES

The following accounting methods applied in the previous year were applied unchanged.

Intangible assets acquired for consideration are capitalized at cost and are amortized on a straight-line basis over the economic life-time but no more than ten years. Unscheduled write-downs are taken if a permanent impairment of value can be expected. Internally generated intangible non-current assets are not recognized.

Tangible fixed assets are valued at cost, less usage-based straight-line depreciation over the economic life-time but no longer than 30 years. Unscheduled write-downs are taken if a permanent impairment of value can be expected. Assets with acquisition costs of up to EUR 250 are recognized in full as expenses in the year of acquisition. Assets with acquisition costs of between EUR 250 and EUR 1,000 are combined into a single item, which is depreciated on a straight-line basis over five years.

Buildings on land not owned by the Company are depreciated over their normal useful life or, if shorter, the term of the lease.

Other facilities, as well as office furniture and equipment, are depreciated over a term of three to 20 years, depending on the item in question.

Financial assets are recognized at cost or at their lower fair value if the impairment is expected to be permanent. If the reasons for permanent impairment no longer apply, reversals of impairment up to the acquisition cost are made in compliance with the rules for recovery of value.

Shares in affiliated companies are generally recognized at cost or, if permanent impairment is expected, at their lower fair value. The check to determine whether shares in affiliated companies are impaired takes place inter alia in simplified company valuations, multi-stage procedures and fair values. The fair values are determined using the discounted cash flow method. Valuations are performed in accordance with IDW RS HFA 10 “Application of the principles of IDW S 1 when valuing investments for the purposes of Annual Financial Statements under the German Commercial Code” under which cash flows are based on investment-specific planning over in general a period of five years which is updated using investment-specific growth rates. The capitalization rate applied here is calculated based on the return on a risk-appropriate alternative investment.

In addition, previously impaired shares in affiliated companies are reviewed annually to determine whether the reasons for the impairment have ceased to apply. For these shares, too, the fair value of the corresponding financial asset is calculated based on IDW RS HFA 10.

Receivables and other assets are measured at their nominal amount or, if applicable, at cost or at their lower fair value on the reporting date. In the valuation of receivables and other current assets, adequate allowances have been made to cover known risks through valuation allowances.

Credit balances at banks are shown at their nominal value. Short-term foreign currency balances and liabilities are converted at the exchange rates on the reporting date.

Treasury stock is deducted from equity in accordance with section 272 (1a) of the German Commercial Code. If the costs of acquisition for treasury stock exceed the nominal amount of these stocks, the excess is offset against retained earnings.

The issue of own shares as part of the “myshares” employee share program is recorded in capital reserve in the amount of the issue amount exceeding the nominal value of the shares. In addition, the personnel expenses of the employee share program, which result from so-called “matching shares”, are also shown in capital reserve.

Assets that are exclusively for the meeting of pension obligations and inaccessible to all other creditors as of the closing date are measured at fair value which is the market value. These assets are offset by the respective underlying obligation. If there is an excess of obligations, it is recognized as a provision. If the value of the assets exceeds the value of the obligations, it is recognized as active difference resulting from offsetting.

Pension provisions and similar obligations are measured at the amount payable deemed necessary according to prudent business judgment. This amount payable is calculated using actuarial techniques in accordance with the Projected Unit Credit Method. They are calculated on the basis of biometric data from the 2018 G guideline tables prepared by Prof. Dr. Klaus Heubeck and an average market interest rate for the last ten financial years of 1.82 % (previous year: 1.78 %) for a remaining term of 15 years and a pension trend of 0.0 % to 1.0 % a year (previous year: 0.0 % to 1.0 %). Fluctuation and salary increase has been reflected in the calculation in both years with 0.0 %. The interest component of pension expenses is reported under interest and similar expenses after netting with interest income from plan assets.

Tax provisions and other provisions are to be measured at the expected amount payable deemed necessary according to prudent business judgment, taking into account price and cost increases. Long-term provisions (remaining term of more than a year) are to be discounted at the average market interest rate of the past seven years appropriate for the duration, which is calculated and published by Deutsche Bundesbank. The other provisions take into account all uncertain liabilities and impending losses from pending transactions. Price and cost increases are also taken into account

Liabilities are measured at their amount payable as of the balance sheet date.

If there are differences between the valuations of assets, liabilities and prepaid expenses under German commercial law and fiscal law, which are expected to reverse in future financial years, any overall surplus of deferred tax liability which remains after offsetting is recognized on the balance sheet, taking into account the loss and interest carried forward. Deferred tax assets are netted out to the extent that they correspond to the existing deferred tax liabilities as of the closing date. The option to recognize deferred tax assets – provided they exceed the deferred tax liabilities – is not exercised.

Loss and interest carried forward and tax credits are taken into account to the extent that they are expected to be offset or used within the next five years. Temporary differences between the measurement of assets, liabilities and prepaid expenses of consolidated tax group subsidiaries under German commercial law and fiscal law are included if there are expected to be tax burdens and tax relief from reducing the respective temporary differences at the tax group parent, ProSiebenSat.1 Media SE.

Deferred taxes are measured on the basis of the applicable corporate income tax rate and according to the trade tax assessment rates of the income tax consolidation group of ProSiebenSat.1 Media SE. Corporate income tax, the solidarity surcharge and trade tax resulted in a tax rate for deferred taxes of 28 % for the last financial year.

Receivables and liabilities in foreign currencies with a remaining term of up to one year are measured at the exchange rate on the closing date. Foreign currency receivables with a remaining term of more than one year are converted at the exchange rate on the booking date or the lower exchange rate on the closing date; foreign currency liabilities with a remaining term of more than a year are converted at the exchange rate on the booking date or the higher exchange rate on the closing date.

ProSiebenSat.1 Media SE uses derivative financial instruments to hedge against risks of changes in interest rates and foreign exchange rates in its operating activities, and in the resulting financing needs. If there is a direct hedging relationship, hedge accounting is applied to the derivative financial instruments together with their underlying transaction in accordance with section 254 of the German Commercial Code. If there is no sufficient hedging relationship, the hedging transactions are measured under the principle of unequal treatment of losses and income; in other words, provisions are formed for negative market values, but positive market values are not recognized.

NOTES TO THE BALANCE SHEET

Fixed assets

Changes in fixed assets can be found in the statement of changes in fixed assets at the end of the Notes.

Financial assets

The ProSiebenSat.1 Media SE overview Group of companies is listed at the end of the Notes.

In the 2023 financial year, the book value of shares in affiliated companies increased by EUR 120 million to EUR 7,029 million. This increase is due in particular to the write-up of the investment book value in the subsidiary NCG – NUCOM GROUP SE, Unterföhring, amounting to EUR 178 million.

The repayment of capital reserves from the subsidiary ParshipMeet Holding GmbH, Hamburg, amounting to EUR 65 million had an opposite effect on the book value as of the balance sheet date.

The loans to affiliated companies amounting to EUR 62 million (previous year: EUR 64 million) relate to intra-group loans that are not expected to be repaid within one year. Due to impairments, write-downs of EUR 41 million (previous year: EUR 0 million) were made on loans to affiliated companies in the 2023 financial year at the subsidiary Jochen Schweizer mydays Holding GmbH, Munich.

In the 2023 financial year, there were a total of unscheduled depreciation on financial assets amounting to EUR 41 million (previous year: EUR 432 million) as well as write-ups due to reversals of impairment losses amounting to EUR 187 million (previous year: EUR 2 million), which are recorded in the line "other operating income".

Other loans in the amount of EUR 33 million (previous year: EUR 23 million) essentially comprise loans to the landlord of a property at the Unterföhring site.

Receivables and other assets

RECEIVABLES AND OTHER ASSETS

EUR m

	Dec 31, 2023			Dec 31, 2022		
	Remaining term		**Total**	Remaining term		**Total**
	1 year or less	more than 1 year		1 year or less	more than 1 year	
Trade accounts receivable	21	—	**21**	26	1	**27**
Receivables from Group companies	117	—	**117**	529	—	**529**
Other assets	125	18	**143**	102	22	**124**
Total	**263**	**18**	**282**	**657**	**23**	**681**

Receivables from affiliated companies comprise receivables under profit and loss transfer agreements (EUR 16 million; previous year: EUR 432 million), short-term loan receivables (EUR 17 million; previous year: EUR 6 million), cash pooling receivables (EUR 0 million; previous year: EUR 6 million), and receivables from internal transactions (EUR 84 million; previous year: EUR 85 million).

The other assets primarily comprise advance payments made on licenses fpr programming asssets of EUR 33 million (previous year: EUR 28 million) and tax receivables of EUR 80 million (previous year: EUR 54 million) of which EUR 9 million (previous year: EUR 12 million) are of anticipatory nature. As ProSiebenSat.1 Media SE acts as general contractor for the new "Campus" construction, this item also included receivables from the company towards the site owner amounting to EUR 7 million (previous year: EUR 17 million).

Prepaid expenses

As at December 31, 2023, prepaid expenses mainly include effects from the employee share program "myshares". In the previous year, this item primarily included prepaid rent for transponders.

Deferred taxes

The following overview details the balance sheet items that include deferred tax receivables and deferred tax liabilities for the income tax consolidation group of ProSiebenSat.1 Media SE:

DEVELOPMENT OF DEFERRED TAXES

EUR m

	Dec 31, 2023		Dec 31, 2022	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	1	0	1	—
Fixed assets	2	0	2	—
Financial assets	19	−30	7	−35
Programming assets	17	0	0	−14
Receivables and other current assets	2	0	2	0
Active difference resulting from offsetting	—	0	—	0
Provisions	54	−4	15	−4
Liabilities	0	0	5	—
Prepaid expenses	0	0	—	−4
Total	**94**	**−34**	**31**	**−57**
Netting	−34	34	−31	31
Option to capitalize not exercised	−60	—	—	—
Balance	**—**	**—**	**—**	**−26**

Deferred tax assets and tax liabilities are calculated unchanged from prior year by using a combined tax rate of corporate income tax, the solidarity surcharge, and trade tax of 28 %, which is derived from a weighted average of the tax rates of the subsidiaries. Temporary differences to financial assets are measured at an effective tax rate of 1.4 %.

Equity

Subscribed capital

As of December 31, 2023, the subscribed capital of ProSiebenSat.1 Media SE amounted to EUR 233,000,000 (previous year: EUR 233,000,000), with each share representing a nominal value of EUR 1.00 of the share capital. Thus, as of December 31, 2023, the number of issued common shares was 233,000,000 (previous year: 233,000,000 common shares) of which the Company itself held 6,299,657 common shares in treasury (previous year: 6,514,679 common shares).

DEVELOPMENT OF EQUITY IN 2023

EUR m

	Subscribed capital[1]	Capital reserves	Profit reserves	Balance Sheet profit	Total Equity
December 31, 2022	**226**	**1,132**	**1,553**	**275**	**3,186**
Paid dividends	—	—	—	−11	**−11**
Loss of the year	—	—	—	−54	**−54**
Employee share ownership plan	0	1	0	—	**1**
December 31, 2023	**227**	**1,134**	**1,553**	**209**	**3,122**

1 net of treasury shares

Authorized Capital

By resolution of the Annual General Meeting on June 1, 2021, new authorized capital was created (Authorized Capital 2021). According to the resolution, the Executive Board, subject to the consent of the Supervisory Board, is authorized until and including May 31, 2026, to increase the share capital by not more than in total EUR 46,600,000 by issuing, on one or more occasions, new registered no-par value shares, in return for contributions in cash and/or in kind. Shareholders' pre-emptive rights may be excluded under certain conditions.

Contingent Capital

By resolution of the Annual General Meeting on June 1, 2021, the Executive Board is authorized, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or option bonds in the total nominal amount of up to EUR 800 million, against cash and/or contributions in kind, until May 31, 2026, and to grant the holders or creditors of such bonds conversion or option rights to subscribe for in total up to 23,300,000 new registered no-par value shares in the pro rata amount of in total up to EUR 23,300,000 of the Company's registered share capital, and/or to stipulate respective conversion rights of ProSieben Sat.1 Media SE as issuer (Autohorisation 2021). For this purpose, the share capital was contingently increased by in total up to EUR 23,300,000 to be effected through the issuance of up to 23,300,000 new registered no-par value shares (Contingent Capital 2021). The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude shareholders' pre-emptive rights under certain conditions.

Treasury shares

In accordance with section 71 (1) no. 8 of the German Stock Corporation Act, the Annual General Meeting of June 12, 2019, authorized the Company to acquire its own shares on or before June 11, 2024, in the amount of up to 10 % of the Company's share capital on the date the authorization was granted or — if this figure is lower — on the date the authorization is exercised, and to use these, also with the exclusion of preemptive rights in the cases described in more detail in the authorization. Treasury shares may also be acquired using derivatives up to a total of 5 % of the share capital on the date the authorization was granted in accordance with the more detailed conditions of the authorization. Together with other own shares owned by or attributable to the Company according to sections 71a et seq. of the German Stock Corporation Act, no more than 10 % of the share capital may be attributable to the shares acquired on the basis of this authorization at any time.

The authorization of June 12, 2019 allows the Executive Board, with the Supervisory Board's consent, to exercise its right for any legally permissible purpose.

In financial years 2023 and in 2022 no treasury shares were acquired.

In the financial year 2023, 194,748 treasury shares were ceded at a price of EUR 5.09 as part of the "myshares" employee share program. For the issue of so-called matching shares of the 2020 myshares program, 20,274 free shares were issued in the 2023 financial year after the three-year holding period.

In total, ProSiebenSat.1 Media SE held 6,299,657 (previous year: 6,514,679) of its own common shares as of December 31, 2023. This is equivalent to 2.7 % (previous year: 2.8 %) of the share capital.

Capital reserve

Capital reserves amounted to EUR 1,134 million (previous year: EUR 1,132 million). Capital reserves included premiums from the new stock issuance in financial year 1997 and the capital increases in 2004 and 2016, the cumulative effects on results that arose in connection with the granting of stock options of the former Long Term Incentive Plans (LTIPs), stock awards, and the employee share programs, and the effects from the exercise of stock options. The increase in the past financial year results from the recognition of the effects of the employee share program.

Profit reserves

Other profit reserves include additions of EUR 800 million from the financial year 2017 and EUR 200 million from the financial years 2018 and 2019 respectively and EUR 400 million from the financial year 2022. The costs of acquisition exceeding the nominal amount of the treasury stock amounting to EUR 47 million for the share buyback in 2018 are offset against retained earnings.

As of December 31, 2023, retained earnings of EUR 0 million (previous year: EUR 1 million) were subject to a distribution block. This resulted in the amount of EUR 0 million (previous year: EUR 0 million) from the fair value accounting of the plan assets and in the amount of EUR 0 million (previous year: EUR 1 million) from the fair value calculation of the settlement amount of the pension obligations.

Distributable profit

In the past financial year, based on the resolution of the Annual General Meeting on June 30, 2023, a distribution of EUR 11 million was made from ProSiebenSat.1 Media SE's distributable balance sheet profit of EUR 275 million for the 2022 financial year. This corresponded to a dividend payment of EUR 0.05 per dividend-entitled share.

In accordance with the German Stock Corporation Act, the dividend payable to shareholders depends on the distributable profit reported in the Annual Financial Statements of ProSiebenSat.1 Media SE under the German Commercial Code. There are plans to use ProSiebenSat.1 Media SE's distributable profit of EUR 209 million for the financial year 2023 as follows:

PROPOSAL OF PROFIT ALLOCATION
EUR

Distributable balance sheet profit as of December 31, 2022	274,667,803.33
Dividend distribution in 2023	-11,324,266.05
Loss of the year 2023	-53,945,790.56
Distributable balance sheet profit as of December 31, 2023	**209,397,746.72**
Distribution of a dividend of EUR 0.05 per share	11,335,017.15
Balance to be carried forward to the next accounting period	198,062,729.57

Provisions

PROVISIONS
EUR m

	Dec 31, 2023	Dec 31, 2022
Provisions for pension and similar obligations	**6**	**8**
Tax provisions	**85**	**51**
Other provisions		
Personnel provisions	18	14
Provision for outstanding invoices	17	19
Onerous contracts	9	19
Other miscellaneous provisions	18	25
Subtotal	**62**	**77**
Total	**153**	**136**

Provisions for pensions

Pension provisions were recognized for obligations to provide future benefits for active and former members of the Executive Board of ProSiebenSat.1 Media SE and their survivors.

PENSIONS PROVISIONS BALANCE SHEET PRESENTATION
EUR m

	Dec 31, 2023	Dec 31, 2022
Pension obligations before offsetting	29	30
Fair value of designated assets	23	22
-thereof designated assets exceeding pension obligations	0	0
Pension provisions as per balance sheet	**6**	**8**

The acquisition costs of the plan assets amounted to EUR 25 million (previous year: EUR 25 million). In connection with recognizing expenses and income from discounting the obligation and expenses and income from the plan assets, interest expenses of EUR 1 million (previous year: EUR 1 million) and write-ups from plan assets amounting to EUR 1 million (previous year: impairment from plan assets recognized under impairment from financial asses of EUR 3 million) were recognized under other operating income.

Using the average market interest rate of the last seven financial years projected for the closing date of 1.74 % p.a., the pension provision as of December 31, 2023 would be EUR 29 million (including the amount payable contained in the active difference resulting from offsetting). The difference as defined by section 253 (6) sentence 1 of the German Commercial Code was EUR 0 million in the financial year, which is distribution-blocked when deferred taxes are taken into account.

Tax provisions

The tax provisions were formed primarily for corporate income tax and trade tax. The potential impact of a current tax audit has been taken into account.

Other provisions

In the 2023 financial year, impending losses of EUR 9 million (previous year: EUR 16 million) were recognized for financial instruments used to hedge foreign currency risks that did not meet the requirements for valuation units.

The personnel provisions include provisions for short-term bonus payments and for multi-year variable incentive systems totaling EUR 11 million (previous year: EUR 11 million). Furthermore this line includes provisions for severance pay and exemptions of EUR 6 million (previous year: EUR 1 million).

Other miscellaneous provisions include provisions for interest on taxes and value-added tax of EUR 15 million (previous year: EUR 20 million) as of December 31, 2023.

Liabilities

LIABILITIES
EUR m

	Dec 31, 2023				Dec 31, 2022			
	Remaining term				Remaining term			
	less than 1 year	over 1 year	Total	thereof over 5 years	less than 1 year	over 1 year	Total	thereof over 5 years
Liabilities to banks								
a) Loan liabilities	—	2,125	2,125	128	—	2,125	2,125	128
b) Interest and bank liabilities	12	—	12	—	7	—	7	—
Deposits received	0	—	0	—	0	—	0	—
Trade accounts payable	175	49	224	—	225	61	286	—
Liabilities to Group companies	2,268	—	2,268	—	2,329	—	2,329	—
Liabilities to companies with which there is an investment relationship	0	—	0	—	—	—	—	—
Other liabilities	38	—	38	—	36	—	36	—
Total	**2,493**	**2,174**	**4,667**	**128**	**2,597**	**2,186**	**4,783**	**128**

As of December 31, 2023, ProSiebenSat.1 Media SE has a syndicated loan agreement, consisting of two term loans and a revolving credit facility (RCF). One of the two final loans was extended in May 2023. The syndicated loan agreement now includes a term loan in the amount of EUR 800 million (previous year: EUR 800 million) and an RCF in the amount of EUR 500 million (previous year: EUR 500 million) with terms until April 2027, as well as another term loan in the amount of EUR 400 million (previous year: EUR 400 million) with a term until April 2026 (and an extension option for another year). As in the previous year, the RCF was not used in the 2023 financial year.

In addition, as of December 31, 2023, ProSiebenSat.1 Media SE had promissory note loans totaling EUR 925 million with maturities in 2025 (EUR 226 million), 2026 (EUR 225 million), 2027 (EUR 346 million), 2029 (EUR 80 million) and 2031 (EUR 48 million).

Liabilities to affiliated companies include in particular liabilities from cash pooling (EUR 2,158 million, previous year: EUR 2,236 million), liabilities from internal transactions (EUR 33 million, previous year: EUR 17 million), liabilities from profit and loss transfer agreements (EUR 29 million, previous year: EUR 28 million) and liabilities from short-term loans (EUR 48 million; previous year: EUR 48 million).

NOTES TO THE INCOME STATEMENT

Revenues

Revenues (EUR 95 million; previous year: EUR 123 million) mainly comprise income from the provision of services as part of the holding company activities and the sale of programming assets and ancillary rights.

Proceeds from the sale of programming assets and ancillary rights amounted to EUR 14 million (previous year: EUR 27 million), the majority of which was generated abroad.

Income from services due to the holding function relates almost exclusively to allocations for management fees in the amount of EUR 50 million (previous year: EUR 56 million) and income from the rental of office space and the charging on of ancillary costs to affiliated companies in the amount of EUR 21 million (previous year: EUR 19 million). This income was generated almost exclusively from domestic Group companies.

Other operating income

Other operating income of EUR 244 million (previous year: EUR 102 million) includes, in particular, write-ups on financial assets amounting to EUR 187 million (previous year: EUR 2 million) as well as exchange rate effects of EUR 20 million (previous year: EUR 57 million) and cost transfers to Group companies. The income relating to other periods that is included within other operating income amounting to EUR 5 million (previous year: EUR 8 million) mainly relates to the reversal of provisions in the amount of EUR 4 million (previous year: EUR 7 million).

Programming and material expenses

Expenses for licenses, transmission fees and materials were EUR 29 million (previous year: EUR 34 million). A main component are expenses for transmission costs and satellite rentals in the amount of EUR 27 million (previous year: EUR 27 million), which are passed on to group companies. Expenses for purchased services relate primarily to rental expenses, which are passed on to the Group companies as part of the Group holding activity and reported as revenue.

Personnel expenses

In the financial year 2023, personnel expenses amounted to EUR 64 million (previous year: EUR 63 million). Included in the amount are severance payments of EUR 10 million (previous year: EUR 10 million).

Other operating expenses

Other operating expenses of EUR 96 million (previous year: EUR 124 million) include, in particular, currency effects, charges passed on from Group companies, IT costs and legal and consulting costs.

Result from profit transfers and investments

The expenses from loss absorption of EUR 29 million (previous year: income from profit transfer of EUR 432 million), which originated almost exclusively from Seven.One Entertainment Group GmbH and whose decline in earnings was caused in particular by impairment losses on existing programming assets and the recognition of provisions for contingent losses on purchase obligations for programming assets as part of the strategic realignment of the Entertainment division, were offset by income from profit transfers totaling EUR 16 million (previous year: expenses from loss absorption of EUR 28 million) with Seven. One Studios GmbH, Unterföhring, and ProSiebenSat.1 Digital Data GmbH, Unterföhring.

Write-down of financial assets

Write-downs on financial assets decreased by EUR 391 million to EUR 41 million in the 2023 financial year. In the previous year, this item was characterized by the partial write-down on the carrying amount of the investment in the subsidiary NCG - NUCOM GROUP SE, Unterföhring, in the amount of EUR 430 million. In the reporting year, a long-term loan to the subsidiary Jochen Schweizer mydays Holding GmbH, Munich, was written down due to impairment.

Interest and similar income

Interest and similar income fell slightly by EUR 4 million to EUR 31 million. In the previous year, this item included income from the sale of interest rate options in the amount of EUR 16 million and from the early repayment of promissory note loans in the amount of EUR 3 million.

Interest and similar expenses

In financial year 2023 interest expenses increased by EUR 103 million to EUR 158 million due to increased interest rates. Interest and similar expenses include interest added to pension provisions of EUR 1 million (previous year: EUR 1 million).

Income taxes

In addition to the taxable result generated by the company itself, ProSiebenSat.1 Media SE, as the parent company, is liable for taxes on the assessment bases attributable to it via profit and loss transfer agreements with affiliated companies in the tax group. Income taxes include prior-period income of EUR 4 million (previous year: EUR 46 million). The prior-period income in the previous year mainly resulted from the reversal of a tax provision in connection with the tax audit for the years from 2013 onwards.

In addition, the deferred tax liability of EUR 26 million recognized in the previous year was reversed through profit or loss in the 2023 financial year.

ProSiebenSat.1 Media SE has made an indicative assessment of the potential burden on the company with regard to minimum taxation for the financial year 2023 for the business units to be included and, on this basis, does not expect a significant tax burden from the introduction of minimum taxation as the ultimate parent company.

OTHER INFORMATION

Contingent liabilities

CONTINGENT LIABILITIES
EUR m

	Dec 31, 2023	Dec 31, 2022
Contingent liabilities from guarantees	63	48
(therof amounts for Group companies)	(63)	(48)

On the basis of ongoing risk assessment of the contingent liabilities entered into and considering all knowledge gained up to the preparation of the Annual Financial Statements, ProSiebenSat.1 Media SE expects that the obligations underlying the contingent liabilities can be fulfilled by the relevant principal debtors. Therefore, the risk of utilization of contingent liabilities is estimated to be low.

Additionally, on March 13, 2023, ProSiebenSat.1 Media SE acquired all shares in Jochen Schweizer mydays Holding GmbH, Munich, held by NCG - NUCOM GROUP SE, Unterföhring, and granted it a financing commitment. The financing commitment with a maximum amount of EUR 87 million and a term until December 31, 2024 was necessary so that the two wholly-owned subsidiaries of Jochen Schweizer mydays Holding GmbH, Jochen Schweizer GmbH, Munich, and mydays GmbH, Munich, could adjust their product range on March 13 / 14, 2023 due to the previously existing regulatory concerns. As of December 31, 2023, Jochen Schweizer mydays Holding GmbH has made use of the financing commitment by receiving loans amounting to EUR 41 million. These loan receivables were fully written off as of the reporting date. ProSiebenSat.1 Media SE expects further financing needs in the 2024 financial year. In addition to this measure, ProSiebenSat.1 Media SE issued a letter of comfort to Jochen Schweizer mydays Holding GmbH in April 2023 with regard to its payment obligations to its subsidiaries, which is initially limited until mid-2024 and is intended to ensure the going concern of the beneficiary company.

Other financial obligations

OTHER FINANCIAL OBLIGATIONS
EUR m

	due in following year	due in 2nd to 5th year	due after 5th year	**Total Dec 31, 2023**	Total Dec 31, 2022
Programming assets	185	463	7	655	1,018
Distribution	29	30	—	59	51
Leasing and rental commitments	24	118	136	278	295
Other obligations	38	11	—	49	66
(therof amounts due to Group companies)	(12)	—	—	(12)	(12)
Total	**276**	**622**	**143**	**1,041**	**1,430**

Purchase commitments from program assets result from contracts for the acquisition of film and series licenses concluded before December 31, 2023, and commissioned programs.

Financial obligations for satellite rental, obligations under contracts for terrestrial transmission facilities and cable feed charges are reported under Distribution.

Leasing and rental commitments particularly include building leases for office and editorial space at the sites in Unterföhring. The terms of the major contracts extend to 2038. In addition, obligations arising from the provision of company cars are also reported here.

Other liabilities essentially comprise obligations for other third-party service agreements, purchase commitments and memberships.

In addition, there are intra-group obligations from financing commitments to affiliated companies in form of loans amouting to EUR 145 million (previous year: EUR 196 million), the amount and timing of which, however, cannot be anticipated.

Off-balance sheet transactions

In accordance with the regulations of the German Commercial Code and the principles of proper accounting, there are transactions that are not to be shown on the balance sheet. At ProSiebenSat.1 Media SE, these mainly include leasing contracts regarding real estate. These transactions do not have a significant financial impact on ProSiebenSat.1 Media SE. No significant risks or rewards from these transactions on ProSiebenSat.1 Media SE's financial position can be identified.

Employees

AVERAGE NUMBER OF EMPLOYEES DURING THE YEAR

	2023	2022
Employees	417	396
Trainees, volunteers and interns	41	51
Total	**458**	**447**

The average number of employees in financial year 2023 is split across the three areas of responsibility of ProSiebenSat.1 Media SE as follows: Strategic Holding 126 employees (previous year: 118 employees), Center of Excellence 218 employees (previous year: 206 employees) and Shared Service Center 73 employees (previous year: 72 employees).

Professional fees of the independent auditor

The information required under section 285 no. 17 of the German Commercial Code regarding the total fees charged by our independent auditor, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, in financial year 2023 is provided in the Consolidated Financial Statements of ProSiebenSat.1 Media SE as of December 31, 2023.

Derivative financial instruments

ProSiebenSat.1 Media SE is exposed to a variety of financial risks through its business operations and financing requirements. These risks are managed by the Group Finance & Treasury central area as part of financial risk management. The goals of financial risk management are to ensure solvency and manage market price risks in a risk-adequate manner. The derivative financial instruments used here serve exclusively to hedge existing risks and are not used for speculation purposes.

The market value of interest rate swaps is calculated by discounting the expected future cash flows. The market values of interest rate caps, interest rate floors, and currency options are calculated based on option price models reflecting the current market situation. The market values of currency forwards are derived from the forward exchange rate set by the market. Other methods may lead to deviations.

The nominal and market values of derivative financial instruments held by ProSiebenSat.1 Media SE as of December 31, 2023, are shown below:

NOMINAL AMOUNTS AND MARKET VALUES

	Year of maturity			Nominal amount	Market value
	2024 USD m	2025 - 2028 USD m	from 2029 USD m	Dec 31, 2023 USD m	Dec 31, 2023 EUR m
Currency hedging					
Currency forwards & currency swaps	355	323	5	683	17
	EUR m	EUR m	EUR m	EUR m	EUR m
Interest hedging					
Interest hedging	—	1,200	—	1,200	21

As of the balance sheet date, the level of the risks hedged with the valuation units from expected adverse or advantageous changes in value and cash flows correspond to the fair values of the hedging transactions. Due to the similar risks, the opposing payment flows from the underlying and hedging transactions are expected to be fully balanced. Proof of prospective and retrospective effectiveness is provided by means of regular effectiveness tests. Based on the agreement of the valuation-relevant parameters of the underlying and hedging transaction, the prospective effectiveness is determined using the so-called "Critical Terms Match" method and the retrospective effectiveness is determined using the "dollar offset method".

The derivative financial instruments reportable under the German Commercial Code are recognized under the following items on the balance sheet at the indicated carrying amounts. These interest options are used for hedging purposes, but are not part of a valuation unit according to section 254 of German Commercial Code.

PRESENTATION OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR m

	Other assets		Receivables from banks		Other provisions		Other liabilities	
	Dec 31, 2023	Dec 31, 2022	**Dec 31, 2023**	Dec 31, 2022	**Dec 31, 2023**	Dec 31, 2022	**Dec 31, 2023**	Dec 31, 2022
Interest options	18	22	3	0	—	—	5	6
Interest swaps	—	—	—	1	—	—	—	—
Currency forwards	—	—	—	—	9	16	—	—
Total	**18**	**22**	**3**	**1**	**9**	**16**	**5**	**6**

Valuation units to hedge foreign currency risk

ProSiebenSat.1 Media SE concludes a significant portion of its license agreements with production studios in the USA. ProSiebenSat.1 Media SE generally fulfills its financial obligations for purchasing these program rights in US dollars. Exchange rate fluctuations between the EUR and the US dollar may therefore adversely impact ProSiebenSat.1 Media SE's financial and earnings situation. The low volume of receivables and liabilities in other currencies or for other purposes results is a negligible currency risk.

ProSiebenSat.1 Media SE pursues a Group-wide portfolio approach. The term foreign currency exposure includes the total volume of all future U.S. dollar payments which result from existing license agreements and will be due within a period of seven years. As part of foreign currency management, ProSiebenSat.1 Media SE employs various derivatives and original financial instruments to hedge against currency fluctuations. These include currency forwards, currency swaps, currency options and currency holdings (spot currency positions) in US dollars.

Derivative financial instruments which fulfill the accounting prerequisites of a hedging relationship are reported in valuation units, in accordance with section 254 of the German Commercial Code. ProSiebenSat.1 Media SE's gross foreign currency exposure is combined with the opposing currency hedging transactions into one portfolio macro hedge. The underlying and hedging transactions are each measured using the respective underlying cash flows for this purpose.

The following table shows the Company's net foreign currency exposure:

RISK OF FOREIGN CURRENCY ANALYSIS

USD m

	Dec 31, 2023	Dec 31, 2022
Gross foreign currency exposure	−871	−1,227
Hedge accounting (in valuation units)	465	450
Hedge accounting (not in valuation units)	195	204
Currency holdings	5	51
	665	**705**
Net-Exposure	**−206**	**−522**
Hedge ratio	76%	57%

In addition, the company holds foreign exchange forwards in the amount of USD 12 million (previous year: USD 5 million), which are held to offset the effects of the foreign exchange forwards passed on to subsidiaries in the amount of USD 12 million (previous year: USD 5 million) and are accounted for together in a valuation unit.

Financial instruments to hedge interest rate risk

ProSiebenSat.1 Media SE defines interest rate risk as the risk of rising financing costs due to an increase in interest rates. ProSiebenSat.1 Media SE is exposed to interest rate risk through its variable-interest financial liabilities and also through future financing measures. Interest rate swaps and interest rate options are instruments used to hedge the interest rate risk. The interest rate options held by the company consist of interest rate caps, interest rate floors and interest rate collars. As at December 31, 2023, all interest rate collars are designated in valuation units, while the remaining interest rate options are reported separately. As the interest rate derivatives are used exclusively to hedge the existing interest rate risk, there is no intention to close them out.

With a purchased interest rate cap, ProSiebenSat.1 Media SE acquires the right to exchange future variable interest payments for fixed interest payments or to receive a compensatory payment in the amount of the difference between the exercise price agreed in the option contract and the interest payment calculated from the market interest rate if the variable market interest rate exceeds the exercise price agreed in the option contract. This also effectively results in a transfer of future variable interest payments into fixed interest payments, but only if this is advantageous for ProSiebenSat.1 Media SE. An option premium must be paid for the acquired exchange right or the right to receive a compensation payment.

In the case of a sold/written interest rate floor, ProSiebenSat.1 Media SE is obliged to exchange future variable market interest payments for fixed interest payments or to make a compensatory payment in the amount of the difference between the exercise price agreed in the option contract and the interest payment calculated from the market interest rate if the variable market interest rate falls below the exercise price agreed in the option contract. ProSiebenSat.1 Media SE receives an option premium for assuming the obligation to swap or pay the difference. Floors were concluded in the 2023 financial year in combination with existing caps, whereby the agreed fixed interest rate of the floor was selected so that it corresponds to the fixed interest rate of the associated cap. By combining the caps and floors with the same fixed interest rate, a synthetic hedging instrument is created that has the same effect as an interest rate swap.

As part of the extension of one of the two loan tranches of the syndicated loan and in view of higher interest rates, ProSiebenSat.1 Media SE also restructured its hedging portfolio. The company now holds interest rate caps with a nominal value of EUR 900 million (previous year: EUR 700 million), of which EUR 850 million (previous year: EUR 650 million) serves to hedge the interest rate risk until 2027 and a further EUR 50 million, as in the previous year, to hedge the interest rate risk until 2025. Interest rate caps with a volume of EUR 500 million (previous year: EUR 0 million) are combined with interest rate floors of the same volume to form synthetic swaps and recognized as freestanding hedges. The remaining interest rate caps with a volume of EUR 400 million (previous year: EUR 700 million) are also recognized as freestanding hedges.

The average interest rate cap for interest rate caps that are not part of synthetic swaps amounts to 2.64% (previous year: 1.50%) per annum as at December 31, 2023. The synthetic interest rate swap has a swap rate of 1.50%.

In addition to the aforementioned freestanding derivatives, ProSiebenSat.1 Media SE hedges the interest rate risk with interest rate collars. In an interest rate collar, a bandwidth between two fixed interest rates is fixed. If the variable market interest rate exceeds the higher fixed interest rate or falls below the lower fixed interest rate, the variable interest payments are exchanged for fixed interest payments or a compensatory payment is made in the amount of the difference.

If the market interest rate is between these two fixed interest rates, no swap or compensation payment is made and ProSiebenSat.1 Media SE effectively pays the variable interest rate agreed under the hedged underlying transaction. The interest rate collars are designated in valuation units (micro hedge).

As of December 31, 2023, ProSiebenSat.1 Media SE held interest rate collars with a total nominal volume of EUR 300 million (previous year: EUR 0 million), which hedge the Euribor interest rate risk in the period until 2027 and were designated as hedging instruments in valuation units. As at December 31, 2023, the average fixed interest rate floor and ceiling of the interest rate collars were 1.95% and 4.35% per annum. In the previous year, interest rate swaps amounting to EUR 1,000 million were still in place. These expired in the 2023 financial year. For financial liabilities managed as part of interest rate risk management, the fixed interest rate share in relation to the nominal amount of total financial liabilities as at December 31, 2023 was approximately 86% (previous year: approximately 86%).

Executive Board and Supervisory Board

The members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE are listed in the "Members of the Executive Board" and "Members of the Supervisory Board" sections of the Notes, together with their memberships on other statutorily required supervisory boards and comparable bodies.

The Company has neither granted loans to nor assumed guaranties or warranties for the members of the Executive Board and the Supervisory Board.

The remuneration of the Executive Board members of ProSiebenSat.1 Media SE who were in office at the end of the financial year, including the proportionate regular remuneration for members who left in the past year, amounted to EUR 7 million in the year under review (previous year: EUR 9 million). This remuneration includes variable components (including other remuneration) of EUR 3 million (previous year: EUR 5 million) and fringe benefits of EUR 0 million (previous year: EUR 0 million). In addition, the members of the Management Board receive a long-term share-based remuneration component. The fair value of the share-based payment components granted to members of the Board of Management in fiscal year 2023 was EUR 4 million (previous year: EUR 4 million) or 461,567 performance share units (previous year: 284,497 performance share units).

Total remuneration of EUR 6 million (previous year: EUR 10 million) was paid to former members of the Management Board in the 2023 financial year. In addition, pension benefits of EUR 2 million (previous year: EUR 1 million) were paid to former members of the Management Board.

ProSiebenSat.1 Media SE recognized pension provisions of EUR 1 million (previous year: EUR 2 million) before netting with plan assets for pension commitments to members of the Executive Board who were in office as of December 31, 2023. Provisions totaling EUR 28 million (previous year: EUR 29 million) before netting with plan assets were set aside at December 31, 2023, for pension obligations to former members of the Executive Board.

With the exception the Performance Share Plans 2021 – 2023 and pension entitlements, payments to the Executive Board are all payable in the short term.

Expenses for the Supervisory Board of ProSiebenSat.1 Media SE came to EUR 2 million in the reporting period (previous year: EUR 2 million).

The compensation of the Supervisory Board is set in the articles of incorporation of the Company.

Members of the Supervisory Board receive fixed annual compensation for each full financial year of their membership of the Supervisory Board. The fixed compensation amounts to EUR 250,000 for the Chairman of the Supervisory Board, EUR 150,000 for the Vice Chairman and EUR 100,000 for all other members of the Supervisory Board. The Chairman of the Supervisory Board committee receives additional fixed annual compensation of EUR 30,000; the additional fixed annual compensation for the Chairman of the Audit and Finance Committee amounts to EUR 50,000. Members of the Supervisory Board also receive fixed annual compensation of EUR 7,500 for membership in a Supervisory Board committee. In addition, members of the Supervisory Board receive a meeting honorarium of EUR 2,000 for each meeting attended in person. For the Chairman of the Supervisory Board, the meeting honorarium amounts to EUR 3,000 for each meeting attended in person. In the event of multiple meetings held on one day, the meeting honorarium is only paid once. No performance-based variable compensation is granted.

Altogether, the current members of the Executive Board and Supervisory Board directly held 339,254 shares (previous year: 135,173 shares) of ProSiebenSat.1 Media SE as of December 31, 2023. This is equivalent to 0.1 % of the share capital (previous year: 0.1 %).

Pursuant to article 19 of the Market Abuse Regulation (MAR), members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE must disclose securities transactions relating to ProSiebenSat.1 shares. In addition, securities transactions of close relatives are also subject to disclosure.

For the financial year 2023, a total of 7 transactions were reported to ProSiebenSat.1 Media SE in which Supervisory Board members purchased 135,713 shares and 4 transactions in which Executive Board members purchased 139,719 shares. In financial year 2022, a total of 4 transactions were reported to ProSiebenSat.1 Media SE in which members of the Supervisory Board purchased a total of 9,247 shares and 4 transactions in which members of the Executive Board bought 111,718 shares of ProSiebenSat.1 Media SE. ProSiebenSat.1 Media SE disclosed these transactions without delay on its website (www.prosiebensat1.com) pursuant to article 19 MAR.

Events after the reporting date

On February 22, 2024, the Executive Board of ProSiebenSat.1 Media SE decided on an internal Group reorganization, which aims, among other things, to transfer the currently directly held 100% stake in Seven.One Entertainment Group GmbH to Joyn GmbH, which is currently owned entirely by of Seven.One Entertainment Group GmbH, and then bring Joyn GmbH into a subsidiary that is solely owned by ProSiebenSat.1 Media SE. The reorganization is subject to the approval of the Supervisory Board and the Annual General Meeting. If the Supervisory Board approves the measure, it is intended to submit the reorganization for approval at the company's Annual General Meeting on April 30, 2024. As a result of the intra-group reorganization, the control and profit transfer agreement between the company and Seven.One Entertainment Group GmbH would be terminated during the 2024 financial year. With this step, future results generated by Seven.One Entertainment Group GmbH after the termination date would no longer be transferred to the company, but to Joyn GmbH, which meant that the company would no longer generate any significant investment income for a transitional period. As a result, the company would be expected to have annual deficits in the future due to its negative financial results. However, since Joyn GmbH and Seven.One Entertainment Group GmbH continue to be indirectly 100% owned by the company even after the intra-group reorganization, the company would be in a position to decide on distributions from Joyn GmbH or to conclude a new profit transfer agreement and thereby arrange for the transfer of future results of Seven.One Entertainment Group GmbH to the company. The intra-group reorganization is intended to enable the use of existing tax loss carryforwards of a subsidiary that was still held indirectly as of the reporting date. This measure will not affect the company's ability to pay dividends, as there are sufficient other profit reserves that can be converted into distributable profit at any time. The company will continue to have sufficient liquid funds available in the future due to its function as a cash pool leader.

Group affiliation

ProSiebenSat.1 Media SE, Unterföhring, is the German parent company and prepares consolidated financial statements. The consolidated financial statements of ProSiebenSat.1 Media SE are prepared using the International Financial Reporting Standards (IFRS) as they are to be applied in the EU (Section 315a German Commercial Code). The consolidated financial statements are published in the electronic company register.

Declaration of Compliance with the German Corporate Governance Code

In March 2024, the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE jointly issued the annual Declaration of Compliance with the German Corporate Governance Code, as required under section 161 of the German Stock Corporation Act (AktG), and made it permanently available to the public on the ProSiebenSat.1 Media SE website (www.prosiebensat1.com).

Notification of voting rights

According to section 160 (1) no. 8 of the German Stock Corporation Act, disclosures must be made regarding the existence of investments that ProSiebenSat.1 Media SE has been notified of in accordance with section 33 (1) or (2) of the German Securities Trading Act.

The table below shows the reportable investments for which notification was given in financial year 2023. In each case, the information was taken from a reporting entity's most recent notification to the Company. All voting rights notifications were published by ProSiebenSat.1 Media SE in the financial year 2023 in accordance with the German Securities Trading Act and are available on the Company's website (http://www.prosiebensat1.de/en/investor-relations/publications/voting-rights-notifications).

Please note that the details regarding the investment as a percentage and number of voting rights may now be out of date.

Notifying party	Date of reaching, exceeding or falling below the threshold	Date of notification	Reporting threshold	Voting rights/instruments according to WpHG	Share-holding in %	Number of voting rights
Marina Elvira Berlusconi und Pier Silvio Berlusconi[1]	June 12, 2023	September 22, 2023	Other reason: Gaining control over Finanziaria d'Investimento Fininvest S.p.A.through community of heirs of Silvio Berlusconi	§§ 33,34 WpHG (voting rights)	26.58	61.929.749
				§ 38 Sec.1 No. 2 WpHG (instruments)	2.29	5,332,374
				Total	28.87	-/-
Finanziaria d'Investimento Fininvest S.p.A.[1]	June 12, 2023	July 17, 2023	Other reason: Gaining control as parent company due to the death of Silvio Berlusconi	§§ 33,34 WpHG (voting rights)	26.58	61,929,749
				§ 38 Sec.1 No. 2 WpHG (instruments)	2.29	5,332,374
				Total	28.87	-/-
Renáta Kellernová[2]	May 31, 2023	June 2, 2023	Exceeding 15% (instruments)	§§ 33,34 WpHG (voting rights)	11.60	27,033,992
				§ 38 Sec.1 No. 1 WpHG (instruments)	3.43	8,000,000
				Total	15.04	-/-
BNP PARIBAS SA[3]	May 4, 2023	May 15, 2023	Falling below 10% (instruments)	§§ 33,34 WpHG (voting rights)	0.59	1,364,198
				§ 38 Sec.1 No. 2 WpHG (instruments)	9.10	21,207,888
				Total	9.69	-/-
BlackRock, Inc.	May 2, 2023	May 8, 2023	Exceeding 3% (voting rights)	§§ 33,34 WpHG (voting rights)	3.02	7,026,308
				§ 38 Sec.1 No. 1 WpHG (instruments)	0.55	1,271,838
				§ 38 Sec.1 No. 2 WpHG (instruments)	0.27	631,116
				Total	3.83	-/-
JPMorgan Chase & Co.	March 20, 2023	March 24, 2023	Falling below 5% (instruments)	§§ 33,34 WpHG (voting rights)	1.70	3,953,317
				§ 38 Sec.1 No. 1 WpHG (instruments)	0.94	2,200,000
				§ 38 Sec.1 No. 2 WpHG (instruments)	2.32	5,404,906
				Total	4.96	-/-

1 name of shareholder with 3% or more voting rights: MFE-MEDIAFOREUROPE N.V.
2 name of shareholder with 3% or more voting rights: PPF IM LTD.
3 name of shareholder with 5% or more instruments: BNP PARIBAS Arbitrage

DEVELOPMENT OF NON-CURRENT ASSETS IN FINANCIAL YEAR 2023
EUR in thousand

	Acquisition and production cost				
	Jan 1, 2023	Additions	Disposals	Reclassifications	Dec 31, 2023
I. Intangible assets					
1. Trademarks, patents and similar rights acquired against payment	7,208.9	159.8	246.2	184.9	7,307.5
2. Advances paid on intangible assets	304.1	95.8	—	−184.9	215.0
	7,513.0	**255.6**	**246.2**	**—**	**7,522.5**
II. Property, plant and equipment					
1. Buildings on land owned by others	103,031.8	4,534.1	3,017.1	2,257.3	106,806.1
2. Other equipment, fixtures, furniture and equipment	9,113.2	1,189.5	711.9	—	9,590.8
3. Advances paid on tangible assets under construction	44,330.4	19,393.9	—	−2,257.3	61,467.0
	156,475.4	**25,117.5**	**3,729.0**	**—**	**177,863.9**
III. Financial assets					
1. Interests in Group companies	7,351,448.9	49.3	65,025.0	—	7,286,473.2
2. Loans to Group companies	65,635.1	38,916.6	—	—	104,551.7
3. Interests in associated companies	6.3	—	—	—	6.3
4. Long-term investments	—	193.3	—	—	193.3
5. Other loans	23,427.3	9,743.2	—	—	33,170.5
	7,440,517.6	**48,902.4**	**65,025.0**	**—**	**7,424,395.0**
Total	**7,604,506.0**	**74,275.5**	**69,000.2**	**—**	**7,609,781.4**

DEVELOPMENT OF NON-CURRENT ASSETS IN FINANCIAL YEAR 2023
EUR in thousand

	Amortization, depreciation and write-ups				
	Jan 1, 2023	Additions	Disposals	Write-up	Dec 31, 2023
I. Intangible assets					
1. Trademarks, patents and similar rights acquired against payment	6,345.2	356.0	246.2	—	6,455.0
2. Advances paid on intangible assets	7.8	—	—	—	7.8
	6,353.0	**356.0**	**246.2**	**—**	**6,462.8**
II. Property, plant and equipment					
1. Buildings on land owned by others	57,526.9	6,244.8	3,017.1	—	60,754.5
2. Other equipment, fixtures, furniture and equipment	6,001.4	978.9	666.1	—	6,314.3
3. Advances paid on tangible assets under construction	—	—	—	—	—
	63,528.3	**7,223.7**	**3,683.2**	**—**	**67,068.8**
III. Financial assets					
1. Interests in Group companies	443,060.5	49.3	—	185,440.4	257,669.4
2. Loans to Group companies	1,656.9	40,700.0	—	—	42,356.9
3. Interests in associated companies	—	—	—	—	—
4. Long-term investments	—	—	—	—	—
5. Other loans	614.0	49.4	—	—	663.4
	445,331.4	**40,798.7**	**—**	**185,440.4**	**300,689.7**
Total	**515,212.7**	**48,378.4**	**3,929.4**	**185,440.4**	**374,221.3**

DEVELOPMENT OF NON-CURRENT ASSETS IN FINANCIAL YEAR 2023

EUR in thousand

	Carrying amounts	
	Dec 31, 2022	**Dec 31, 2023**
I. Intangible assets		
1. Trademarks, patents and similar rights acquired against payment	863.7	852.4
2. Advances paid on intangible assets	296.2	207.2
	1,159.9	**1,059.6**
II. Property, plant and equipment		
1. Buildings on land owned by others	45,505.0	46,051.6
2. Other equipment, fixtures, furniture and equipment	3,111.8	3,276.5
3. Advances paid on tangible assets under construction	44,330.4	61,467.0
	92,947.1	**110,795.1**
III. Financial assets		
1. Interests in Group companies	6,908,388.3	7,028,803.7
2. Loans to Group companies	63,978.2	62,194.8
3. Interests in associated companies	6.3	6.3
4. Long-term investments	-	193.3
5. Other loans	22,813.3	32,507.1
	6,995,186.1	**7,123,705.1**
Total	**7,089,293.1**	**7,235,559.9**

MEMBERS OF THE EXECUTIVE BOARD

Members of the Executive Board of ProSiebenSat.1 Media SE and their mandates in other supervisory boards[1] as of December 31, 2023

Hubertus ("Bert") Habets	Chairman of the Executive Board (Group CEO)	Domestic Mandates: NCG – NUCOM GROUP SE, Unterföhring (Member and Chairperson of the Supervisory Board), ParshipMeet Holding GmbH, Hamburg (Member and Chairperson of the Advisory Board)
Martin Mildner	Member of the Executive Board & Chief Financial Officer (Group CFO) since May 1, 2023	Domestic Mandates: NCG – NUCOM GROUP SE, Unterföhring (Member of the Supervisory Board as of August 21, 2023 and Vice Chairperson of the Supervisory Board as of August 28, 2023) IONOS Group SE, Montabaur (Member of the Supervisory Board) Tele Columbus AG, Berlin (Member and Vice Chairperson of the Supervisory Board until July 13, 2023)
Christine Scheffler	Member of the Executive Board & Chief Human Resources Officer (CHRO)	Domestic Mandates: NCG – NUCOM GROUP SE, Unterföhring (Member of the Supervisory Board), ParshipMeet Holding GmbH, Hamburg (Member of the Advisory Board)
Ralf Peter Gierig	Member of the Executive Board & Chief Financial Officer (Group CFO) until April 27, 2023	Domestic Mandate: NCG – NUCOM GROUP SE, Unterföhring (Member of the Supervisory Board and Vice Chairperson of the Supervisory Board until April 28, 2023)
Wolfgang Link	Member of the Executive Board (responsible for Entertainment) until July 15, 2023	Domestic Mandate: ParshipMeet Holding GmbH, Hamburg (Member of the Advisory Board until July 15, 2023)

1 This presentation of mandates describes the memberships in supervisory boards by German law as well as memberships in comparable domestic and foreign supervisory bodies of commercial enterprises.

MEMBERS OF THE SUPERVISORY BOARD

Members of the Supervisory Board of ProSiebenSat.1 Media SE and their mandates in other supervisory boards [1] as of December 31, 2023

Dr. Andreas Wiele, Chairman	Member of the Supervisory Board of ProSiebenSat.1 Media SE since February 13, 2022 (appointed by Court) / Chairman of the Supervisory Board since May 5, 2022 General Partner at Giano Capital Management S.a.r.l., Luxembourg/Luxembourg	Foreign Mandates: Giano Capital Management S.a.r.l., Luxembourg/ Luxembourg Giano Capital Sàrl, Geneva/Switzerland OakTree Power Ltd., London/United Kingdom
Prof. Dr. Rolf Nonnenmacher, Vice Chairman	Member of the Supervisory Board of ProSiebenSat.1 Media SE since May 21, 2015 Member of various Supervisory Boards	Domestic Mandate: Continental AG, Hanover
Katharina Behrends	Member of the Supervisory Board of ProSiebenSat.1 Media SE since June 30, 2023 General Manager (DACH) at MFE – MediaForEurope N.V., Amsterdam/Netherlands	Mandate: none
Klára Brachtlová	Member of the Supervisory Board of ProSiebenSat.1 Media SE since October 16, 2023 (appointed by Court) Chief External Affairs Officer at Central European Media Enterprises Ltd., Prague/Czech Republic	Mandate: none
Dr. Katrin Burkhardt	Member of the Supervisory Board of ProSiebenSat.1 Media SE since June 30, 2023 Independent Business Consultant, Berlin	Domestic Mandate: Oddo BHF SE, Frankfurt am Main
Thomas Ingelfinger	Member of the Supervisory Board of ProSiebenSat.1 Media SE since June 30, 2023 Member of various Supervisory Boards	Domestic Mandate: Tengelmann Verwaltungs- und Beteiligungs GmbH, Munich Foreign Mandate: Marchesi Antinori S.p.A., Florence/Italy
Marjorie Kaplan	Member of the Supervisory Board of ProSiebenSat.1 Media SE since May 16, 2018 Independent entrepreneur	Foreign Mandates: ArtBNK, Inc, Delaware/USA ITV plc, London/United Kingdom
Ketan Mehta	Member of the Supervisory Board of ProSiebenSat.1 Media SE since November 24, 2015 Managing Director at Allen & Company LLC, New York/USA	Mandate: none
Prof. Dr. Cai-Nicolas Ziegler	Member of the Supervisory Board of ProSiebenSat.1 Media SE since June 30, 2023 Chief Executive Officer (CEO) at doctari group, Berlin	Mandate: none
Lawrence A. Aidem (Term of office expired at the end of the Annual General Meeting on June 30, 2023)	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 Reverb Advisors (Managing Partner)	Mandate: none
Dr. Marion Helmes (Term of office expired at the end of the Annual General Meeting on June 30, 2023)	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 until June 30, 2023 Member in various Supervisory Boards	Domestic Mandate: Siemens Healthineers AG, Munich Foreign Mandates: LONZA Group AG, Basel/Switzerland, Heineken N.V., Amsterdam/Netherlands
Erik Huggers (Resignation from office as of June 30, 2023)	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 until June 30, 2023 PMR Ventures S.r.l. (Investor)	Foreign Mandates: Freepik Company S.L., Malaga/Spain, WeTransfer B.V., Amsterdam/Netherlands, Hexagon AB, Stockholm/Sweden
Dr. Antonella Mei-Pochtler (Term of office expired at the end of the Annual General Meeting on June 30, 2023)	Member of the Supervisory Baord of ProSiebenSat.1 Media SE since April 13, 2020 unitl June 30, 2023 Independent entrepreneur	Domestic Mandate: Westwing Group AG, Munich Foreign Mandates: Assicurazioni Generali S.p.A., Milan/Italy, Publicis Groupe S.A., Paris/France, Plenitude S.p.A., Milan/Italy

1 The presentation of mandates describes the memberships in supervisory boards required by German law as well as memberships in comparable domestic and foreign supervisory bodies of commercial enterprises.

LIST OF HOLDINGS ACCORDING TO § 285 NO. 11 HGB OF PROSIEBENSAT.1 MEDIA SE AS OF DECEMBER 31, 2023

Name of company	Location	Relation-ship	Holding **	Currency ***	Equity* in thousands	Annual result* in thousands	Foot-note
Affiliated companies							
Germany							
7Love Holding GmbH	Hamburg	indirect	98.47	EUR	592,639	-145	
AdTech S8 GmbH	Unterföhring	indirect	100.00	EUR	56,869	0	
be Around GmbH	Berlin	indirect	100.00	EUR	-17,750	-5,773	
be Around Holding GmbH	Berlin	indirect	80.00	EUR	122,203	-737	
CamperDays GmbH	Cologne	indirect	100.00	EUR	- / -	- / -	1
Cheerio Entertainment GmbH	Cologne	indirect	100.00	EUR	-169	-194	
esome advertising technologies GmbH	Hamburg	indirect	100.00	EUR	13,278	283	
Fem Media GmbH	Unterföhring	indirect	100.00	EUR	52,324	-1,566	
Flaconi Gesellschaftertreuhand GmbH	Berlin	indirect	100.00	EUR	30	6	
Flaconi GmbH	Berlin	indirect	100.00	EUR	21,908	0	2
Flaconi Logistik GmbH & Co. KG	Berlin	indirect	100.00	EUR	1,637	1,452	
Flat White Productions GmbH	Cologne	indirect	100.00	EUR	25	0	2
FLOYT Mobility GmbH	Cologne	indirect	100.00	EUR	13,595	0	2
Glomex GmbH	Unterföhring	indirect	100.00	EUR	4,905	0	2
Jochen Schweizer GmbH	Munich	indirect	100.00	EUR	-84,778	-6,371	5
Jochen Schweizer mydays Holding GmbH	Munich	direct	89.90	EUR	151,831	-184	5
Joyn GmbH	Munich	indirect	100.00	EUR	16,258	-59,064	
JSMD Event GmbH	Munich	indirect	100.00	EUR	81	-499	5
Kairion GmbH	Frankfurt am Main	indirect	100.00	EUR	1,050	1,740	
Marketplace GmbH	Berlin	indirect	100.00	EUR	112,608	-155	
marktguru Deutschland GmbH	Munich	indirect	90.00	EUR	6,754	2,793	
Masterpiece Gaming GmbH	Norderstedt	indirect	100.00	EUR	3,159	-36	4
MMP Event GmbH	Cologne	indirect	100.00	EUR	534	211	
mydays GmbH	Munich	indirect	100.00	EUR	-102,273	-28,625	5
NCG - NUCOM GROUP SE	Unterföhring	direct	71.59	EUR	56,066	-672,123	
NCG Commerce GmbH	Unterföhring	indirect	100.00	EUR	578,395	0	2
P7S1 SBS Holding GmbH	Unterföhring	direct	100.00	EUR	53,960	0	2
PARSHIP ELITE Service GmbH	Hamburg	indirect	100.00	EUR	95	0	2
Parship Group GmbH	Hamburg	indirect	100.00	EUR	533,828	21,327	
ParshipMeet Holding GmbH	Hamburg	direct	55.00	EUR	1,138,636	-8,275	
PE Digital GmbH	Hamburg	indirect	100.00	EUR	25,000	0	2
PEG Management GmbH & Co. KG	Unterföhring	indirect	65.15	EUR	14,846	0	3
ProSiebenSat.1 Achte Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	26	0	2
ProSiebenSat.1 Digital Content GmbH	Unterföhring	indirect	100.00	EUR	82,612	-8,129	
ProSiebenSat.1 Digital Data GmbH	Unterföhring	direct	100.00	EUR	6,257	0	2
ProSiebenSat.1 Entertainment Investment GmbH	Unterföhring	indirect	100.00	EUR	3,150	0	2
ProSiebenSat.1 Erste Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	25	0	2
ProSiebenSat.1 Fünfzehnte Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	25	0	2
ProSiebenSat.1 GP II GmbH	Unterföhring	indirect	100.00	EUR	46	-47	
ProSiebenSat.1 Services GmbH	Unterföhring	indirect	100.00	EUR	4,478	1,743	
ProSiebenSat.1 Tech & Services International Holding GmbH (formerly: ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH)	Unterföhring	indirect	100.00	EUR	25	0	2
ProSiebenSat.1 Tech Solutions GmbH	Unterföhring	indirect	100.00	EUR	91,913	0	2
Pyjama Pictures GmbH	Berlin	indirect	55.00	EUR	-971	-945	
Red Arrow Studios International GmbH	Unterföhring	indirect	100.00	EUR	125	0	2
RedSeven Entertainment GmbH	Unterföhring	indirect	100.00	EUR	25	0	2
SAM Sports - Starwatch Artist Management GmbH	Hamburg	indirect	100.00	EUR	-888	-55	
Sat.1 Norddeutschland GmbH	Hannover	indirect	100.00	EUR	25	0	2
Seven.One AdFactory GmbH	Unterföhring	indirect	100.00	EUR	32,671	0	2

Seven.One Entertainment Group GmbH	Unterföhring	direct	100.00	EUR	2,815,514	0	2
Seven.One Media GmbH	Unterföhring	indirect	100.00	EUR	5,997	0	2
Seven.One Production GmbH	Unterföhring	indirect	100.00	EUR	37,978	0	2
Seven.One Studios GmbH	Unterföhring	direct	100.00	EUR	279,855	0	2
SevenOne Capital (Holding) GmbH	Unterföhring	indirect	100.00	EUR	50,024	0	2
SevenPictures Film GmbH	Unterföhring	indirect	100.00	EUR	2,268	0	2
SevenVentures GmbH	Unterföhring	indirect	100.00	EUR	132,248	0	2
SMARTSTREAM.TV GmbH	Munich	indirect	91.00	EUR	35,315	8,407	
Studio 71 GmbH	Berlin	indirect	100.00	EUR	1,247	-1,656	
Stylight GmbH	Munich	indirect	100.00	EUR	10,001	-1,584	
TMG Holding Germany GmbH	Dresden	indirect	100.00	EUR	22,836	1,939	
tv weiss-blau Rundfunkprogrammanbieter GmbH	Unterföhring	indirect	100.00	EUR	1,027	0	2
Verivox Finanzvergleich GmbH	Heidelberg	indirect	100.00	EUR	28	0	2
Verivox GmbH	Heidelberg	indirect	100.00	EUR	35,848	0	2
Verivox Holding GmbH	Unterföhring	indirect	100.00	EUR	125,789	-105,404	
Verivox Versicherungsvergleich GmbH	Heidelberg	indirect	100.00	EUR	1,623	0	2
Virtual Minds GmbH	Freiburg im Breisgau	indirect	100.00	EUR	42,754	-13,703	
VX Sales Solutions GmbH	Heidelberg	indirect	100.00	EUR	1,461	1,372	
wetter.com GmbH	Konstanz	indirect	100.00	EUR	6,111	0	2
Armenia							
Marktguru LLC	Jerewan	indirect	100.00	AMD	27,194	7,999	5
Australia							
eHarmony Australia Pty Limited	Sydney	indirect	100.00	AUD	- / -	- / -	1
Denmark							
Snowman Productions ApS	Copenhagen	indirect	100.00	DKK	34,934	10,832	5
Israel							
July August Communications and Productions Ltd.	Tel Aviv	indirect	100.00	ILS	6,759	2,717	5
The Band´s Visit LP	Tel Aviv	indirect	55.00	ILS	- / -	- / -	1
Mexico							
Quepasa.com de Mexico, S.A. de C.V.	Hermosillo	indirect	99.00	MXN	- / -	- / -	1
The Netherlands							
P7S1 Broadcasting Holding I B.V.	Amsterdam	indirect	100.00	EUR	50,724	573	5
SNDC8 B.V.	Amsterdam	indirect	100.00	EUR	50,790	8,466	5
Austria							
ATV Privat TV GmbH	Vienna	indirect	100.00	EUR	26	0	
ATV Privat TV GmbH & Co KG	Vienna	indirect	100.00	EUR	21,522	517	
ProSieben Austria GmbH	Vienna	indirect	100.00	EUR	76	12	
ProSiebenSat.1Puls 4 GmbH	Vienna	indirect	100.00	EUR	31,654	14,514	
Puls 4 TV GmbH	Vienna	indirect	100.00	EUR	34	0	
PULS 4 TV GmbH & Co KG	Vienna	indirect	100.00	EUR	2,487	1,808	
SAT.1 Privatrundfunk und Programmgesellschaft m.b.H	Vienna	indirect	75.50	EUR	4,112	3,744	
SevenVentures Austria GmbH	Vienna	indirect	100.00	EUR	4,184	1,422	
Visivo Consulting GmbH	Vienna	indirect	63.78	EUR	442	309	
Portugal							
P7S1 Tech Hub, Unipessoal, Lda.	Porto	indirect	100.00	EUR	- / -	- / -	1
Romania							
MyVideo Broadband S.R.L.	Bucarest	indirect	100.00	RON	1,823	-105	5
Sweden							
Snowman Productions AB	Stockholm	indirect	100.00	SEK	8,593	-1,239	5
Switzerland							
ADITION Schweiz GmbH in liquidazione	Locarno	indirect	100.00	CHF	- / -	- / -	1
Seven.One Entertainment Group Schweiz AG	Zurich	indirect	100.00	CHF	15,834	14,318	
SevenVentures (Schweiz) AG in Liquidation	Zurich	indirect	100.00	CHF	- / -	- / -	1
Serbia							
esome advertising technologies d.o.o. Beograd	Belgrad	indirect	100.00	RSD	- / -	- / -	1
Spain							
CamperDays Technology, S.L.	Alicante	indirect	100.00	EUR	- / -	- / -	1

FLOYT Technology S.L.	Alicante	indirect	100.00	EUR	- / -	- / -	1
Ukraine							
Glomex TOV	Kiew	indirect	100.00	UAH	- / -	- / -	1
United Kingdom							
CPL Good Vibrations Limited	London	indirect	100.00	GBP	- / -	- / -	1
CPL Productions Limited	London	indirect	100.00	GBP	- / -	- / -	1
CPL RB Limited	London	indirect	100.00	GBP	- / -	- / -	1
CPL Tiny Beast Limited	London	indirect	100.00	GBP	- / -	- / -	1
eHarmony UK Limited	London	indirect	100.00	GBP	- / -	- / -	1
Endor (Vienna 2) Limited	London	indirect	100.00	GBP	- / -	- / -	1
Endor (Vienna 3) Limited	London	indirect	100.00	GBP	- / -	- / -	1
Endor (Vienna 4) Limited	London	indirect	100.00	GBP	- / -	- / -	1
Endor Productions Limited	London	indirect	100.00	GBP	- / -	- / -	1
Glomex Limited	Birmingham	indirect	100.00	GBP	- / -	- / -	1
LHB Limited	London	indirect	100.00	GBP	- / -	- / -	1
P7S1 Broadcasting (UK) Limited	London	indirect	100.00	GBP	- / -	- / -	1
ProSiebenSat.1 Digital Content GP Limited	London	indirect	100.00	GBP	- / -	- / -	1
ProSiebenSat.1 Digital Content LP	London	indirect	99.15	GBP	- / -	- / -	1
Red Arrow Studios Limited	London	indirect	100.00	GBP	- / -	- / -	1
Spider Pictures Limited	London	indirect	100.00	GBP	- / -	- / -	1
Studio 71 UK Limited	London	indirect	100.00	GBP	- / -	- / -	1
United States of America							
8383 Productions, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Collected Labs LLC	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Digital Air LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Digital Atoms, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Digital Bytes, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Digital Cacophony, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Digital Diffusion, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Digital Echo, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Digital Fire LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
eHarmony, Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Fabrik Entertainment, LLC	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Fourteenth Hour Productions, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
HI5 Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Ifwe Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Initech, LLC	Olympia, WA	indirect	100.00	USD	- / -	- / -	1
Node Productions, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
ParshipMeet US Holding Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Pave Network, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Prank Film, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Red Arrow Studios, Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Seven.One NewsTime Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Skout, LLC	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Studio 71 (Canada), Inc.	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Studio 71 GP, LLC	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Studio 71, LP	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Stylight Inc.	Lewes, DE	indirect	100.00	USD	- / -	- / -	1
The Fred Channel, LLC	Beverly Hills, CA	indirect	70.00	USD	- / -	- / -	1
The Meet Group, Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Associates							
Germany							
AGF Videoforschung GmbH	Frankfurt am Main	direct	17.65	EUR	6,692	-399	
Corint Media GmbH	Berlin	indirect	30.49	EUR	347	0	
koakult GmbH	Berlin	indirect	33.33	EUR	-1,764	-168	
Sportority Germany GmbH	Munich	indirect	40.00	EUR	699	448	1
SPREE Interactive GmbH	Nuremberg	indirect	19.55	EUR	3,939	68	1
Switzerland							

Goldbach Audience (Switzerland) AG	Kusnacht (ZH)	indirect	24.95	CHF	- / -	- / -	1
Goldbach Media (Switzerland) AG	Kusnacht (ZH)	indirect	22.96	CHF	- / -	- / -	1
Swiss Radioworld AG	Kusnacht (ZH)	indirect	22.96	CHF	- / -	- / -	1
United States of America							
Remagine Media Ventures, L.P.	Wilmington, DE	indirect	30.50	USD	- / -	- / -	1
Joint Ventures							
Germany							
Addressable TV Initiative GmbH	Frankfurt am Main	indirect	50.00	EUR	- / -	- / -	1
d-force GmbH	Freiburg im Breisgau	indirect	50.00	EUR	- / -	- / -	1
United Kingdom							
European Broadcaster Exchange (EBX) Limited	London	indirect	25.00	GBP	- / -	- / -	1
Nit Television Limited	London	indirect	50.01	GBP	- / -	- / -	1
Other material investments							
Germany							
tink GmbH	Berlin	indirect	16.23	EUR	29,716	-2,390	
Urban Sports GmbH	Berlin	indirect	16.80	EUR	128,208	-16,878	1
Cayman Islands							
Minute Media Inc.	Grand Cayman	indirect	2.81	USD	- / -	- / -	1
Luxembourg							
FRIDAY Insurance S.A.	Leudelange	indirect	10.59	EUR	37,376	-31,984	

1 No information available, company was acquired, founded or in liquidation in 2023.
2 The company has signed a profit and loss transfer agreement, therefore the result according to German GAAP after profit and loss transfer is presented.
3 A subsidiary of ProSiebenSat.1 Media SE is personally liable partner of this company.
4 Financial statements from July 1, 2022 to June 30, 2023.
5 Financial statements from January 1, 2021 to December 31, 2021.

* Unless otherwise stated, the equity and annual result figures correspond to the most recent available verified financial statements (financial year from January 1, 2022 to December 31, 2022) according to local GAAP.
** The holding percentage displays the participation of the direct shareholder(s).
*** The following exchange rates were applicable for equity and annual result:

1 Euro corresponds to	spot rate Dec 31, 2022	average rate 2022
AMD (Armenia)	420.32	460.66
AUD (Australia)	1.57	1.52
CHF (Switzerland)	0.99	1.00
DKK (Denmark)	7.44	7.44
GBP (United Kingdom)	0.89	0.85
ILS (Israel)	3.75	3.54
MXN (Mexico)	20.89	21.20
RON (Romania)	4.95	4.93
RSD (Serbia)	117.30	117.46
SEK (Sweden)	11.08	10.63
UAH (Ukraine)	39.24	34.27
USD (United States of America)	1.07	1.05

Unterföhring, March 5, 2024

Bert Habets

Chairman of the Executive Board (Group CEO)

Martin Mildner

Member of the Executive Board & Chief Financial Officer (Group CFO)

Christine Scheffler

Member of the Executive Board & Chief Human Resources Officer (CHRO)

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of assets and liabilities, financial positions and profit or loss of ProSiebenSat.1 Media SE, and the management report for the Company includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Unterföhring, March 5, 2024

Bert Habets

Chairman of the Executive Board (Group CEO)

Martin Mildner

Member of the Executive Board & Chief Financial Officer (Group CFO)

Christine Scheffler

Member of the Executive Board & Chief Human Resources Officer (CHRO)

Independent auditor's report

To ProSiebenSat.1 Media SE

Report on the audit of the annual financial statements and of the management report

Opinions

We have audited the annual financial statements of ProSiebenSat.1 Media SE, Unterföhring, which comprise the balance sheet as at 31 December 2023, and the income statement for the fiscal year from 1 January 2023 to 31 December 2023, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of ProSiebenSat.1 Media SE for the fiscal year from 1 January 2023 to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the management declaration (statement on corporate governance) pursuant to Sec. 289f HGB which is published on the website stated in the management report and is part of the management report. Furthermore, in accordance with the German legal requirements, we have not audited the content of the extraneous information contained in the "Internal Control and Risk Management System" section of the management report.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the fiscal year from 1 January 2023 to 31 December 2023 in compliance with German legally required accounting principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not express an opinion on the content of the management declaration (statement on corporate governance) and the section "Internal Control and Risk Management System" referred to above.

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

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 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 annual financial statements and of the management report" section of our auditor's report. We are independent of the Company 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 Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the fiscal year from 1 January 2023 to 31 December 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matter:

Valuation of shares in affiliates

Reasons why the matter was determined to be a key audit matter

In accordance with IDW AcP HFA 10 (Application of the Principles of IDW S 1 in the Valuation of Equity Investments and Other Company Shares for the Purposes of Financial Statements Prepared in Accordance With German Commercial Law), P7S1 tests its shares in affiliates for impairment annually as of 31 December of each fiscal year. For this purpose, the book value of a share is compared with its fair value, which P7S1 determines using a discounted cash flow method. Where necessary, depending on the existing uncertainty about the future development of a cash-generating unit, an expected cash flow is derived from a weighting of various scenarios according to their probability of occurrence.

Impairment testing is based on assumptions which are derived from the budgets and forecasts and are influenced by expected future market and economic conditions. Fair value depends in particular on the future cash flows of the cash-generating units for the next five years as well as the assumed discount and growth rates. The executive directors are responsible for determining these inputs, which entails the use of judgment. There is a risk that changes in these judgments could result in significant changes in the impairment testing of the relevant shares.

The shares in affiliates constitute a significant portion of the assets in the annual financial statements of ProSiebenSat.1 Media SE. In our view, the performance of the impairment test entails a significant risk of misstatement due to the judgment involved in the abovementioned inputs and estimates regarding the permanent nature of any impairment. The valuation of shares in affiliates was therefore a key audit matter in our audit.

Auditor’s response

As part of our procedures, we obtained an understanding of the process implemented by ProSiebenSat.1 Media SE’s executive directors for determining the fair values of the shares in affiliates, including the recognition and measurement policies applied, and we analyzed the process with a view to its suitability for identifying a potential need to recognize or reverse an impairment loss.

We analyzed the budgets and forecasts underlying the valuation by comparing them with the results actually achieved in the past and the current development of business figures. We also referred to the market development realized in the fiscal year as well as the forecast market development of comparable entities, the impact of the Ukraine war and the current macroeconomic environment in our analysis. In considering the underlying budgets and forecasts, we discussed the expected business and earnings development with those responsible for planning and compared them with the current business development.

With the aid of our internal valuation specialists, we assessed the valuation model in terms of methodology and arithmetical accuracy and also assessed it for compliance with the professional pronouncements IDW AcP HFA 10 and IDW S 1. We assessed the other significant valuation assumptions, in particular the discount and growth rates, to determine whether the future development is consistent with general economic data and industry-specific market expectations. We assessed the determination of the discount rate by scrutinizing the peer companies used, comparing market data with external evidence and checking the arithmetical accuracy.

Our procedures did not lead to any reservations relating to the valuation of shares in affiliates.

Reference to related disclosures

With regard to the recognition and measurement policies applied for financial assets, refer to the disclosures on financial assets in the "Accounting principles" section of the notes to the financial statements. The development of financial assets is presented under "Notes to the balance sheet" in the "Financial assets" section.

Other information

The executive directors are responsible for the other information. The other information comprises the management declaration (statement on corporate governance) in accordance with Sec. 289f HGB referred to above, the responsibility statement pursuant to Sec. 289 (1) Sentence 5 HGB as well as the "Internal Control and Risk Management System" section of the management report.

Our opinions on the annual financial statements and on the 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 annual financial statements, with the management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the Supervisory Board for the annual financial statements and the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

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

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

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual 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 annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 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 annual financial statements and this management report.

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

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

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the 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 of the Company.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 annual financial statements and in the 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 Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate 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 annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the annual financial statements and the management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the file „ProSiebenSat.1_Media_SE_JA-LB_ESEF-2023-12-31.zip" and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and the accompanying management report for the fiscal year from 1 January to 31 December 2023 contained in the "Report on the audit of the annual financial statements and of the 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.

Basis for the opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

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

Auditor's responsibilities for the assurance work on the ESEF documents

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 Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 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 containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.

- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the Annual General Meeting on 30 June 2023. We were engaged by the Supervisory Board on 25 September 2023. We have been the auditor of ProSiebenSat.1 Media SE without interruption since fiscal year 2019.

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

In addition to the financial statement audit, we have provided to the Company or entities controlled by it the following services that are not disclosed in the annual financial statements or in the management report: audit-related services not required by law pertaining to financial information and an assessment of an IT system.

Other matter – Use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the *Unternehmensregister* [German Company Register] – are merely electronic renderings of the audited annual financial statements and the audited 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 assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Nathalie Mielke.

Berlin, 5 March 2024

EY GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft

Schlebusch	Mielke
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüferin [German Public Auditor]