ProSiebenSat.1 Media SE

Annual Report 2023

SHAPING THE FUTURE OF ENTERTAINMENT

KEY FIGURES OF PROSIEBENSAT.1 GROUP

in EUR m

	2023	2022
Revenues	3,852	4,163
Total costs[1]	3,959	3,978
Programming expenses	1,276	1,031
Adjusted EBITDA[2]	578	678
EBITDA	140	666
Adjusted net income[3]	225	301
Adjusted earnings per share (in EUR)	0.99	1.33
Free cash flow	116	388
Adjusted operating free cash flow[4]	260	492
Audience share (in %)[5]	24.5	24.9
	12/31/2023	12/31/2022
Employees[6]	7,188	7,284
Programming assets	864	1,086
Cash and cash equivalents	573	504
Net financial debt	1,546	1,613
Leverage ratio[7]	2.7	2.4
P7S1 ROCE (in %)[8]	11.0	12.4

1 Total costs comprise cost of sales, selling expenses, administrative expenses and other operating expenses.
2 EBITDA before reconciling items.
3 Net income attributable to shareholders of ProSiebenSat.1 Media SE before the amortization and impairments from purchase price allocations as well as impairments of goodwill, adjusted for the reconciling items. These include valuation effects recognized in other financial result, valuation effects of put option liabilities, valuation effects from interest rate hedging transactions as well as other material one-time items. Moreover, the tax effects resulting from such adjustments are also adjusted. See Group Management Report, chapter "Planning and Management".
4 For a definition of the adjusted operating free cash flow, please refer to Group Management Report, chapter "Planning and Management".
5 ProSiebenSat.1 Group; AGF in cooperation with GfK; market standard: TV; VIDEOSCOPE 1.4; Target group: 14–49.
6 Full-time equivalent positions as of reporting date.
7 Ratio net financial debt to adjusted EBITDA in the last twelve months.
8 Ratio of adjusted EBIT of the last twelve months after corrections to capital employed (average). See Group Management Report, chapter "Planning and Management".

SHAPING THE FUTURE OF ENTERTAINMENT

We entertain. We inform. We inspire. With our 15 TV channels and our streaming platform Joyn, we reach millions of people every day. They are at the center of everything we do. At the same time, we invest in young digital companies and use our reach to promote their successful development. All of this makes us one of the leading entertainment and commerce players in the German-speaking region. We want to strengthen this unique position and actively drive the transformation of our industry in a dynamic environment. Our goal is clear: Shaping the future of entertainment!

ProSiebenSat.1 Media SE
Annual Report 2023

2023

CEO INTERVIEW

Our CEO Bert Habets was a guest in the ":newstime" studio and spoke with presenter Angela van Brakel about his strategy for ProSiebenSat.1, the role of the streaming platform Joyn and the importance of local content for our business.

READ ON PROSIEBENSAT1.COM

JOYN

Joyn is the heart of our Entertainment segment. Our streaming platform combines linear TV, streaming and social media in a unique way. Our goal is to establish Joyn as a leading free available entertainment platform for everyone in the German-speaking region. This strategic focus also offers new opportunities for our advertising customers – as shown by the successful example of "The Voice Rap by CUPRA".

READ ON PROSIEBENSAT1.COM

HIGHLIGHTS

From strategic realignments and successful partnerships to a life-changing treasure hunt – 2023 was an eventful year for ProSiebenSat.1. In our review, we look back at the turning points, successes and challenges we mastered and how this will continue into 2024.

READ IN THE ONLINE REPORT

INTERVIEW WITH
GROUP CEO BERT HABETS

Interview

"TV IS ENTERING INTO A NEW DECADE."

INTERVIEW WITH GROUP CEO BERT HABETS

Our Group CEO Bert Habets was invited to the ":newstime" studio, where he spoke to presenter Angela van Brakel about his strategy for ProSiebenSat.1, the role of the streaming platform Joyn and the importance of local content for our business. Watch the full interview in the video.

Welcome to ":newstime" from our new studio – one of the most modern news studios in Europe. Thanks to state-of-the-art technology, including a 22-meter LED wall, we can deliver breaking news 24/7, incorporating augmented and virtual reality. Today, we are presenting our first ":newstime Special" from this studio and are joined by a very special guest: our Group CEO Bert Habets. Welcome!

Great to be here, Angela. Thank you very much for inviting me!

Bert, big news stories define 2024: thousands standing up against right-wing extremism, the war in Gaza, the upcoming US election. What role must media companies play in this news landscape?

Independent journalism is crucial, especially in these days. Fighting fake news is one of the biggest challenges for our society, now but also for the coming years. With our self-produced news program ":newstime", we make an important contribution to our democracy. We take our social and corporate responsibility very seriously. Helping to shape the formation of opinion, promoting democracy as well as diversity and equal rights are also key components of our sustainability strategy and the driving force behind everything we do.

On ":newstime", we report on socially relevant topics, including Germany's economic situation. This significantly affects the advertising market. How has the clouded economic climate influenced our company over the past year?

The burdened macroeconomic environment heavily impacted our TV advertising revenues last year. Our advertising customers were investing much more hesitantly. But the advertising market recovered over the course of the year, especially in the last quarter. We even saw a slight increase in the Christmas business compared to the previous year. At the same time, our digital & smart advertising revenues are experiencing strong, rapid growth. This is mainly thanks to our digital offerings and our podcasting business, but also to the growth of Joyn. Here, our revenues from advertising-financed streaming increased by more than 30% in the fourth quarter of 2023.

We want to further strengthen Joyn. Where are we standing right now?

We did our homework and restructured the Group from the ground up. This has made us a much more agile and efficient organization, that focuses on expanding our digital business. We are now working together in a much more integrated approach. I believe that we were a considerably stronger organization at the end of 2023 than we were at the beginning of the year. Our vision is clear – now it's all about execution: We want to be the number one entertainment player in the German-speaking region, with high profitability and rapidly growing digital business models. That's why we are putting our entertainment business at the center of our strategy.

On Joyn, we want to bring the best of TV and the best of social together.

How is this focus changing the Company?

We are investing in our product range as well as in content for our channels and are expanding our digital portfolio. Joyn is the cornerstone of our offering in terms of reach. Our streaming platform is now fully integrated into the Company, with all Joyn colleagues being part of our structures and processes. We take joint decisions on how and in which direction we will develop our Entertainment segment moving forward. On Joyn, we want to bring the best of TV and the best of social together. There is nothing like it yet – and we want to scale it. To make that happen, we are working on a free, advertising-based offering. We invite agencies and advertisers to participate in Joyn's development. It's highly attractive for them, as we have incorporated numerous targeting-based advertising options into our product.

This focus on Joyn marks a shift away from the previous strategy. Why?

Our industry is changing rapidly. Private broadcasting in Germany has been around for 40 years now. TV is entering into a new decade. International players are creating a much more complex and competitive environment. That means partnerships could be crucial for our future success.

I truly believe that we need to redefine the dual system of private and public broadcasters.

Over the past year, you frequently mentioned building partnerships. There has been much discussion around the public broadcasters joining Joyn. What are the plans exactly?

We are in a constructive dialog – but that takes time. I truly believe that we need to redefine the dual system of private and public broadcasters. It is imperative that we work together to achieve this. We are exploring all means and are open minded on the options. I'm sure that our talks will accelerate in the coming period.

By increasing the programming investments in local content, we are setting us apart from the global streamers.

This year, all our offerings will include even more local content. Why is this the right way forward?

In December, we announced that we will be investing an additional EUR 80 million in local content – with this, we are now spending more than EUR 1 billion this year. By increasing the programming investments in local content, we are setting us apart from the global streamers. There are many success stories in this area, including "Die Landarztpraxis", which is popular both in SAT.1 and on Joyn. So, both sides benefit from this new focus. We are learning quickly from our successes. Yet we are also learning from our mistakes – and have the courage to keep moving ahead and develop new programming. This fosters creative entrepreneurship and helps production companies in the German-speaking region.

To sum up, it's fair to say that we are fully focused on Entertainment. But what about the other two segments – Commerce & Ventures and Dating & Video?

Across the entire portfolio, we are very actively working on enhancing our results. We have recorded significant growth in the Commerce & Ventures segment, driven in particular by our companies Verivox and flaconi. We are highly satisfied with this performance. In Dating & Video, we will continue to focus on operational performance in 2024. At the same time, we are constantly reviewing whether we are still the right owner for these assets. We aim to create value for all our stakeholders when the time is right.

We always like to end our news program on a positive note. What positive headlines would you like to see in the coming year?

ProSiebenSat.1 on track. Significant growth for Joyn. And: A large number of creative new hits on all our platforms.

Bert, thank you so much for the interview.

Angela van Brakel welcomes Bert Habets for an interview in the new ":newstime" studio.

Watch the full interview in the online report now

CONTENT

TO OUR SHAREHOLDERS 11

Report of the Supervisory Board 12

Members of the Supervisory Board 24

Members of the Executive Board 25

Management Declaration 26

Sustainability 42

Compensation Report 82

ProSiebenSat.1 Media SE Share 114

GROUP MANAGEMENT REPORT 118

Our Group: Basic Principles 119

Report on the Economic Position: The Financial Year 2023 139

Risk and Opportunity Report 170

Outlook 191

CONSOLIDATED FINANCIAL STATEMENTS 197

Consolidated Income Statement 198

Consolidated Statement of Comprehensive Income 199

Consolidated Statement of Financial Position 200

Consolidated Cash Flow Statement 202

Consolidated Statement of Changes in Equity 203

Notes to Consolidated Financial Statements 205

INFORMATION 283

Explanatory Notes on Reporting Principles 284

Responsibility Statement 286

Independent Auditor’s Report 287

Independent Auditor’s Report: Non-Financial Report 297

Independent Auditor’s Report: Sustainability Report 301

Independent Auditor’s Report: Compensation Report 304

Group Key Figures: Multi-Year Overview 306

Segment Key Figures: Multi-Year Overview 307

Financial Calendar 308

Editorial Information 309

GRI Content Index

Explanatory Notes on the Carbon Footprint

TO OUR SHAREHOLDERS

REPORT OF THE SUPERVISORY BOARD 12
MEMBERS OF THE SUPERVISORY BOARD 24
MEMBERS OF THE EXECUTIVE BOARD 25
MANAGEMENT DECLARATION 26
SUSTAINABILITY 42
COMPENSATION REPORT 82
PROSIEBENSAT.1 MEDIA SE SHARE 114

REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

At ProSiebenSat.1, we look back on a year that was characterized by the further development and consistent implementation of the Group strategy. At the same time, the economic conditions remained difficult in 2023.

In this environment, the Executive Board has initiated the necessary measures to make the Group more powerful and to successfully shape the future of ProSiebenSat.1. At the same time, the Group stabilized its financial performance over the course of the year, recorded a positive trend, and achieved the recently specified annual targets for revenues and adjusted EBITDA despite the economic challenges. This was supported by the consistent expansion of strategically important business areas as well as the focus on a competitive cost structure.

The profile of ProSiebenSat.1 is becoming increasingly clear: A company that is focusing on its strengths, which primarily lie in the core business Entertainment, and pursuing the clear objective of positioning Joyn as an advertising-financed entertainment platform for everyone in the German-speaking region. We support this approach and are convinced that ProSiebenSat.1 Group will be able to further expand its position in the German-speaking region. We have confidence in this strategic direction and will support the management team of Bert Habets, Martin Mildner and Christine Scheffler in our function as Supervisory Board.

DR. ANDREAS WIELE
CHAIRMAN OF THE SUPERVISORY BOARD

COOPERATION BETWEEN THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

In the financial year 2023, the Supervisory Board again performed the tasks required of it by law, the Company's articles of incorporation, and the rules of procedure, taking into account the recommendations of the German Corporate Governance Code (GCGC). We, the Supervisory Board of ProSiebenSat.1 Media SE, provide the Executive Board with comprehensive advice and ongoing support.

In 2023, a key issue in this context was the extensive clarification of the matters regarding the German Payment Services Supervision Act ("Zahlungsdiensteaufsichtsgesetz" – "ZAG") and the business activities of the two subsidiaries Jochen Schweizer GmbH ("Jochen Schweizer") and mydays GmbH ("mydays"). In connection with unresolved regulatory issues with the business of Jochen Schweizer mydays Group ("Jochen Schweizer mydays"), which belongs to the Commerce & Ventures segment, ProSiebenSat.1 Media SE has postponed the publication of the Annual and Consolidated Financial Statements for financial year 2022. ProSiebenSat.1 Media SE informed the public of this matter in an ad-hoc announcement on February 28, 2023.

On the basis of external audits, ProSiebenSat.1 Media SE had to assume that the business activities of its two subsidiaries Jochen Schweizer and mydays – which essentially consist of the sale of vouchers – fall in part under the ZAG. Jochen Schweizer and mydays subsequently adjusted their product offering in March 2023 and thus addressed the regulatory concerns. The German Federal Financial Supervisory Authority ("Bundesanstalt für Finanzdienstleistungsaufsicht" – "BaFin") confirmed to Jochen Schweizer and mydays in writing that their adjusted product offering complies with the ZAG.

Immediately after becoming aware of this matter, the Supervisory Board commissioned an independent internal investigation by an external law firm. The investigation particularly includes assessment of possible breaches of duty by current and former members of the Executive Board of ProSiebenSat.1 Media SE in connection with the acquisition, management, and control of Jochen Schweizer mydays, as well as the reporting on Jochen Schweizer 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. This means that any statements in this report that relate to the cooperation with the Executive Board, or the work of the Supervisory Board and its committees do not include the facts that are the subject of the independent internal investigation by an external law firm that we commissioned.

Irrespective of this, the Supervisory Board regularly advised the Executive Board on its management of the Company in a spirit of close and trusting cooperation in the financial year 2023, and diligently and continuously monitored the Executive Board in conducting the Company's business. We dealt in detail with the strategic and operational development of the Group. To this end, the Supervisory Board was informed regularly, promptly, and comprehensively by the Executive Board regarding all issues relevant in particular to the Company's strategy, planning, business performance, risk situation, risk management, and compliance. The Executive Board explained to the Supervisory Board all deviations from the projected figures in detail and consulted with the Supervisory Board in that regard. We were therefore directly involved in all decisions of fundamental importance to the Company at an early stage.

The Supervisory Board meetings were characterized by an open, in-depth exchange between the Supervisory Board and the Executive Board. At the same time, the members of the Supervisory Board also met in so called "Closed Sessions", i.e. without the Executive Board. Wherever specific actions required the consent of the Supervisory Board or one of its committees pursuant to the law, the articles of incorporation, or the rules of procedure, we consulted on the matter and adopted the corresponding resolution. We were kept consistently and comprehensively informed of all matters requiring our approval, and the associated draft resolutions were promptly submitted for review by the Executive Board. The Supervisory Board was supported in this process by the relevant committees, and it also discussed the proposals for decision with the Executive Board.

In addition to the Supervisory Board meetings, the Executive Board kept us updated on the Company's key financial indicators in written reports and provided us with both financial information prepared during the financial year and annual financial information and reports in line with legal requirements and the rules of procedure. Information on special events was also provided without delay outside of meetings and the regular reporting process and, where necessary, we were asked to adopt resolutions by circular vote in consultation with the Chairman of the Supervisory Board. In addition, I, as Chairman of the Supervisory Board, was in continuous dialogue with the Group CEO, Bert Habets, and was also in close contact with the other Executive Board members.

Based on the reports submitted by the Executive Board, the Supervisory Board stayed up to date on the Company's situation at all times, was directly involved in upcoming decisions at an early stage and was therefore able to perform its tasks in their entirety. There was hence no need for the Supervisory Board to examine the Company's books and other records beyond the documentation provided to us during the Executive Board's reporting activities and the above-mentioned internal investigation.

FOCAL POINTS OF THE SUPERVISORY BOARD'S ADVISORY AND MONITORING ACTIVITIES

In the financial year 2023, the Supervisory Board dealt with the Company's business and financial situation, fundamental questions of corporate strategy, the general personnel situation, and special investment projects. The Executive Board team intensively coordinated the strategic alignment in all areas with the Supervisory Board.

In total, the Supervisory Board of ProSiebenSat.1 Media SE held eight regular meetings and ten extraordinary meetings in 2023. Five meetings were held in person, eight as virtual meetings via video conference. There were five hybrid meetings, i.e. in-person meetings with the option to attend virtually. The members' participation rate was 100% at the regular meetings, with one exception, and likewise 100% at the extraordinary meetings, with four exceptions. The participation rate in the committees was 100%. The table below provides an overview of the meetings and meeting participation:

INDIVIDUAL BREAKDOWN OF MEETING PARTICIPATION IN FINANCIAL YEAR 2023

	Plenary Supervisory Board Regular meetings		Plenary Supervisory Board Extraordinary meetings		Audit and Finance Committee		Compensation Committee		Presiding & Nomination Committee		Capital Markets Committee	
Number of meetings / participation in %	Number	in %	Number	in %	Number	in %	Number	in %	Number	in %	Number	in %
Dr. Andreas Wiele Chairman since May 5, 2022	8/8	100	10/10	100	2/2	100	1/1	100	2/2	100	3/3	100
Prof. Dr. Rolf Nonnenmacher Vice Chairman since June 30, 2023	8/8	100	10/10	100	9/9	100	1/1	100	0/0		3/3	100
Katharina Behrends (since June 30, 2023)	4/4	100	3/3	100	–		–		0/0		–	
Klára Brachtlová (appointed by Court as of October 16, 2023)	1/1	100	2/2	100	3/3	100	–		0/0		–	
Dr. Katrin Burkhardt (since June 30, 2023)	4/4	100	3/3	100	5/5	100	0/0		–		0/0	
Thomas Ingelfinger (since June 30, 2023)	4/4	100	3/3	100	–		–		–		–	
Marjorie Kaplan	8/8	100	10/10	100	–		0/0		2/2	100	–	
Ketan Mehta	8/8	100	7/10	70[1]	–		–		2/2	100	3/3	100
Prof. Dr. Cai-Nicolas Ziegler (since June 30, 2023)	4/4	100	3/3	100	–		–		0/0		–	
Lawrence A. Aidem (Term of office expired at the end of the Annual General Meeting on June 30, 2023)	4/4	100	6/8	75[1]	–		1/1	100	2/2	100	–	
Dr. Marion Helmes (Term of office expired at the end of the Annual General Meeting on June 30, 2023)	4/4	100	7/8	87.5[1]	4/4	100	1/1	100	2/2	100	3/3	100
Erik Huggers (Resignation from office as of the end of the Annual General Meeting on June 30, 2023)	3/4	75[1]	7/8	87.5[1]	–		–		–		–	
Dr. Antonella Mei-Pochtler (Term of office expired at the end of the Annual General Meeting on June 30, 2023)	4/4	100	8/8	100	–		–		2/2	100	–	

1 Non-participation due to scheduling conflict.

Key topics of the individual meetings were as follows:

- At an extraordinary meeting convened at short notice on February 28, 2023, the Supervisory Board was informed for the first time about regulatory issues that had arisen in connection with the voucher business of Jochen Schweizer mydays: Following a notice received shortly before, the Company had to assume – on the basis of the results of an external assessment – that the business activities of its two subsidiaries Jochen Schweizer and mydays fall in part under the ZAG. As a result, ProSiebenSat.1 Media SE had to postpone the publication of the Annual and Consolidated Financial Statements for the financial year 2022. Due to the associated impact on the audit work for the Annual and Consolidated Financial Statements, the Annual Press Conference and, as a result of the later publication of the Annual and Consolidated Financial Statements, the date of the Annual General Meeting was also postponed accordingly.

- At the meeting on March 1, 2023, which was originally planned as a financial statements meeting and was held in person, the Supervisory Board received an initial report from a representative of the law firm commissioned to conduct an external investigation into the above-mentioned matter. The resolutions on the Annual and Consolidated Financial Statements for the financial year 2022 were consequently adjourned until a later date. The same applied to the adoption of the proposed resolutions for the Annual General Meeting.

  Another topic at the meeting was the Company's strategy and business performance in a challenging economic environment. We gained an insight into the measures planned across the Group to adjust costs and increase efficiency with the aim to align processes even more closely with the digital transformation.

- At a further extraordinary meeting on March 6, 2023, we discussed potential follow-up measures in connection with the investigation of the Jochen Schweizer mydays voucher business.
- Following an extensive report on the status of the investigation by the commissioned law firm, at its meeting on April 25, 2023 the Supervisory Board discussed the Annual and Consolidated Financial Statements, the Management Report and Group Management Report, the Non-Financial Report, the Management Declaration, the Report of the Supervisory Board and the Compensation Report – all for financial year 2022. The Supervisory Board followed the recommendations of the Compensation Committee and approved topics relating to the Executive Board, i.e. the payment of the Performance Bonus for financial year 2022 and the 2022 target achievement for the 2019 Performance Share Plan. In addition, we were presented with the draft invitation to the Annual General Meeting 2023 with the corresponding agenda items.

  At the financial statements meeting held on April 27, 2023, the Supervisory Board resolved to adjust the dividend policy and, following its own review, approved the Executive Board's dividend proposal for the financial year 2022.

  A second resolution related to a change on the Group's Executive Board. We appointed Martin Mildner as Chief Financial Officer (Group CFO) effective May 1, 2023, after Ralf Peter Gierig resigned from his office as a member of the Executive Board and Group CFO by mutual agreement with us as the Supervisory Board.

  Finally, we approved the Annual and Consolidated Financial Statements for the financial year 2022, the Management Report and Group Management Report, the Non-Financial Report, the Management Declaration, the Report of the Supervisory Board and the Compensation Report. Based on the recommendation of the Audit and Finance Committee, we also decided to propose Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (since February 1, 2024: EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, "Ernst & Young") for election as the statutory auditor for the financial year 2023 at the Annual General Meeting.
- At a further extraordinary meeting on May 16, 2023, we discussed the nominations of Supervisory Board candidates to the Annual General Meeting on June 30, 2023: We resolved to nominate Katharina Behrends, Thomas Ingelfinger, Prof. Dr. Cai-Nicolas Ziegler and Dr. Katrin Burkhardt for election to the Supervisory Board. At this meeting, we also adopted our updated skills matrix.

  The nominations of Supervisory Board candidates were the result of an extensive selection process that considered both the skills profile for the Supervisory Board and ProSiebenSat.1 Media SE's ownership structure.
- Ahead of the Annual General Meeting, the Supervisory Board discussed the increase of the investment of PPF Group N.V. ("PPF Group") in ProSiebenSat.1 Media SE on multiple occasions. We discussed this in our "working session" on May 25, 2023, and at the two extraordinary meetings on May 31, 2023, and June 2, 2023.
- A further extraordinary meeting was held on June 9, 2023, in which the Supervisory Board was informed that Erik Huggers intended to resign from his office early after nine years at the end of the Annual General Meeting on June 30, 2023.

  In order to arrange the succession of Erik Huggers, the Company applied for the court appointment of a new member of the Supervisory Board and proposed Klára Brachtlová as a candidate to the competent court. The Supervisory Board approved this application with a resolution by way of circular vote on August 28, 2023. The appointment became effective on October 16, 2023, and is initially valid until the end of the next Annual General Meeting.

  Klára Brachtlová 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.

Another topic at the meeting on June 9, 2023, was a change on the Group's Executive Board and an accompanying change to the allocation of responsibilities: Wolfgang Link, previously Chief Entertainment Officer and CEO of Seven.One Entertainment Group GmbH ("Seven.One Entertainment Group"), decided after 14 years to leave ProSiebenSat.1 Group by mutual agreement as of July 15, 2023. The Supervisory Board accordingly adjusted the allocation of responsibilities and assigned Bert Habets responsibility for the Entertainment segment, among other things.

- At the constituent meeting of the Supervisory Board immediately following the Annual General Meeting on June 30, 2023, which was held in person, Prof. Dr. Rolf Nonnenmacher was elected as the Vice Chairman of our board. He thus succeeded Dr. Marion Helmes. In addition, the Supervisory Board approved the composition of the Audit and Finance Committee, the Presiding and Nominating Committee, the Compensation Committee, and the Capital Markets Committee.

- At our two-day strategy meeting on September 13 and 14, 2023, which was held in person, the Executive Board provided an outlook for the third quarter of 2023. In addition to this update on operations, we also discussed the strategic priorities for the individual segments with a clear focus on the Entertainment segment and the expansion of Joyn. In this context, the Supervisory Board likewise discussed strategic management and especially management from a sustainability perspective. At this meeting, we also gained an insight into the progress of the construction of the new campus at the Unterföhring site. We received further details on the construction project at an additional hybrid meeting on October 25, 2023.

- Another extraordinary Supervisory Board meeting was held on October 5, 2023. During this video conference, we discussed with the Executive Board topics such as the current state of the economy.

- At the regular Supervisory Board meeting on December 6, 2023, which was attended by all members in hybrid form, we were presented with the provisional budget planning 2024 for ProSiebenSat.1 Group and the provisional multi-year plan. In addition, the Supervisory Board was comprehensively informed about the current economic performance of the Entertainment, Commerce & Ventures and Dating & Video segments. Other topics at the meeting included an update on the "New Campus" construction project. At the subsequent closed session, we discussed the results of the Supervisory Board's self-assessment, which we conduct regularly in line with the recommendations of the Corporate Governance Code.

- Another extraordinary Supervisory Board meeting was held virtually on December 19. At this meeting the Supervisory Board discussed the planned further expansion of exclusive local programming content and associated increase in future programming investments as well as the revaluation of existing programming assets and gave its approval in line with the recommendation of the Audit and Finance Committee. We also adopted the budget planning presented by the Executive Board for ProSiebenSat.1 Group for the financial year 2024, subject to further cost savings.

In addition, the Supervisory Board also adopted 14 resolutions by way of written circular vote in 2023. Among other things, the Supervisory Board used the circular voting procedure to grant its approval for the realignment of the organization, especially in the Entertainment segment, following detailed discussion at the regular Supervisory Board meetings. The aim is to achieve 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. In addition, the Supervisory Board approved an increase in the budget for the "New Campus" construction project by way of circular vote, which followed detailed reporting and discussion at an extraordinary meeting in the form of a video conference on October 25, 2023.

REPORT ON THE WORK OF THE COMMITTEES

The Supervisory Board of the Company has formed various committees to support it in its work. In 2023, the Supervisory Board had four committees to ensure efficient execution of its duties: the Presiding and Nominating Committee, the Compensation Committee, the Audit and Finance Committee, and the Capital Markets Committee. The committees reported to the Supervisory Board regularly and comprehensively on their activities in its plenary sessions. The main emphases of the committees' work are described below.

The **Presiding and Nominating Committee** coordinates the work of the Supervisory Board and prepares its meetings. In addition, it is responsible for the tasks of a nominating committee in accordance with the GCGC and adopts resolutions that have been delegated to it under the Supervisory Board's rules of procedure. This includes advising the Executive Board on license agreements, distribution agreements, and sales agreements. It is also responsible for nominating suitable candidates to the Supervisory Board for its proposal to the Annual General Meeting for the election of Supervisory Board members.

In 2023, the Presiding and Nominating Committee particularly discussed issues relating to the business activities of Jochen Schweizer mydays and the adjustment of the business model for the voucher business. At various meetings, the committee also received extensive reports from commissioned law firms for a legal assessment of the matter in the context of the ZAG.

The Presiding and Nominating Committee met twice in 2023. Both meetings were held virtually as video conferences. In addition, the Presiding and Nominating Committee adopted three resolutions by way of circular vote in 2023, relating among other things to the conclusion of an extensive distribution deal with Vodafone and the renewal of agreements on regional programming broadcast on SAT.1. The contract extensions with the most important media agencies were likewise approved by way of written circular vote.

The **Compensation Committee** prepares resolutions on personnel-related Executive Board matters for plenary sessions of the Supervisory Board. In 2023, the committee held one meeting by video conference and passed no resolutions by way of circular vote. At its meeting on February 16, 2023, the committee dealt with the provisional target achievement under the 2019 Performance Share Plan, the allocation from the 2023 Performance Share Plan to the Executive Board members, and the provisional individual target achievement levels for the 2022 Performance Bonus for Executive Board members. Finally at this meeting, the Compensation Committee dealt with the Compensation Report for the financial year 2022 and approved a corresponding recommendation to the Supervisory Board.

The **Audit and Finance Committee** reviewed the Annual Financial Statements and the Consolidated Financial Statements, the Management Report and the Group Management Report, and the proposal for the allocation of profits in preparation for the Supervisory Board, discussing in particular depth the audit report and the auditor's verbal report on the main findings of the audit. The Audit and Finance Committee did not find any grounds for objections in its reviews of the Annual and Consolidated Financial Statements. In addition, the Audit and Finance Committee discussed the quarterly statements and the Half-Yearly Financial Report with the Executive Board prior to their publication, taking into account the auditor's report on the audit review. The Audit and Finance Committee's tasks also include the preparation of the Supervisory Board's review of the Company's non-financial reporting as well as other tasks assigned to the committee by law.

In the period under review, monitoring of the financial reporting focused on the potential impairment of goodwill and other intangible assets, the measurement of programming assets, revenue recognition, accounting for acquisitions of companies and shareholdings, hedge accounting, accounting for brands and internally generated intangible assets, progress of ongoing tax audits, and income taxes.

The Audit and Finance Committee monitored the accounting process and the effectiveness of the internal control system, the risk management system, and of the internal audit system as well as the audit of the financial statements, also considering the corresponding reports by the Head of Internal Audit and the auditor. The Audit and Finance Committee explicitly discussed and addressed the components of COSO (Committee of Sponsoring Organizations of the Treadway Commission) in this process. Particular attention was paid to the further development of the compliance management system, the handling of suspected compliance incidents, legal and regulatory risks, and the risk situation, risk identification, and risk monitoring at the Company. There were also regular reports on the risk assessment by the Internal Audit department, its resources, and audit planning.

The Audit and Finance Committee was informed about the current status of the ongoing investigations into the applicability of the ZAG to parts of the Jochen Schweizer mydays voucher business and discussed the resulting effects on financial reporting for the financial year 2022. At the same time, the Audit and Finance Committee closely followed an analysis of the maturity of ProSiebenSat.1 Media SE's entire internal control and risk management system commissioned by the Executive Board in this context, and is receiving ongoing reports about improvements in this area. In addition, the Audit and Finance Committee obtained an understanding of the basic principles of impairment on programming assets and the methodology for recognizing provisions. The Audit and Finance Committee approved the basic principles and issued its recommendation to the Supervisory Board as a whole.

In addition, the Audit and Finance Committee dealt with the preparation of the Supervisory Board's proposal for the election of the auditor for the financial year 2023 by the Annual General Meeting 2023, the engagement of the auditor, and the auditor's fee agreement. It monitored the effectiveness and quality of the audit of the financial statements and the independence of the auditor, as well as the services performed by the auditor in addition to auditing services. The Audit and Finance Committee submitted an appropriate recommendation to the Supervisory Board to propose Ernst & Young to the general meeting as auditor for the financial year 2023 and to appoint it for the period up to the Annual General Meeting in 2024. The Audit and Finance Committee continuously engaged in dialog with the auditor regarding the main audit risks and the required focus of the audit of the financial statements and discussed the audit findings. It established an internal regulation on services by the auditor that are not related to the audit of the financial statements ("non-audit services") and ensured that the auditor and the Executive Board informed it at each meeting about corresponding contracts and the fees incurred in this context, which it approved.

After detailed consultation, the Audit and Finance Committee decided to carry out an audit tender process for the annual and consolidated financial statements for the financial year 2024 in accordance with the requirements of Regulation (EU) No. 537/2014 of April 16, 2014 and has initiated the necessary measures to be able to make a recommendation to the Supervisory Board with a reasoned preference for an auditing firm so that the Supervisory Board can submit a corresponding election proposal to the Annual General Meeting.

The Executive Board regularly informed the Audit and Finance Committee of the status of various activities to finance and secure liquidity for the Company.

In addition to the Executive Board, the heads of the responsible departments also attended the Audit and Finance Committee's meetings for selected items of the agenda, providing reports and answering questions. In addition, the Chairman of the Audit and Finance Committee, Prof. Dr. Nonnenmacher, held discussions on important individual topics between the meetings, including with the Chairman of the Supervisory Board, the Group CFO, and the auditor, with whom he particularly discussed the progress of the audit. The main results of these discussions were regularly reported to the Audit and Finance Committee, as well as to the Supervisory Board where necessary.

In the reporting period, the committee met nine times in presence of the Group CEO, the Group CFO and the auditor, mostly in form of hybrid meetings. The regular meetings were supplemented by a closed session afterwards, which the Audit and Finance Committee and the auditor attended.

The **Capital Markets Committee** has the authority to decide instead of the full Supervisory Board on whether to approve the use of the Company's authorized capital, to authorize the issue of conversion and/or option rights, to authorize the acquisition and use of treasury shares and/or the use of derivatives when acquiring treasury shares as well as on the associated measures in each case. The Capital Markets Committee met three times in the financial year 2023. These meetings dealt in particular with the first review of the dividend policy and the current market environment.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2023

The Annual and Consolidated Financial Statements of ProSiebenSat.1 Media SE and the Management Report and Group Management Report for financial year 2023 were audited by Ernst & Young and were issued with an unqualified audit report on March 5, 2024.

All documents relating to the Financial Statements, the Non-Financial Report, the Risk Report, and the Ernst & Young audit reports were made available to the members of the Supervisory Board in due time and were subjected to a thorough review by us. The auditor reported on the main findings of its audit.

The Supervisory Board acknowledged and approved the auditor's findings and, after completing its own examination which was prepared by the Audit and Finance Committee, found no cause for objection on its part either. The Supervisory Board also approved the Annual and Consolidated Financial Statements prepared by the Executive Board and audited by the auditor as well as the Management Report, the Group Management Report, the Compensation Report, and the Non-Financial Report. The Annual Financial Statements are thus adopted. Finally, the Supervisory Board reviewed and concurred with the Executive Board's proposal for the allocation of profits.

In accordance with Section 111(2) sentence 4 of the German Stock Corporation Act (Aktiengesetz – AktG), the Supervisory Board commissioned an external review of the content of the Separate Non-Financial Report from Ernst & Young. Ernst & Young issued an unqualified audit opinion in this regard. This means that, according to the assessment by Ernst & Young, the Separate Non-Financial Report of ProSiebenSat.1 Media SE was prepared in compliance with Sections 315b and 315c in conjunction with Sections 289b to 289e of the German Commercial Code in all material aspects. In its review, which was also based on the Audit and Finance Committee's report on its preparatory review and its recommendation and the review of Ernst & Young's report and its audit opinion, the Supervisory Board likewise did not identify any reasons to doubt the correctness and appropriateness of the Separate Non-Financial Report.

CONFLICTS OF INTEREST

The members of the Supervisory Board are required to disclose possible conflicts of interest to the Presiding and Nominating Committee without delay. In the financial year 2023, there were the following indications of conflicts of interest for two members of the Supervisory Board:

- Dr. Antonella Mei-Pochtler is a member of the Supervisory Board of Publicis Groupe S.A., Paris, France ("Publicis"), which is a customer of the sales subsidiary Seven.One Media GmbH ("Seven.One Media"). Therefore, she did not participate in the resolution in the context of the contract extensions with the most important media agencies, which was passed by way of circular vote.
- Katharina Behrends works for MFE as General Manager for the German-speaking region. Therefore, she did not obtain any competitively sensitive information on ProSiebenSat.1 Group's activities on the advertising markets in Germany, Austria, and Switzerland, and she left each meeting whenever these topics were discussed.

Otherwise, there were no indications for conflicts of interest.

CORPORATE GOVERNANCE

The Executive Board and Supervisory Board report on corporate governance in the form of the Management Declaration pursuant to Sections 289f and 315d of the German Commercial Code, which you can find online and in the Annual Report.

→ www.prosiebensat1.com/en/investor-relations/corporate-governance/management-declaration
→ Management Declaration

The members of the Supervisory Board independently take the training measures necessary for their tasks. In the reporting year 2023, a refresher course regarding the most important corporate governance topics took place on June 30, 2023, with the involvement of an external law firm. New Supervisory Board members receive a comprehensive induction in so called "Onboarding Sessions". In doing so, they have the opportunity to meet members of the Executive Board and specialist executives for a bilateral exchange on fundamental and current topics of the respective Executive Board responsibilities, thus obtaining an overview of the relevant topics of the Company and its governance structure.

CHANGES IN THE COMPOSITION OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

On June 30, 2023, the Annual General Meeting elected Katharina Behrends, Dr. Katrin Burkhardt, Thomas Ingelfinger and Prof. Dr. Cai-Nicolas Ziegler to the Supervisory Board of ProSiebenSat.1 Media SE. Their many years of experience and wide range of qualifications are a valuable addition to the Board and will support ProSiebenSat.1 in its digital transformation. A total of four mandates were up for election because 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 on June 30, 2023. A further seat had also become vacant due to the transition of Bert Habets from the Supervisory Board to the Group's Executive Board as of November 1, 2022. Effective as of October 16, 2023, Klára Brachtlová was also court-appointed as an additional Supervisory Board member, succeeding Erik Huggers, who resigned his mandate and left the Supervisory Board with effect as of the end of the Annual General Meeting 2023. Klára Brachtlová complements the expertise in the Supervisory Board with her years of experience as a media manager and especially in the streaming market.

There were also personnel changes on the Executive Board: Wolfgang Link left the Company by mutual agreement as of July 15, 2023. The Entertainment segment has since been managed directly by Group CEO Bert Habets. Previously, Ralf Peter Gierig had resigned from his office as a member of the Executive Board & Chief Financial Officer (Group CFO) of ProSiebenSat.1 Media SE by mutual agreement with the Supervisory Board on April 27, 2023, prior to the resolution on the preparation of the Annual and Consolidated Financial Statements for financial year 2022. He was succeeded by Martin Mildner, who has been responsible for Finance, among other things, since May 1, 2023. Christine Scheffler will continue to be mainly responsible for HR and Sustainability.

THANK YOU FROM THE SUPERVISORY BOARD

The entire Supervisory Board thanks all departed members of the Supervisory Board for their many years of commitment to ProSiebenSat.1. The same applies to the departed members of the Executive Board. The Supervisory Board particularly thanks Wolfgang Link for his outstanding work and his dedication to the Company over many years. For example, he brought successful formats such as “The Voice of Germany” and “The Masked Singer” to Germany and transformed the Company from a mere free TV provider into a digital, platform-independent entertainment business.

At the same time, the Supervisory Board very much welcomes that the Company has been able to recruit Martin Mildner as Group CFO, a proven finance expert with extensive experience in the fields of e-commerce and digitalization, who feels at home in a dynamic and fast-growing market environment. The reorganization of the Executive Board of ProSiebenSat.1 Media SE is the logical consequence of the focus on the Entertainment segment. As Chairman of the Executive Board, Bert Habets can set new accents here. The downsizing of the Executive Board is also in line with the Group-wide transformation program and the aim to further optimize structures and costs.

After the fourth consecutive year of crisis and due to the economic challenges resulting from the pandemic and the Russia/Ukraine war, ProSiebenSat.1 Media SE launched a program in 2023 to reposition itself, and especially to become more efficient. Although the associated reduction in jobs was necessary and made in a socially responsible manner, it was challenging for the management as well as all employees. So, they are owed our special thanks. The employees’ passion and know-how are the foundation that allows ProSiebenSat.1 to position itself for the future.

The industry is changing at a rapid pace, and competition is intense and challenging. However, this is not only true in economic terms. Geopolitical instability is also presenting the Company with new challenges worldwide. At the same time, current world events clearly show the value of independent media in a liberal democratic society. With its wide reach, the ProSiebenSat.1 Group has the special opportunity to take a stand on its platforms, assume responsibility and stand up for democratic values such as diversity and independence. We would be pleased if you, dear shareholders, continued to accompany ProSiebenSat.1 on this path.

In 2023, the Executive Board worked closely with the Supervisory Board to take important measures to systematically and successfully transform the entire Group. The strategic priorities are attractive content, higher reach, and a widely diversified revenue profile. We firmly believe and are confident that the Executive Board has set the right course to achieve these aims.

Unterföhring, March 2024

On behalf of the Supervisory Board

DR. ANDREAS WIELE

CHAIRMAN OF THE SUPERVISORY BOARD

MEMBERS OF THE SUPERVISORY BOARD

MEMBERS OF THE SUPERVISORY BOARD OF PROSIEBENSAT.1 MEDIA SE AND THEIR MANDATES ON OTHER SUPERVISORY BOARDS AS OF DECEMBER 31, 2023[1]

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 Mandates: 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	Mandates: 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	Mandates: none
Dr. Katrin Burkhardt	Member of the Supervisory Board of ProSiebenSat.1 Media SE since June 30, 2023 Independent Business Consultant	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 Mandates: 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	Mandates: 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	Mandates: none
Lawrence A. Aidem	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)	Mandates: 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 other supervisory boards required by German law as well as memberships in comparable domestic and foreign supervisory bodies of commercial enterprises.

MEMBERS OF THE EXECUTIVE BOARD

MEMBERS OF THE EXECUTIVE BOARD OF PROSIEBENSAT.1 MEDIA SE AND THEIR MANDATES ON OTHER SUPERVISORY BOARDS AS OF DECEMBER 31, 2023[1]

Member of the Executive Board		Executive Board responsibilities to April 30, 2023	Executive Board responsibilities to July 14, 2023	Executive Board responsibilities from July 15, 2023	Mandates on other Supervisory Boards
Hubertus ("Bert") Habets	Chairman of the Executive Board (Group CEO)	Segment Dating & Video: e.g. ParshipMeet Group, Segment Commerce & Ventures: e.g. SevenAccelerator, SevenVentures and NuCom Group, Holding: e.g. Strategy, M&A, Internal Audit, IT, Legal, Communications, Investor Relations, Legal, Regulatory & Governmental Affairs	Segment Dating & Video: e.g. ParshipMeet Group, Segment Commerce & Ventures: e.g. SevenAccelerator, SevenVentures and NuCom Group, Holding: e.g. Strategy, M&A, Internal Audit, IT, Communications, Investor Relations, Regulatory & Governmental Affairs	Segment Entertainment: e.g. Seven.One Entertainment Group, Joyn, Seven.One Studios, Studio71, Segment Dating & Video: e.g. ParshipMeet Group, Holding: e.g. Strategy, M&A, Communications, IT, Regulatory & Governmental Affairs	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		Holding & Segments: e.g. Controlling (incl. Risk Management), Accounting & Taxes, Shared Services, Treasury, Legal, Procurement & Real Estate, Corporate Security	Holding & Segments: e.g. Investor Relations, Controlling (incl. Risk Management), Accounting & Taxes, Internal Audit, Legal, Compliance, Corporate Security, Segment Commerce & Ventures: e.g. SevenAccelerator, SevenVentures and NuCom Group	Domestic Mandate: 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)		Holding & Segments: Human Resources, Compliance, Sustainability, Organizational Development & Operational Excellence	Holding & Segments: Human Resources, Sustainability, Shared Services, Procurement & Real Estate	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	Holding & Segments: e.g. Controlling (incl. Risk Management), Accounting & Taxes, Shared Services, Treasury, Procurement & Real Estate, Corporate Security			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	Segment Entertainment: e.g. Seven.One Entertainment Group, Joyn, Seven.One Studios, Studio71	Segment Entertainment: e.g. Seven.One Entertainment Group, Joyn, Seven.One Studios, Studio71		Domestic Mandate: ParshipMeet Holding GmbH, Hamburg (Member of the Advisory Board until July 15, 2023)

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.

MANAGEMENT DECLARATION

In this Management Declaration pursuant to Sections 289f and 315d of the German Commercial Code (HGB), the Executive Board and Supervisory Board report on the annual Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), information on relevant corporate governance practices, and other aspects of corporate governance. The Executive Board and Supervisory Board regard good corporate governance as an essential component of responsible, transparent management geared toward long-term value creation. With the German Corporate Governance Code (GCGC), in the version dated April 28, 2022, a standard for transparent control and management of companies was established. In line with Principle 23 of the GCGC, in the present Management Declaration the Executive Board and Supervisory Board report on the Company's corporate governance and give their views on the Code's recommendations and proposals. Information on Executive Board and Supervisory Board compensation can be found in the Compensation Report. The Compensation Report for the last financial year and the auditor's report pursuant to Section 162 AktG, the applicable compensation system pursuant to Sections 87a (1) and (2) Sentence 1 AktG and the last compensation resolution of the Annual General Meeting pursuant to Section 113 (3) AktG are made publicly available on the following website of the Company:
→ www.prosiebensat1.com/en/investor-relations/corporate-governance/remuneration-reportable-securities

In addition to the current Management Declaration and the current Declaration of Compliance, the declarations of the last at least five years are available on the Company's website.

DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT

The Executive Board and the Supervisory Board of ProSiebenSat.1 Media SE declare that the Company will in future comply with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of April 28, 2022 as published in the official section of the Federal Gazette (*Bundesanzeiger*) on June 27, 2022 (GCGC) and has complied with these recommendations also in the period since the issuance of the last declaration of compliance in the version of April 2023, with only one exception stated below:

Due to the postponement of the publication of the annual and consolidated financial statements for the financial year 2022 as announced by ad hoc publication on 28 February 2023 and the circumstances underlying such postponement, in deviation from recommendation F.2 of the GCGC, the consolidated financial statements and the group management report for the financial year 2022 could not be made publicly available within 90 days of the end of the financial year and also the quarterly statement for the first quarter 2023 could not be made publicly available within 45 days from the end of the reporting period.

March 2024

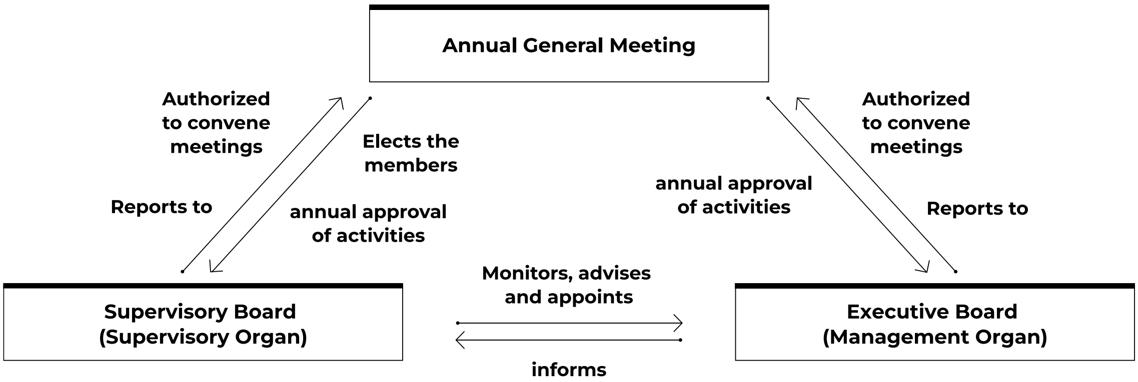
Executive Board and Supervisory Board of ProSiebenSat.1 Media SE

CORPORATE GOVERNANCE AND THE COMPANY'S GOVERNING BODIES

ProSiebenSat.1 Media SE is a listed European Company (Societas Europaea, SE), with its registered office located in Germany. Thus, in addition to the German Corporate Governance Code (GCGC), the formal structure for corporate governance is derived from German and European law, notably the law governing European Companies (SEs), stock corporation and capital markets law, and the articles of incorporation of ProSiebenSat.1 Media SE.

As a European Company, ProSiebenSat.1 Media SE operates under a dual system via its three governing bodies: the Annual General Meeting, the Supervisory Board (supervisory organ) and the Executive Board (management organ). Those bodies' duties and powers are governed by Council Regulation (EC) No. 2157/2001 of October 8, 2001, on the Statute for a European Company (SE Regulation), the SE Regulation Implementation Act (Gesetz zur Ausführung der SE-VO – SEAG), the German Stock Corporation Act (Aktiengesetz – AktG) and the articles of incorporation of ProSiebenSat.1 Media SE.

CORPORATE GOVERNANCE STRUCTURE OF PROSIEBENSAT.1 MEDIA SE



A clear separation of personnel between the management organ and the supervisory organ: The managing body is the Executive Board, which is overseen and advised by the Supervisory Board on management of the Company. All transactions and decisions of fundamental significance for the Company are undertaken by the Executive Board in close consultation with the Supervisory Board. Therefore, open communication and close cooperation between the two bodies are of particular importance.

MANAGEMENT AND MONITORING

Executive Board

The Executive Board is convinced that sustainable economic success in a competitive environment can be achieved only on the basis of integrity and lawful business practices. Therefore, preventing corruption and anticompetitive behavior is highly relevant to business and represents an important success factor for achieving corporate goals. In addition to preventing corruption, ProSiebenSat.1 Group particularly focuses on the issues of money laundering prevention, sanctions and embargoes, as well as data protection, in the Group Compliance department. An appropriate and effective internal control system and risk management system, including an effective compliance management system (CMS), are the foundation of good corporate governance. The main objective of the CMS is to ensure that all employees consistently think and act with integrity and in accordance with company policies and the law in order to avoid and help prevent violations of laws and regulations.

The Executive Board also sees the effective monitoring of compliance with sustainability standards as a significant aim. This applies to both regulatory and internal standards. In this regard, the Executive Board systematically assesses and identifies the opportunities and risks for the Company associated with social and environmental factors as well as the social and ecological impacts of the Company's operations. ProSiebenSat.1 Group's strategy resulting on the basis of this evaluation therefore also covers social and ecological targets to the due extent. It is also important to the Executive Board to account for the relevant issues besides financial aspects in the corporate planning.

In view of its Group structure, ProSiebenSat.1 Group has established both a central and a decentralized compliance organization. The central organization is made up of the Compliance Committee and the Group Compliance department, which are assisted in the performance of their duties by experts from other areas, such as the Legal department. The Compliance Committee is made up of the Executive Board member responsible for compliance, the Senior Vice President

Internal Audit and the head of the Group Compliance department, as well as the Group function Legal, the Unit Compliance Officers (UCO) of the different segments and the Group Data Protection Officer. The Compliance Committee and Group Compliance support and advise the Executive Board with the implementation, monitoring and development of the CMS. The Group Compliance department was part of the Executive Board department covering HR, Compliance & Sustainability until July 2023, and it now reports to the Group CFO. It is entrusted with implementing the CMS in the Group, carries out risk analyses and training, and advises the Executive Board on the development and implementation of appropriate measures to minimize risk. In addition, the Group Compliance department monitors legal developments and makes proposals for updating the CMS. Since January 2024, the Group Compliance department has been part of the newly created Governance, Risk & Compliance unit, which combines the three functions Compliance, Risk Management, and Internal Control System.

The decentralized compliance organization is represented by UCO, who are appointed in Group entities and in the individual business areas across the Group. Overall responsibility for the CMS lies with the Executive Board of ProSiebenSat.1 Media SE as the parent company of ProSiebenSat.1 Group.

ProSiebenSat.1 Group has laid down basic guidelines and policies in its Code of Conduct. These define the general standards for conduct in business, legal and ethical matters and also govern how employees can report misconduct in the Company. They serve all members of the Executive Board, the management of subsidiaries of ProSiebenSat.1 Group, and the employees of ProSiebenSat.1 Group as a binding reference and regulatory framework for dealing with each other and with business partners, customers, suppliers, and other third parties. The Code of Conduct serves as a unifying element across all segments of ProSiebenSat.1 Group, is continually refined and was last updated in 2023. The Code of Conduct can be viewed online at:
→ www.prosiebensat1.com/en/investor-relations/corporate-governance/compliance

Another central compliance instrument for ProSiebenSat.1 Group is the whistleblower system. In addition to internal reporting channels, since December 2022 it has also been possible to report legal violations anonymously via an electronic whistleblower system. This also covers the complaints procedure under the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz, LKSG) and thus meets the requirements of the German Whistleblower Protection Act. For all reports, regardless of the chosen reporting channel, Group Compliance promptly informs the management about reports of serious suspicions that following preliminary internal evaluation prove to be potentially justified or have particularly high potential for damage.

ProSiebenSat.1 Group values the diversity of individual characteristics, experience, and expertise that its employees and managers contribute to the Company and regards diversity as an important success factor for the Group's development. In particular, the proportion of women in management positions is a key diversity aspect for ProSiebenSat.1 Group. In a resolution dated June 30, 2022, with reference to Section 76 (4) of the German Stock Corporation Act (AktG) in conjunction with Article 9 (1) lit. c) ii) of the SE Regulation (SE-VO), the Executive Board of ProSiebenSat.1 Media SE established the following targets – to be reached by June 30, 2027 – for the proportion of women at the two management levels below Executive Board level:

- First management level: 15%
- Second management level: 30%

Based on the number of employees at the time of the resolution, this corresponds to a total number of at least four women for the first management level and a total number of at least nine women for the second management level.

The targets with regard to the proportion of women in the two management levels below the Executive Board were achieved in the reporting period: The proportion of women in the first management level of ProSiebenSat.1 Media SE was 30.4% or seven women at the end of the past financial year (previous year: 33.3%). The proportion of women in the second management level increased to 41.7% or ten women (previous year: 40.0%).

Supervisory Board

The Supervisory Board appoints and dismisses the members of the Executive Board, monitors, and advises the Executive Board in managing the Company and is to be involved in all decisions of fundamental importance for the Company. The subjects of the monitoring and advice are particularly the strategy and planning of ProSiebenSat.1 Group, which also cover social and ecological targets. The Chairman of the Supervisory Board is elected by the Supervisory Board from among its members. He coordinates the work in the Supervisory Board and represents the Supervisory Board's interests externally. In this context, the Chairman of the Supervisory Board talks to investors where reasonable about topics specific to the Supervisory Board, although not in connection with the Company's strategy or management.

Annual General Meeting

The Company's shareholders exercise their rights of co-administration and control at the Annual General Meeting, which is conducted rapidly by the chair of the meeting and should be finished after four to six hours at the latest. Parts of the Annual General Meeting are also broadcast online. Each no-par value share confers one vote at the Annual General Meeting. Among other things, the shareholders of the Company are notified of the items on the agenda of the Annual General Meeting and the resolutions proposed by the Executive Board and the Supervisory Board in due time in the meeting invitation. The Executive Board ensures that a proxy is appointed to exercise shareholders' voting rights as per their instructions and thus make it easier for shareholders to exercise their rights. The proxy is present and available at the Annual General Meeting, and furthermore shareholders or their representatives who are not attending the Annual General Meeting in person or virtually are able to authorize and issue instructions to the proxy up until the day before or, if the online shareholder portal is being used, up until the end of the general debate of the respective Annual General Meeting.

The Annual General Meeting on June 30, 2023, authorized the Executive Board to arrange that Annual General Meetings of the Company held on or before June 30, 2025, may be held without the physical presence of the shareholders or their proxies at the venue of the Annual General Meeting as a virtual Annual General Meeting (Section 118a (1) Sentence 1 AktG) in accordance with the legal requirements. For future Annual General Meetings, the Executive Board will decide separately whether this authorization shall be utilized, taking into account the circumstances of each individual case.

The Annual General Meeting on June 30, 2023 was held as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies on the basis of Section 118a AktG in conjunction with Section 26n (1) of the Introductory Act to the German Stock Corporation Act (Einführungsgesetz zum Aktiengesetz – EGAktG). There was a live sound and video broadcast of the entire virtual Annual General Meeting via the online shareholder portal. Shareholders or their proxies were able to join the Annual General Meeting electronically and submit their votes either in writing or on the basis of electronic communication (postal vote) as well as by authorizing a shareholder representative named by the Company. It was also possible to submit statements on the agenda in text or video format prior to the Annual General Meeting. At the beginning of the Annual General Meeting, a virtual speaker registration desk was provided via the shareholder portal, which allowed shareholders or their proxies joining electronically to register their spoken contributions and to make these contributions live during the Annual General Meeting. It was not possible to submit questions in advance of the virtual Annual General Meeting. Shareholders or their proxies joining electronically were able to submit objections to the resolutions of the Annual General Meeting on the basis of electronic communication via the online shareholder portal from the start of the virtual Annual General Meeting until its end.

COMPOSITION OF THE EXECUTIVE BOARD

According to the Company's articles of incorporation, the Executive Board must be composed of one or more members. The number of Executive Board members is determined by the Supervisory Board. In financial year 2023, there were the following personnel changes in the composition of the Executive Board: Martin Mildner took over the role of Chief Financial Officer (Group CFO) as of May 1, 2023. Ralf Peter Gierig, formerly a member of the Executive Board and Group CFO of ProSiebenSat.1 Media SE, resigned from his office on April 27, 2023, by mutual agreement with the Supervisory Board of ProSiebenSat.1 Media SE, prior to the resolution on the preparation of the Annual and Consolidated Financial Statements for the financial year 2022. 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. Bert Habets, Group CEO of ProSiebenSat.1 Media SE, took over the management of the Entertainment segment as part of the strategic realignment. As of December 31, 2023, the Executive Board therefore comprised three members (previous year: four members): Bert Habets (Group CEO), Martin Mildner (Group CFO) and Christine Scheffler (Chief Human Resources Officer, CHRO).

Members of the Executive Board are in principle appointed and removed by the Supervisory Board in accordance with Article 39 (2) SE Regulation. In doing so, the Supervisory Board is mindful of the integrity and management experience required for such a role in an international group and of personal aptitude and individual professional qualification for the Executive Board position. Diversity is also considered when filling Executive Board positions.

In accordance with Article 7 (2) Sentence 1 of the articles of incorporation in conjunction with Article 46 SE Regulation, Executive Board members can be appointed for a maximum period of five years. Initial appointments are generally not made for this maximum period, but for a maximum of three years. Reappointments are permitted for a maximum of five years. The Supervisory Board has set an age limit for members of the Executive Board, as recommended by the GCGC. Persons who would turn 65 years before the expiration of their intended term of office shall not be appointed to the Executive Board. In the past year, the Supervisory Board and the Presiding and Nominating Committee again discussed issues of the short-, medium- and long-term succession planning for the Executive Board, discussed the topic with the Executive Board and analyzed both the key focuses for future Executive Board work and the executives currently available in the Company. The criteria that could be crucial for possible succession candidates include requirements regarding both personal and professional aptitude. In the event of a specific succession decision, a structured interview process is conducted. If necessary, the Supervisory Board is supported by external consultants in the development of requirement profiles and the selection of candidates.
→ Members of the Executive Board

Targets for Executive Board Composition

The Supervisory Board of ProSiebenSat.1 Media SE has established a target for the composition of the Executive Board with regard to the equal participation of women in accordance with Section 111 (5) of the German Stock Corporation Act (AktG) in conjunction with Article 9 (1) lit. c) ii) of the SE Regulation as well as deadlines for the respective target achievement:

In accordance with the current target for the equal participation of women in the Executive Board set by the Supervisory Board, the Executive Board must have at least one female member. The deadline for implementing this target expires on December 31, 2024. With the appointment of Christine Scheffler as a member of the Executive Board of ProSiebenSat.1 Media SE in March 2020, this target for the equal participation of women on the Executive Board is already met during the reporting period. Besides the proportion of women, no further diversity aspects have yet been defined as targets for the Executive Board, as the Supervisory Board does not currently deem it a requirement for the purposes of appointing suitable candidates to the Executive Board.

WORKING PROCEDURES OF THE EXECUTIVE BOARD

The Executive Board manages the Company's businesses on its own authority in accordance with the applicable laws, the articles of incorporation, its rules of procedure and the allocation of duties. It ensures that the statutory, regulatory, and internal provisions are complied with and endeavors to achieve their compliance throughout the Group.

Each member of the Executive Board is assigned an area of responsibility, regarding which that member keeps his or her colleagues on the Executive Board continuously updated. Rules of procedure enacted by the Supervisory Board for the Executive Board and updated as necessary govern the cooperation between the Executive Board members and the Executive Board members' areas of responsibility. The rules of procedure also govern in particular the allocation of responsibilities and matters reserved for the full Executive Board. The Executive Board has not formed any committees.

Meetings of the full Executive Board generally took place on a weekly basis and are chaired by the Group CEO. One of the functions of the meetings is to adopt resolutions on measures and transactions that require the consent of the full Executive Board under the Executive Board's rules of procedure. In order to adopt resolutions at least half of the Executive Board members must participate in the voting. Resolutions of the full Executive Board are adopted by simple majority. In the event of a tie, the Group CEO casts the deciding vote. When significant events occur, any Executive Board member may call an extraordinary meeting of the full Executive Board.

Resolution of the Executive Board may also be adopted outside of meetings by oral, telephone or written vote as well as by voting in text form.

Written minutes of every meeting of the full Executive Board and of every resolution adopted outside of meetings are prepared and signed by the Group CEO or the chairman of the meeting. The minutes are then promptly forwarded to each member of the Executive Board in writing or in text form and presented for approval at the next Executive Board meeting. If none of the individuals who attended the meeting or took part in the resolution object to the content or the wording of the minutes, the minutes shall be deemed approved.

In addition to the regular Executive Board meetings, a strategy workshop is held at least once a year. Such workshops serve to prioritize strategic targets across the Group and to develop the strategy for the current financial year in cooperation with senior executives from the various business units.

→ **Management Declaration, Management and Monitoring**

COMPOSITION OF THE SUPERVISORY BOARD

In accordance with the Company's articles of association, the Supervisory Board comprises nine members, all of whom are elected by the Annual General Meeting. After Erik Huggers resigned from his office after nine years on June 30, 2023, the Munich Local Court (Amtsgericht München) appointed Klára Brachtlová as a member of the Supervisory Board of ProSiebenSat.1 Media SE by resolution dated October 6, 2023. The appointment became effective on October 16, 2023, and is initially valid until the end of the next Annual General Meeting.

The Supervisory Board of ProSiebenSat.1 Media SE therefore had nine members as of December 31, 2023. As of the end of 2022, the Supervisory Board had comprised eight members following the resignation of Bert Habets effective as of October 31, 2022.

All new Supervisory Board members take part in a structured onboarding process, in which they are familiarized with the Company and their tasks.

→ Members of the Supervisory Board

Targets for the Composition of the Supervisory Board

Having thoroughly reviewed the recommendations of GCGC regarding the specific targets for its composition, the Supervisory Board set targets for its composition that take account of the specifics of the Company pursuant to Section 111 (5) of the German Stock Corporation Act (AktG) in conjunction with Article 9 (1) lit. c) ii) of the SE Regulation. The Supervisory Board has accordingly set the following targets:

- the Supervisory Board should include an appropriate number of independent members, whereby more than half of Supervisory Board members should be independent of the Company and the Executive Board;
- the share of women should be at least 1/3 (one third), to be attained by no later than March 31, 2024;
- the members of the Supervisory Board should have specific international expertise and experience in the areas of broadcasting, media, and communication;
- the international activities of the Company should be taken into account. The Supervisory Board should be filled with members who, based on their origin or professional activities, represent regions or cultures in which the Company has significant business operations. In this context, diversity should also be taken into account when appointing members to the Supervisory Board, and the current level of diversity should be maintained. The Supervisory Board should be filled with members who, based on their origin, their personal background, their education, or professional activities, are able to contribute a wide range of experience and specific expertise;
- the Supervisory Board will continue to assess how it intends to handle potential or actual conflicts of interest in order to continue to guarantee unbiased monitoring of and provision of advice to the Executive Board of the Company in the Company's best interests in each individual case within the legal framework and taking into account the GCGC;
- the age limit of no older than 70 years at the time of appointment to the Supervisory Board, as stipulated in the rules of procedure adopted by the Supervisory Board, should continue to apply;
- individuals who have been members of the Company's Supervisory Board for three full consecutive terms, and thus generally for fifteen years, should generally no longer be nominated for re-election to the Supervisory Board.

In its current composition and its composition as of December 31, 2023, the Supervisory Board already meets the aforementioned targets it has set for its composition pursuant to the GCGC and the German Stock Corporation Act. The Supervisory Board considers all Supervisory Board members independent for the financial year 2023 as defined by the relevant recommendations of the German Corporate Governance Code in its applicable version.

The following table provides an overview of the terms of office of all members of the Supervisory Board in the financial year 2023:

OVERVIEW OF THE TERMS OF OFFICE OF THE MEMBERS OF THE SUPERVISORY BOARD

Name	Date of initial appointment/ Date of re-appointment	End of the term of office [as of the end of the AGM of the year or resignation]
Dr. Andreas Wiele (Chairman)	02/13/2022 (appointed by court) 05/05/2022	AGM 2025 [3 years]
Prof. Dr. Rolf Nonnenmacher (Vice Chairman since June 30, 2023)	05/21/2015 06/12/2019 05/05/2022	AGM 2025 [3 years]
Katharina Behrends	06/30/2023	AGM 2026 [3 years]
Klára Brachtlová	10/16/2023 (appointed by court for Erik Huggers)	AGM 2024 [5 years]
Dr. Katrin Burkhardt	06/30/2023 (supplementary election for Bert Habets)	AGM 2025 [3 years]
Thomas Ingelfinger	06/30/2023	AGM 2026 [3 years]
Marjorie Kaplan	05/16/2018 06/12/2019	AGM 2024 [5 years]
Ketan Mehta	11/24/2015 06/12/2019	AGM 2024 [5 years]
Prof. Dr. Cai-Nicolas Ziegler	06/30/2023	AGM 2026 [3 years]
Lawrence A. Aidem	06/26/2014 06/12/2019	AGM 2023 [4 years] Term of office expired at the end of the Annual General Meeting on June 30, 2023
Dr. Marion Helmes (Vice Chairwoman)	06/26/2014 06/12/2019	AGM 2023 [4 years] Term of office expired at the end of the Annual General Meeting on June 30, 2023
Erik Huggers	06/26/2014 06/12/2019	AGM 2024 [5 years] Resignation from office at the end of the Annual General Meeting on June 30, 2023
Dr. Antonella Mei-Pochtler	04/13/2020 (appointed by court) 06/10/2020	AGM 2023 [3 years] Term of office expired at the end of the Annual General Meeting on June 30, 2023

The described targets for the Supervisory Board's composition and stipulations concerning the equal participation of women on the Supervisory Board in accordance with Section 111 (5) of the German Stock Corporation Act (AktG) in conjunction with Article 9 (1) lit. c) ii) of the SE Regulation form part of the diversity concept for the Supervisory Board in accordance with Sections 289f (2) No. 6 and 315d of the German Commercial Code (HGB). Another element of the Supervisory Board diversity concept is the skills profile for the Supervisory Board, which is described below.

Skills Profile for the Supervisory Board

In light of the recommendation of the GCGC under item C.1 (Composition of the Supervisory Board), the Supervisory Board of ProSiebenSat.1 Media SE developed the skills profile described below for the Supervisory Board as a whole, so as to ensure qualified control and monitoring of the Company by the Supervisory Board. The Supervisory Board as a whole already satisfies the requirements in its current composition.

According to the skills profile, each member of the Supervisory Board should contribute essential general expertise, with the effect that the corresponding candidates are able to perform the tasks of the Supervisory Board in an international media/digital group based on their personality, independence, motivation, and integrity. In addition, it should be ensured that the subject of diversity is taken into account in the nomination of candidates by the Supervisory Board's Presiding and Nominating Committee to the Supervisory Board as a whole and subsequently to the Annual General Meeting.

The expertise and experience required for qualified and successful work by the Supervisory Board should – in keeping with the Supervisory Board's nature as a collegial body – be ensured by all members of the Supervisory Board.

Overall, the Supervisory Board of ProSiebenSat.1 Media SE should have the skills and expertise considered to be material in view of ProSiebenSat.1 Group's activities. This particularly includes in-depth knowledge with regard to:

- experience in the management of a listed, internationally operating company;
- experience in the transformation of media companies into a digital group;
- in-depth understanding of ProSiebenSat.1 Group's different business areas – specifically content and broadcasting, distribution and digital entertainment (particularly streaming, e-commerce, and production) – and of the Group's market environment and media regulation/policy;
- in-depth knowledge in the field of digital business development, digital diversification and platform strategies (such as Addressable TV), data and advertising technology, and M&A;
- in-depth knowledge in the fields of human resources development and management;
- in-depth knowledge in the fields of governance and compliance;
- in-depth knowledge of the implementation of a sustainability strategy that focuses strongly on social responsibility and public value, as is appropriate for a media company.

In addition, at least one member of the Supervisory Board must have expertise in the field of accounting, and at least one other member must have expertise in the field of auditing. Further information can be found under “Composition and Working Procedures of the Supervisory Board Committees.”

→ Management Declaration, Composition and Working Procedures of the Supervisory Board Committees

When putting forward nominations to the Annual General Meeting, particular attention should be paid to the personality, integrity, motivation, and independence of the candidates. In addition, Supervisory Board members should comply with the limit recommended in item C.4 of the GCGC with regard to mandates at listed companies outside the Group.

With regard to nominations by the Supervisory Board to the Annual General Meeting, all requirements should be met, and the above targets should be taken into account so as to ensure overall fulfillment of the skills profile for the Supervisory Board.

Further information on the skills profile for the Supervisory Board is available on the ProSiebenSat.1 Media SE website.

→ www.prosiebensat1.com/en/investor-relations/corporate-governance/corporate-bodies

The implementation status of the skills profile is also shown in the following qualification matrix:

AREAS OF EXPERTISE AND TARGETS FOR SUPERVISORY BOARD COMPOSITION

	Skills profile								Further targets for composition		
Name	Management experience in listed companies[1]	Management experience in transformation[2]	Industry experience in existing business fields[3]	Industry experience in new business fields[4]	Financial experience[5]	People development[6]	Corporate Governance experience[7]	Sustainability[8]	Independence acc. to DCGK	Share of Women	Duaration of Supervisory Board membership
Dr. Andreas Wiele	•	•	•	•		•	•	•	•		2022
Prof. Dr. Rolf Nonnenmacher					•[(b)]	•	•		•		2015
Marjorie Kaplan	•	•	•	•		•		•	•	•	2018
Ketan Mehta			•	•	•				•		2015
Katharina Behrends		•	•	•		•			•	•	2023
Klára Brachtlová		•	•	•	•	•		•	•	•	2023
Dr. Katrin Burkhardt	•				•[(a)]	•	•		•	•	2023
Thomas Ingelfinger	•				•	•	•	•	•		2023
Prof. Dr. Cai-Nicolas Ziegler	•	•	•	•	•	•			•		2023
Sum	**5**	**5**	**6**	**6**	**6**	**8**	**4**	**4**	**9**	**4**	

1 Experience in the management of a listed, internationally operating company.
2 Experience in the transformation of media companies towards a digital group.
3 In-depth understanding for ProSiebenSat.1 Group's different business areas – particularly content and broadcasting, distribution, digital entertainment – in particular streaming, e-commerce, and production – and of the Group's market environment and media regulation/policy.
4 In-depth knowledge in the field of digital business development, digital diversification and platform strategies (such as Addressable TV), data and advertising technology, and M&A.
5 (a) Expert in accounting and control systems; (b) expert in auditing.
6 In-depth knowledge in the fields of human resources development and management.
7 In-depth knowledge in the fields of risk management, governance and compliance.
8 In-depth knowledge in the implementation of a sustainability strategy with a strong focus on social responsibility and public value, in particular due to the scope of a media company.

WORKING PROCEDURES OF THE SUPERVISORY BOARD

The Supervisory Board appoints and dismisses the members of the Executive Board, monitors, and advises the Executive Board in managing the Company and is involved in all decisions of fundamental importance for the Company.

The Audit and Finance Committee has a specific monitoring function and in particular reviews the effective use of the internal control and risk management system, which also covers the sustainability-related targets.

The Executive Board provides the Supervisory Board with prompt and complete information in writing. The Supervisory Board is also informed about planning, business performance, and the situation of the Company, including risk management and the internal control system, as well as compliance and sustainability matters at its quarterly meetings. Where indicated, an extraordinary meeting of the Supervisory Board is called to address significant events.

The Executive Board includes the Supervisory Board in company planning and strategy as well as in all matters of fundamental importance to the Company. The Company's articles of incorporation and the rules of procedure for the Executive Board stipulate that all significant transactions must be approved by the Supervisory Board. Such significant transactions requiring the consent of the Supervisory Board include adopting the annual budget, making major acquisitions or divestments, and investing in program licenses. More information on cooperation between the Executive Board

and the Supervisory Board and on the significant matters on which they consulted in the financial year 2023 is available in the Report of the Supervisory Board.
→ Report of the Supervisory Board

The Supervisory Board holds a minimum of two meetings during each half of the calendar year. To facilitate its work, the Supervisory Board has adopted rules of procedure to supplement the provisions of the articles of incorporation. These can be viewed on the Company's website:
→ www.prosiebensat1.com/en/investor-relations/corporate-governance/corporate-bodies

In accordance with the rules of procedure, the Chairman of the Supervisory Board coordinates the work of the Supervisory Board, chairs the Supervisory Board meetings, and represents the Supervisory Board's interests externally. As a rule, the Supervisory Board adopts its resolutions at the Supervisory Board meetings, which can also be held as conference calls or video conferences on instruction of the Chairman of the Supervisory Board. However, on instruction of the Chairman of the Supervisory Board, resolutions can also be adopted outside of meetings, for example by way of written circular vote. Equally admissible is the adoption of resolutions via a combination of voting at meetings and voting via other methods.

The Supervisory Board is deemed to constitute a quorum if at least half of its members participate in the resolution. Resolutions of the Supervisory Board are generally adopted by simple majority of the votes cast, unless otherwise prescribed by law. In the event of a tie, the deciding vote is cast by the Chairman of the Supervisory Board, or in his absence the Vice Chairman.

The meetings of the Supervisory Board are recorded in minutes that are signed by the Chairman. A written record is also kept of resolutions adopted outside of the meetings. A copy of the minutes, or of resolutions adopted outside of meetings, is sent promptly to all members of the Supervisory Board. The Supervisory Board members participating in the meetings or voting on the resolutions may raise objections to the minutes. Objections must be made in writing to the Chairman of the Supervisory Board within one month of the minutes being sent out. Otherwise, the minutes shall be deemed approved.

The members of the full Supervisory Board are, as a whole, familiar with the sector in which the Company operates pursuant to Section 100 (5) of the German Stock Corporation Act (AktG) in conjunction with Article 9 (1) lit. c) ii) of the SE Regulation. All Supervisory Board members must report any conflicts of interest without delay to the Supervisory Board's Presiding and Nominating Committee, particularly those conflicts that may arise from exercising an advisory or executive function vis-à-vis customers, suppliers, creditors, or other business partners.

The recommendation contained in item D.12 of the GCGC states that the Supervisory Board should regularly implement a self-assessment of its activities. The review extends primarily to the Supervisory Board's view of its mission, the organization of its activities, the independence of its members, the handling of potential conflicts of interest, and the composition of its committees. The last review of the efficiency of Supervisory Board work took place on December 6, 2023, in the context of a closed session on the basis of a detailed list of questions.

COMPOSITION AND WORKING PROCEDURES OF THE SUPERVISORY BOARD COMMITTEES

In the financial year 2023, the Supervisory Board formed four committees. The Supervisory Board decides on the composition of its committees. In selecting committee members, potential conflicts of interest involving Supervisory Board members are taken into account, as are their professional qualifications. In addition, the committee members are selected in accordance with statutory requirements and the applicable recommendations of the GCGC.

COMPOSITION OF THE SUPERVISORY BOARD COMMITTEES AS OF DECEMBER 31, 2022

PRESIDING AND NOMINATING COMMITTEE
Dr. Andreas Wiele (Chairman), Prof. Dr. Rolf Nonnenmacher, Katharina Behrends, Klára Brachtlová, Ketan Mehta, Prof. Dr. Cai-Nicolas Ziegler

AUDIT AND FINANCE COMMITTEE
Prof. Dr. Rolf Nonnenmacher (Chairman), Klára Brachtlová, Dr. Katrin Burkhardt

COMPENSATION COMMITTEE
Dr. Andreas Wiele (Chairman), Prof. Dr. Rolf Nonnenmacher, Dr. Katrin Burkhardt, Marjorie Kaplan

CAPITAL MARKETS COMMITTEE
Dr. Andreas Wiele (Chairman), Prof. Dr. Rolf Nonnenmacher, Dr. Katrin Burkhardt, Ketan Mehta

Prof. Dr. Rolf Nonnenmacher (Chairman of the Audit and Finance Committee), as a German Public Auditor (*Wirtschaftsprüfer*) and through his many years of professional activity in auditing, has special expertise and experience in the field of auditing and in the application of financial reporting principles and internal control and risk management systems. Until 2013, he held senior positions at KPMG AG Wirtschaftsprüfungsgesellschaft. Dr. Katrin Burkhardt, another member of the Audit and Finance Committee, has special expertise and experience in the application of accounting principles and internal control systems due to her education and professional background. Both are also entrusted with sustainability reporting and its auditing. Dr. Katrin Burkhardt's relevant professional experience includes her posts as member of the Management Board for Accounting and SME Finance at Bundesverband Deutscher Banken e.V. (2003 to 2008), Director, Head of Accounting Policy Department, Dresdner Bank AG (2008 to 2009), Director, Head of the Berlin Representative Office of Allianz SE (2009 to 2014), member of the Executive Board of Deutsche Rückversicherung AG (2014 to 2020), and member of the Executive Board of the Association of German Public Insurers (2014 to 2020). Dr. Katrin Burkhardt is currently a member of the Supervisory Board of the private bank ODDO BHF SE. There, she chairs the Risk Committee and is a member of the Audit and Finance Committee.

All members of the Audit and Finance Committee are independent within the meaning of the recommendation in item C.10 of the GCGC.

The Supervisory Board committees generally meet on a quarterly basis or as required. To the extent permitted by law, the committees have been entrusted with adopting resolutions concerning various Supervisory Board tasks, especially approving certain management actions. A committee is deemed to constitute a quorum when at least half of its members participate in the vote. Committee resolutions are normally adopted by a simple majority vote. In the event of a tie, the committee chairman casts the deciding vote. Written minutes are prepared of each committee meeting and are signed by the committee chairman. Resolutions adopted outside the meetings are also recorded in writing. Minutes and the text of resolutions adopted are sent to all members of the committee concerned. These shall be deemed approved if no committee member who was present at the meeting, or who took part in the vote on the resolution, objects to the content within one month of dispatch. The committee chairmen report on the work of the committees at the meetings of the Supervisory Board.

The Group CEO, Group CFO, and the independent auditor regularly attended the meetings of the Audit and Finance Committee in 2023. The Audit and Finance Committee also regularly meets with the independent auditor without the Executive Board. In addition, the Chairman of the Audit and Finance Committee invites in particular senior executives from the areas of Finance and

Accounting, Controlling, Internal Audit and Compliance to provide information at meetings if required. The Supervisory Board has issued rules of procedure to govern the work of the Audit and Finance Committee. The Audit and Finance Committee and the auditor also maintain a regular dialog between meetings. The individual breakdown of participation in meetings of the Supervisory Board in the financial year 2023 can be found in the Report of the Supervisory Board.
→ Report of the Supervisory Board

TRANSPARENCY AND EXTERNAL REPORTING

We aim to strengthen trust among shareholders, capital providers, and other interested parties through openness and transparency. For that reason, ProSiebenSat.1 Media SE reports regularly on key business developments and changes within the Group. The Company generally provides information simultaneously to all shareholders, financial analysts, media representatives, and other interested parties. Given the international nature of our stakeholders, we provide reports in English as well.

The financial calendar presents the publication dates of financial reports and quarterly reports well in advance, along with other important dates such as the date of the Annual General Meeting. The calendar is available on the ProSiebenSat.1 website:
→ www.prosiebensat1.com/en/investor-relations/presentations-events/financial-calendar

To ensure transparent and fair reporting and corporate communication both in Germany and elsewhere, ProSiebenSat.1 Media SE makes particular use of the Internet as one of its main communication channels. All relevant corporate information is published on our website. Annual reports, half-yearly financial reports, quarterly statements, current stock price charts, and company presentations can be downloaded from the website at any time. The website includes a special section where the Group provides information on organizational and legal matters in connection with the Annual General Meeting. The meeting agenda can be found here, and the Group CEO’s speech and the results of votes are made available after the meeting. In the Corporate Governance section, ProSiebenSat.1 Media SE also publishes the current Management Declaration pursuant to Section 289f and Sections 289f, 315d and 315e of the German Commercial Code (HGB), and the Declaration of Compliance with the German Corporate Governance Code (GCGC) in accordance with Section 161 of the German Stock Corporation Act (AktG), which includes an archive with the declarations from the last at least five years and the Company’s articles of incorporation.

Four times a year, ProSiebenSat.1 Group presents information on the Group’s business performance as well as its financial position and earnings as part of the Company’s annual and interim financial reporting. The Consolidated Financial Statements and the Group Management Report are generally made publicly available within 90 days after the end of the financial year and the mandatory financial information during the financial year within 45 days after the end of the reporting period:
→ www.prosiebensat1.com/en/investor-relations/publications/results

As required by law, matters that could significantly influence the price of the Company’s stock are announced immediately in ad-hoc disclosures outside of the scheduled reports and are made available online:
→ www.prosiebensat1.com/en/newsroom/press-releases/ad-hoc-disclosures

Notifications of changes in significant voting rights pursuant to Sections 33 et seq. of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) are published immediately upon receipt. Current information is available on the Company’s website:
→ www.prosiebensat1.com/en/investor-relations/publications/voting-rights-notifications

Directors' dealings notifications in accordance with Article 19 of Regulation (EU) No. 596/2014 (Market Abuse Regulation – MAR) are likewise published immediately upon receipt:
→ www.prosiebensat1.com/en/investor-relations/publications/directors-dealings

In the financial year 2023, eleven transactions in company stock or in financial instruments relating to company stock were reported to ProSiebenSat.1 Media SE by management personnel or related parties in compliance with Article 19 of the Market Abuse Regulation.

As of December 31, 2023, members of the Executive Board held a total of 162,557 shares (previous year: 54,388) and members of the Supervisory Board a total of 176,697 shares (previous year: 80,303) in ProSiebenSat.1 Media SE.

INDIVIDUALIZED SHAREHOLDINGS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD AS OF DECEMBER 31, 2023

	Number of shares	Share value on purchase (in EUR)	Share value as of Dec 31, 2023 (in EUR)[5]
EXECUTIVE BOARD[1]			
Bert Habets	110,000	664,543	608,300
Martin Mildner[2] (Appointment in May 2023)	15,000	81,267	82,950
Christine Scheffler	37,547	351,975	207,635
Ralf Peter Gierig[3] (Resignation in April 2023)	2,700	55,370	14,931
Wolfgang Link (Resignation in July 2023)	28,860	349,102	159,596
SUPERVISORY BOARD[4]			
Dr. Andreas Wiele	112,745	927,677	623,480
Prof. Dr. Rolf Nonnenmacher (Vice Chairman since June 2023)	23,064	273,565	127,544
Katharina Behrends (Appointment in June 2023)	—	—	—
Klará Brachtlová (Appointment by Court in October 2023)	—	—	—
Dr. Katrin Burkhardt (Appointment in June 2023)	4,100	23,632	22,673
Thomas Ingelfinger (Appointment in June 2023)	—	—	—
Marjorie Kaplan	12,788	120,108	70,718
Ketan Mehta	24,000	369,683	132,720
Prof. Dr. Cai-Nicolas Ziegler (Appointment in June 2023)	—	—	—
Lawrence A. Aidem (Resignation in June 2023)	10,034	175,448	55,488
Dr. Marion Helmes (Resignation in June 2023)	14,800	264,473	81,844
Erik Huggers (Resignation in June 2023)	6,439	140,106	35,608
Dr. Antonella Mei-Pochtler (Resignation in June 2023)	8,046	125,656	44,494

1 Until the prescribed level of 100% of an annual fixed gross basic salary is reached, the Executive Board members are obliged to invest in each financial year an amount corresponding to at least 25% of the annual gross payout from the performance bonus and Performance Share Plan. For Bert Habets and Ralf Peter Gierig, this applies for the first time when the performance bonus for 2022 will be paid out in financial year 2023.
2 10 shares acquired before taking office.
3 2,700 shares acquired before taking office.
4 The members of the Supervisory Board have declared to the Supervisory Board as part of a "voluntary self-commitment" that they will each purchase shares of ProSiebenSat.1 Media SE stock each year for 20% of the annual fixed compensation granted under Section 14 (1) and (2) of the Articles of Incorporation (before deduction of taxes) in each case for a term of four years, but for no longer than the term of their membership of the Supervisory Board of ProSiebenSat.1 Media SE. The investment is generally made after payment of the compensation for the fourth quarter in the following year.
5 Share price as of Dec 31, 2023: EUR 5.53.

Further information on ProSiebenSat.1 Media SE's share-based payment plan (Performance Share Plan) and the employee stock option plan ("MyShares") can be found in the Notes to the Consolidated Financial Statements.
→ Compensation Report → Notes to Consolidated Financial Statements, note 26 "Shareholders' Equity"

ProSiebenSat.1 Group's financial reporting conforms to the IFRS (International Financial Reporting Standards) as adopted by the European Union. The Annual Financial Statements of ProSiebenSat.1 Media SE, the Group parent, are prepared under the accounting principles of the German Commercial Code (HGB). Both the single-entity financial statements of

ProSiebenSat.1 Media SE and the Consolidated Financial Statements are available on the Company's website, whereby the single-entity financial statements of ProSiebenSat.1 Media SE can be accessed from the point at which the Company's Annual General Meeting is convened:
→ www.prosiebensat1.com

Both sets of financial statements are audited and issued an audit opinion by an independent accounting and auditing firm. The financial statements for the financial year 2023 were duly audited by Ernst & Young with Nathalie Mielke acting as the lead auditor. They were issued an unqualified audit opinion on March 5, 2024. Tobias Schlebusch also signed the audit opinion. Nathalie Mielke has been working with the Company as lead auditor at Ernst & Young since the financial year 2019.
→ Report of the Supervisory Board

SUSTAINABILITY

REPORTING STANDARDS AND MATERIAL TOPICS

This sustainability chapter summarizes the key environmental, societal and social developments at ProSiebenSat.1 Group. In combination with the other contents of the Annual Report 2023, this chapter offers a comprehensive presentation of ProSiebenSat.1 Group's performance on the basis of financial and non-financial information. The sustainability chapter comprises the ProSiebenSat.1 Group Sustainability Report prepared in accordance with the standards of the Global Reporting Initiative (GRI). The complete GRI content index can be found in the "Information" section in the Online Annual Report.

▼ The sustainability chapter contains the separate Non-Financial Report (NFR) for ProSiebenSat.1 Group in accordance with section 315b (1) and (3) of the German Commercial Code (HGB): The contents of the NFR are indicated by a red triangle at the beginning (▼) and end (▲) of the respective passage. This separate disclosure therefore identifies the components of the report that are reported in accordance with the statutory obligation to provide a non-financial Group statement. The Sustainability Report also contains information that goes beyond the statutory requirements on further sustainability topics that are material to the stakeholders of ProSiebenSat.1 Group. In preparing the NFR, we are guided by the GRI standards as an international framework for sustainability reporting. In the NFR for the financial year 2023, ProSiebenSat.1 Group reports on the material non-financial aspects with the corresponding information that are necessary for an understanding of the Group's business development, operating results and position and the impact of the business activities in this regard. Material risks for individual non-financial aspects were not identified in this context.

In accordance with section 317 (2) Sentence 4 HGB, the auditor checked that the NFR was presented in line with the legal requirements. In addition, the Supervisory Board commissioned EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft ("Ernst & Young") to audit the content of the NFR with reasonable assurance. The audit opinion dated March 5, 2024, which describes the type, scope, and findings of this audit, is reproduced in the "Information" section in the Annual Report 2023. The audit was conducted using the relevant auditing standards "Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 revised)" in order to obtain reasonable assurance with regard to the legally required disclosures in accordance with sections 315b and 315c in conjunction with sections 289b to 289e HGB and the requirements of the EU Taxonomy Regulation.

The topics reported are the result of our current materiality analysis, which was renewed as scheduled in the financial year 2023. As of the financial year 2024, ProSiebenSat.1 Group is subject to new European legislation on sustainability reporting, the Corporate Sustainability Reporting Directive (CSRD). In preparation for this, we have compiled a comprehensive double materiality analysis. As part of the materiality analysis, the existing legal requirements applicable to the 2023 reporting period pursuant to sections 315b, 315c in conjunction with 289c (3) HGB and the materiality definition according to GRI were also taken into account. The procedure as well as the results of the materiality analysis were approved by the Executive Board and also presented to the Audit and Finance Committee of the Supervisory Board.

» INFORMATION

A materiality analysis is used to identify, define and analyze the key sustainability issues for a company and its stakeholders. The aim of the materiality analysis is to set priorities. It is therefore the central foundation for an entity's sustainability strategy and for sustainability reporting.

The materiality analysis was based on the sustainability topics derived from section 289c (2) HGB as well as further topics specific to ProSiebenSat.1 as a media company that were known from analyses conducted in the past. These topics were supplemented by individual sustainability topics not already shown, which are defined by the reporting standards prescribed by the CSRD (European Sustainability Reporting Standards, ESRS). This list of topics was discussed with the relevant internal departments and evaluated both in quantitative and qualitative terms. A total of 27 of these expert interviews were conducted. The aim was to choose a panel of internal experts that would represent the perspectives of all relevant stakeholders – such as investors, advertisers, viewers, users and consumers – so that they can be incorporated into the evaluations. During the discussions, the impact of the Group's activities on sustainability issues and its relevance for business success were analyzed. In addition, a survey was conducted among employees across all segments and at the holding company to align the results of the materiality analysis with the perspective of this stakeholder group on the potential and actual impact of the Group's activities. The results of the expert interviews and the employee survey were supplemented by research into relevant ESG ratings (evaluations of companies regarding their sustainability in the dimensions **E**nvironment, **S**ocial and **G**overnance), questionnaires of advertisers on the subject of sustainability, media policy and media law requirements and viewpoints as well as possible impacts on communities at the Company's headquarters. The insights gained from this were incorporated into the final quantitative and qualitative assessment of the individual sustainability topics by the Group Sustainability Office. To assess the materiality of the individual topics in accordance with section 289c (3) HGB, the business relevance of the individual sustainability aspects was evaluated, that is, the extent to which they are necessary to gain an understanding of the business development, business performance and the position of the corporation. Compared with the materiality analysis last carried out in 2021 and confirmed by the Executive Board in 2022, there have been no substantial changes to the material topics to be reported in the NFR. The preparation of the materiality analysis was managed by the Group Sustainability Office and supported by an external consultancy.

ProSiebenSat.1 Group prepares a new materiality analysis every two years and validates it annually. A renewal of the analysis is scheduled for 2025. ▲ **GRI 2-29**

▼ CONTENTS OF THE NON-FINANCIAL REPORT / GRI 3-1, 3-2, 3-3 ▲

Aspects and disclosures in accordance with section 289c HGB	Reported topics	Reporting in sustainability chapter
Environmental Matters	Energy, Emissions	Climate & Environment
Employee-related Matters	Talent Acquisition, Employee Development and Retention, Management Development, Diversity and Equal Opportunity	Employees, Diversity & Inclusion
Social Matters	Social Responsibility (Public Value), Data Protection, Media Regulation (Journalistic Independence and Due Diligence, Programme Guidelines, Youth Protection)	Society, Governance & Compliance
Respect for Human Rights	Anti-discrimination	Society
Prevention of Corruption and Bribery	Anti-corruption	Governance & Compliance
Other Aspects	Antitrust Law	Governance & Compliance

▼ For the required information about the business model in accordance with section 289c (1) HGB, please refer to the "Organization and Group Structure" section of ProSiebenSat.1 Group's Management Report. All other references to content outside this NFR are to be understood as additional information and not as part of this NFR. ▲

→ Organization and Group Structure

According to the GRI definition, aspects are classified as material, which have the most important actual and potential negative or positive impacts on the economy, environment and people, including impacts on their human rights, across our activities and business relationships. Based on this different definition of materiality compared with the NFR, the Sustainability Report includes additional topics. As part of the materiality analysis, two topics (waste and health & safety) were identified as no longer material for ProSiebenSat.1 compared to the previous year and are therefore no longer reported. Corporate citizenship was identified as a material topic and included in the Sustainability Report for the first time. Ernst & Young conducted an audit of the Sustainability Report to obtain limited assurance in accordance with ISAE 3000 (revised). The audit opinion dated March 5, 2024, which describes the type, scope and findings of this audit, is reproduced in the "Information" section in the Annual Report.

ADDITIONAL CONTENTS OF THE SUSTAINABILITY REPORT / GRI 3-1, 3-2, 3-3

Reported topics	Reporting in sustainability chapter
Accessible Offerings	Diversity & Inclusion
Corporate Citizenship	Society
Information Security	Governance & Compliance

▼ REPORTING SCOPE AND DATA COLLECTION ▲

The organizational reporting framework for the information on concepts and key figures for our sustainability performance as contained in the sustainability chapter essentially comprises all Group companies and corresponds to the scope of consolidation of ProSiebenSat.1 Group as of the end of the financial year 2023, which is managed centrally by ProSiebenSat.1 Media SE. The distinction of the scope of consolidation follows the control principle of IFRS 10. Changes in the scope of consolidation are accounted for in accordance with the recognition in financial reporting. Exceptions and restrictions with regard to the scope of reporting for individual content and data collection for key figures are described below or are indicated accordingly in the information on the individual topics. Unless otherwise indicated, the statements and key figures in the "Employees" section as well as with regard to diversity and equal opportunities mainly relate to the HR management approach and all employees of ProSiebenSat.1 Group, with the exception of international investments of Seven.One Studios, which comprised approximately two percent of the Group's employees at the end of the year. The topics described in the following with regard to employee matters are pursued throughout the Group, but individual measures are not implemented in the same way in all entities due to the diversity of the business models. Information about ProSiebenSat.1 Group's public value offerings relates primarily but not exclusively to the Group's business activities in the Entertainment segment. Information regarding corporate citizenship also focuses on the Entertainment segment, but also includes information about activities from the Commerce & Ventures as well as Dating & Video segments. The reason to this is our special responsibility in the media sector. We want our TV stations and platforms to play a relevant part in shaping opinions and promoting democracy. With the compliance management system (CMS), ProSiebenSat.1 Group covers significant legal areas which are relevant to non-financial reporting, such as anti-corruption and data protection, Group-wide. Due to different legal regulations outside of Germany and a lack of areas of application for many companies, for example, in the production business, the concepts on media law provisions relate primarily to the entities in the Entertainment segment in Germany.

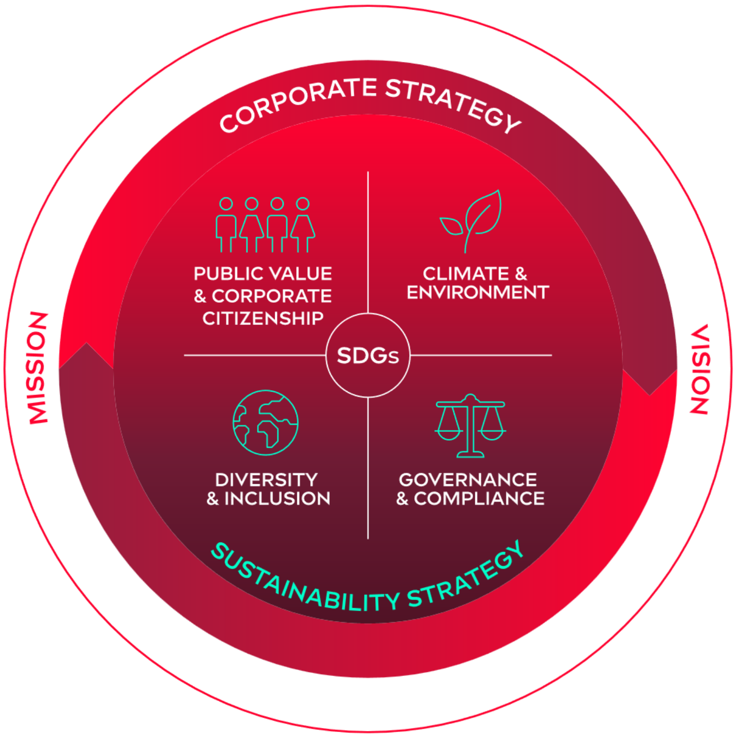
SUSTAINABILITY STRATEGY

▼ The Group defines sustainable entrepreneurial activity as an integrated approach to improving its economic, environmental and social performance. We are aware of our corporate and social responsibility and regard it as a holistic challenge. For ProSiebenSat.1, success not only means increasing ProSiebenSat.1 Group's economic results in the long-term. For us, it also means further developing the Group's sustainability strategy, adapting it to new challenges and aligning it more closely with the corporate strategy. Moreover, it means improving the key non-financial figures, and reconciling the sometimes conflicting interests of our target groups, particularly those of employees, users of our offerings and platforms, shareholders and investors, and business partners. As a matter of priority, ProSiebenSat.1 is engaging with stakeholders who strongly influence the Group's financial and non-financial targets as well as the regulatory framework for this, and are significantly influenced by the Group's activities.

In 2018, ProSiebenSat.1 developed a Group-wide sustainability strategy with the objective to tie sustainability aspects more strongly to ProSiebenSat.1's corporate strategy in order to examine the Group's economic, environmental and social performance in a holistic way. In addition, sustainability goals have been integrated into the Executive Board targets since 2021. ▲

→ Compensation Report

▼ SUSTAINABILITY STRATEGY ▲



▼ Our sustainability strategy is based on the UN Sustainable Development Goals (SDGs), which define global priorities and sustainable development goals for 2030 and aim to mobilize global efforts to achieve a common set of goals and targets.

ProSiebenSat.1 Group also wants to contribute to this transformation. As part of its strategy development for this purpose, the Group has classified the following six goals as being particularly relevant to its business activities and their contribution to the SDGs: quality education (SDG 4), gender equality (SDG 5), reduced inequalities (SDG 10), climate action (SDG 13), peace, justice and strong institutions (SDG 16), and partnerships for the goals (SDG 17). Based on this, we have transferred our sustainability management into four action areas in which we bundle our activities thematically and set individual principles in each case: public value & corporate citizenship (formerly: society), diversity & inclusion, climate & environment as well as governance & compliance. The specific goals of the sustainability strategy and their implementation in 2023 are described in the following sections on the respective topics reported. ▲

▼ RELEVANT UN SUSTAINABLE DEVELOPMENT GOALS (SDGS) ▲

▼ ACTION AREAS AND PRINCIPLES ▲

PUBLIC VALUE & CORPORATE CITIZENSHIP	DIVERSITY & INCLUSION	CLIMATE & ENVIRONMENT	GOVERNANCE & COMPLIANCE
We campaign for socially relevant issues.	**We promote equal rights and equal opportunities.**	**We are committed to ecological sustainability and climate protection.**	**We stand for openness and honesty.**

ProSiebenSat.1 is a signatory to the United Nations (UN) Global Compact, a major global initiative for sustainable and responsible corporate governance and is thus explicitly committed to its ten principles in the areas of human rights, labor standards, environment and climate, and preventing corruption.

These principles can be found in corresponding form in the ProSiebenSat.1 Code of Conduct: The Code of Conduct provides orientation and a binding framework both for our dealings with one another within the Group and with business partners, customers, suppliers and other third parties. It is binding for all ProSiebenSat.1 Group employees worldwide. The Code of Conduct provides guidance on, among other things, the working environment and our dealings with one another, taking into account the aspects of human rights, diversity and anti-discrimination, working conditions, health and safety as well as ownership.

The Code of Conduct has been adopted by the Executive Board. It is an annex to the employment contract of all employees. Furthermore, the Code of Conduct is available on the Intranet and is an integral part of the electronic training system. It is also available externally on the ProSiebenSat.1 Group website. The principles of the Code of Conduct are also made binding for our business partners through a separate Code of Conduct. ProSiebenSat.1 reserves the right to review compliance with the requirements of this Code of Conduct after giving reasonable advance notice and encourages its business partners to introduce their own binding guidelines for ethical behavior.
GRI 2-23, GRI 2-24, GRI 2-25

→ Code of Conduct → Code of Conduct for Business Partners → Governance & Compliance

ORGANIZATION AND MANAGEMENT

▼ Primary responsibility for non-financial aspects, sustainability performance indicators as well as ESG (Environment, Social, Governance) information at Executive Board level lies with Executive Board member and Chief Human Resources Officer (CHRO) Christine Scheffler.

The sustainability organization is structured as follows:

The **Sustainability Steering Committee** acts as a centralized and interdisciplinary committee for managing, monitoring, and developing the sustainability strategy. Chaired by Executive Board member and Chief Human Resources Officer (CHRO), it is made up of the Group CFO, managers and specialists from relevant central functions and operating corporate divisions as well as a Works Council representative. In the past year, the Sustainability Steering Committee held three meetings. The meetings focused on the sustainability targets for 2023 and planning the targets for 2024, linking the sustainability strategy with the Group strategy, projects for implementing new reporting requirements as part of the CSRD as well as updates regarding the focus topics in the defined action areas and their concrete implementation in the three segments.

For the definition of specific sustainability targets derived from ProSiebenSat.1 Group's general sustainability targets and their implementation at operating level in the three segments – Entertainment, Commerce & Ventures and Dating & Video – **sustainability segment leads** have been appointed in each case and are responsible for the respective topics. They are in regular contact with the Group Sustainability Office and represent their segments on the Sustainability Steering Committee. They are also tasked with effectively implementing the measures in the segment entities.

The **Group Sustainability Office** is responsible for the Group-wide planning, coordination, implementation, and communication of sustainability activities and for engaging with stakeholders. The Head of the Group Sustainability Office reports to Executive Board member and Chief Human Resources Officer (CHRO) Christine Scheffler. ▲ **GRI 2-12, GRI 2-13, GRI 2-17**

EMPLOYEES

▼ The basis of ProSiebenSat.1 Group's HR strategy are the overarching corporate goals. The Human Resources (HR) products, processes and measures derived from this are firmly focused on our employees in order to foster engagement and innovative strength.

The Group has identified the following key areas for its company-wide strategic HR work: talent acquisition, employee development and retention as well as management development. These issues identified as material are managed centrally to ensure a consistent and efficient approach. Under the leadership of the Executive Board, the HR department works closely with the HR managers in the various business units. Conceptual HR work in this context is managed centrally in consultation with the so-called Centers of Excellence (CoE) – which include areas such as talent, compensation & benefits, and labor law. The diversity management is also shaped by the central HR organization. Besides quarterly reporting on personnel risks as part of Group-wide risk management, internal HR reporting plays an important role.
→ Diversity & Inclusion

At the same time, ProSiebenSat.1 Group encourages specific topics to be dealt with individually in the separate organizational entities, depending on the sector and cultural background. In doing this, ProSiebenSat.1 Group aims to ensure that the various subsidiaries have the necessary flexibility to respond quickly and appropriately to the respective challenges in a competitive market environment. ▲

Information about employee numbers and Group employees by segments and regions can be found in the Group Management Report in the section:
→ Our Employees

Talent Acquisition

▼ Highly qualified and committed talents are an important prerequisite for our Company's success and future viability. After all, in a dynamically changing environment, our employees' ability to innovate plays a vital role in the further development of our products and services and thus in the economic success of the Group. In our recruitment, we rely on a skills-based model, which defines the key ProSiebenSat.1 skills of "Reflect," "Cooperate," "Create," "Deliver," "Know-how" and "Lead & Empower" that it is important for our employees to have in order to achieve our strategic corporate goals.

With our employer brand "ProSiebenSat.1 careers," we aim to position the Group as an attractive employer – for applicants as well as our employees. At the same time, it forms the umbrella for all our employer branding activities. To further expand the presence of our employer brand, we continued the campaign "#CreateMomentsThatMatter" in 2023: this includes various elements that we coordinate online and offline in order to reach our target groups in the best possible way. Examples of these include visuals, claims, a trailer, and short videos. We also use our social media careers channels to share content about moments from our employees' everyday working lives, which is intended to show potential applicants the diverse job and development opportunities at ProSiebenSat.1 Group.

To address job candidates, we also use a selection of complementary employer branding measures. Our career website functions as a central element on which we not only publish specific vacancies but also offer insights into the working environments of ProSiebenSat.1 Group. Potential applicants will also find information there about training and development opportunities, our corporate values and benefits as an employer. We also keep talents informed with stories on the ProSiebenSat.1 careers blog and our social media channels and share impressions from the Group. In 2023, for example, we profiled employees from various areas of the Group and presented their work environment in our employer podcast "Hausgemacht – der ProSiebenSat.1 careers-Podcast" (Homemade – the ProSiebenSat.1 careers podcast).
→ www.careers.prosiebensat1.com

Given the very heterogeneous nature of our target groups, in addition to a general employer branding strategy, we also pursue specific strategies for the particularly relevant fields of Tech & Data, Finance, Investment, M&A, Content & Creative, and Sales. Within these core target groups, we placed a special focus on young talents and, in particular, on engaging with Generation Z in 2023. For example, we have launched a dedicated TikTok channel to cater to the specific user behavior of Generation Z. By participating in target-group-specific employer branding events such as "WomenHack," we also want to increasingly position ProSiebenSat.1 Group as an attractive employer for women in the tech field.

In addition to events, we use sourcing channels such as social media, approaching talents directly, and university partnerships to get in contact with potential candidates. For example, ProSiebenSat.1 Group has now implemented a second successive semester partnership with the Technical University of Munich under the patronage of Executive Board member and Chief Human Resources Officer (CHRO) Christine Scheffler. As part of a course on the transformation of the media industry, students had the opportunity to attend practical lectures and work on specific projects from various areas of the Group.

At Group level, an average of 67.9 people (previous year: 46.8) applied for each professional position that was advertised in 2023. ▲ The early turnover rate was 13.4% (previous year: 12.4%[1]). It is defined as the percentage of employees who leave the Company within six months of being hired owing to the termination or annulment of their employment contract.

Employee Development and Retention

▼ In view of the dynamic market environment, it is crucial to strengthen our employees' specialist knowledge and general skills. The continuous training and development of our employees is therefore a key factor in the success of ProSiebenSat.1 Group. At the same time, it is vital for our attractiveness as an employer and for a strong performance culture that we offer qualified and committed employees development opportunities and retain them within the Group.

For this reason, ProSiebenSat.1 Group offers an extensive range of technical and personal training courses. In the period under review, the Group provided an average of 6.1 hours of training per employee (previous year: 7.4 hours) and 8.6 hours of training per manager (previous year: 9.4 hours). Our internal P7S1 Academy plays a vital role in training and development for our employees. Its training offers for employees in German-speaking countries are available in digital format. Its offerings are closely aligned with the Group's strategic corporate goals and the needs of the individual operating segments. In addition, our employees can use many training offers on the "LinkedIn Learning" platform.

We also see the regular dialogue between employees and managers as essential for the targeted and ongoing development of our employees. In the reporting period, we once again conducted and expanded "Up2Me," our standardized dialogue format relating to individual performance, targets and development potential for employees of Group entities, particularly in Unterföhring. With the "Feedback & Feedforward" training course, we want to support our employees and managers in successfully engaging in dialogue and strengthening the feedback culture. We also use an internal job portal to show our talents development opportunities within ProSiebenSat.1 Group in order to strengthen internal mobility within the Group.

Our fundamental aim is to provide our employees with an attractive working environment and to retain them within the Company in the long term. In addition to compensation in line with the market, we offer our workforce the "MyShares" share program, which allows employees in Germany to participate in the financial development of the Company. Employees also benefit from numerous social and fringe benefits, healthy meals in the campus canteens, and sports programs. Our cooperation with Urban Sports GmbH ("Urban Sports Club") enables our employees in Germany to use the sport, fitness and wellness offering at a reduced price. Family-oriented services and our in-house daycare center in Unterföhring complete the offer. In addition, ProSiebenSat.1 Group cooperates with an external service provider that arranges childcare, provides coaching for those in difficult circumstances and offers support with caring for relatives.

To ensure that we can also provide a modern working environment for our employees, we have implemented largely hybrid working models tailored to the respective work requirements and culture of the individual corporate units. Furthermore, our employees in Germany have the option of working mobile for 30 working days within a rolling twelve-month period in 25 EU countries and Switzerland. Flexible working time models and part-time work are other ways of promoting a work-life balance. As of the end of 2023, the proportion of employees working part-time was 19.1% (previous year: 18.2%). The proportion in our German entities was 19.4%, compared with 18.9% in the previous year.

In the context of employee retention, it is also important for us to establish a work culture that supports the health of our workforce. With our "P7S1 Mental Health Days," for example, we want to promote an open approach to the issue of mental health and remove the stigma associated with it.

1 The figure has been adjusted compared to the figure reported in the previous year.

In the reporting period, the Mental Health Days were again held in spring and fall. In this case, employees in German-speaking countries had the opportunity to attend presentations, workshops and training sessions on topics such as resilience, self-care or stress management.

With our corporate values “Passion,” “Innovation,” “Courage,” “Goal Orientation” and “Responsibility,” we are following the goal of strengthening the corporate culture and the identification of staff with the Company and establishing a common basis for our decisions and actions. We use a range of formats and specially appointed value ambassadors to help our employees integrate these values into their day-to-day work and to foster dialogue about our culture.

The turnover rate in the Group was 15.9% during the reporting period (previous year: 15.0%). In our German entities it was 15.0%, compared with 14.9% in the previous year. The possible impact of our restructuring in 2023 and the associated reduction in the number of jobs on the turnover rate will largely only become apparent in 2024. For the calculation of the turnover rate, the number of former employees who left in the reporting period due to resignations and termination agreements is divided by the number of employees as of December 31. Departures due to fixed-term contracts, the end of an apprenticeship, retirement or death are not taken into account. ▲ **GRI 2-7, GRI 401-1, GRI 404-1**

→ Significant Events

Management Development

▼ The skills of our managers are of central importance to ProSiebenSat.1 Group’s success. With our measures and services for management development and our guiding principles for management, comprising the three leadership levels “Lead Self,” “Lead Team” and “Lead Business” we want to establish a consistent understanding of leadership throughout the Group and to strengthen the performance and development of our managers. For that reason, we also offer impulse and dialogue formats in addition to training and advice at all management levels.

Through training offers, we want to empower our managers to enhance their skills and capabilities with regard to their management work. Hybrid leadership has become much more important in recent years. With the “Managing Hybrid Teams” training course, we want to provide our managers with the best possible support in leading and collaborating in hybrid teams. Communication in our hybrid working models largely takes place virtually, which is placing new demands on the communication skills of managers. This is why we offer the “Mastering Leadership Conversations” training course, which reinforces our managers’ communication skills and provides them with strategies for effective communication and persuasive discussion management, for example. We also see the topic of health as an important aspect of leadership. We offer a range of training courses to show managers the importance of self-care and resilience and to support them in dealing with mental stress among employees. Furthermore, we see the ability to recognize unconscious bias as being relevant to good leadership. We raise managers’ awareness of this with our “Unconscious Bias” training. The training also prioritizes the importance of diversity in the Company as well as fair cooperation.

Managers often face very individual challenges, which is why we complement our training offer with targeted consulting services. For example, we offer managers coaching to guide them in particular management situations and help them perform their management tasks.

Another element of the development of our managers is their networking across all units in the Group. To this end, we offer various impulse and dialogue formats to create a consistent understanding of the strategic direction and strengthen cross-departmental cooperation. Our top management plays a special role in this context. For this reason, we held two management meetings specifically for this target group in the reporting period, at which the topics of leadership and culture were discussed in more detail alongside the corporate strategy. In addition, we create space for ongoing dialogue, provide additional impetus and hone skills during our regular

"Leadership Hour." In the context of the realignment of the organization in 2023, the expertise of our managers in Germany on topics relating to change management and reorganization was deepened. The internal network "LeadingWomen@P7S1" offers female managers from the Group entities, particularly in Unterföhring, an additional opportunity to exchange ideas. ▲

OVERVIEW OF KEY EMPLOYEE FIGURES

▼ HOURS OF TRAINING FOR EMPLOYEES AND MANAGEMENT / GRI 404-1 ▲

Employee headcount, average number of hours per employee

	2023	2022
Gender		
Women	6.6	8.4
Men	5.6	6.4
Diverse	9.0	—
	6.1	**7.4**
Management level		
Managers with direct report to Managing Director or Member of the Executive Board	8.8	9.8
Other managers	8.5	9.2
Employees without management responsibility	5.7	7.1
	6.1	**7.4**
Area		
Production	5.3	5.5
Administration	7.6	10.0
Sales	5.5	7.0
	6.1	**7.4**

Not including international assets of Seven.One Studios.

▼ EMPLOYEES IN FULL-TIME AND PART-TIME EMPLOYMENT BY GENDER AND REGION / GRI 2-7 ▲

Employee headcount as of December 31

	2023			2022		
	Part-time	Full-time	**Total**	Part-time	Full-time	**Total**
Gender						
Women	1,006	2,679	3,685	1,007	2,832	3,839
Men	402	3,299	3,701	387	3,437	3,824
Diverse	—	2	2	—	3	3
	1,408	**5,980**	**7,388**	**1,394**	**6,272**	**7,666**
Region						
Germany	1,230	5,097	6,327	1,223	5,260	6,483
Austria/Switzerland	168	404	572	162	415	577
US	8	335	343	2	392	394
UK	—	12	12	—	30	30
Other	2	132	134	7	175	182
	1,408	**5,980**	**7,388**	**1,394**	**6,272**	**7,666**

Not including international assets of Seven.One Studios.

▼ EMPLOYEE TURNOVER BY AGE GROUP, GENDER, AND REGION / GRI 401-1 ▲

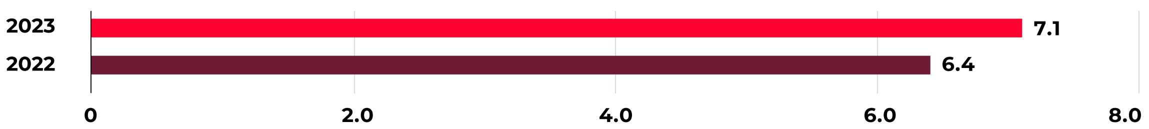
Employee headcount in %

	Turnover rate	
	2023	2022
Age group		
<30 years	26.8	21.0
30–50 years	15.1	14.7
>50 years	5.9	6.0
	15.9	**15.0**
Gender		
Women	15.9	13.8
Men	15.9	16.2
Diverse	100.0	33.3
	15.9	**15.0**
Region		
Germany	15.0	14.9
Austria/Switzerland	11.4	12.5
US	34.7	18.5
UK	183.3	46.7
Other	14.2	14.8
	15.9	**15.0**

Not including international assets of Seven.One Studios.
In regions with a small number of employees, exits during the year may exceed the total number of employees as of December 31, 2023, which can cause turnover rates over 100%.

AVERAGE DURATION OF EMPLOYMENT

In years as of December 31



Not including international assets of Seven.One Studios.

EMPLOYEES BY EMPLOYMENT CONTRACT, GENDER, AND REGION / GRI 2-7

Employee headcount as of December 31

	Temporary		Permanent	
	2023	2022	**2023**	2022
Gender				
Women	417	586	3,268	3,253
Men	255	363	3,446	3,461
Diverse	—	—	2	3
	672	**949**	**6,716**	**6,717**
Region				
Germany	657	921	5,670	5,562
Austria/Switzerland	13	21	559	556
US	1	—	342	394
UK	—	2	12	28
Other	1	5	133	177
	672	**949**	**6,716**	**6,717**

Not including international assets of Seven.One Studios.

NEW EMPLOYEE HIRES BY AGE GROUP, GENDER, AND REGION / GRI 401-1

Employee headcount

	New hires		New hire rate[1]	
	2023	2022	**2023**	2022
Age group				
<30 years	507	698	35.7%	43.0%
30–50 years	567	814	11.5%	16.0%
>50 years	54	62	5.3%	6.5%
	1,128	**1,574**	**15.3%**	**20.5%**
Gender				
Women	569	858	15.4%	22.3%
Men	558	713	15.1%	18.6%
Diverse	1	3	50.0%	100.0%
	1,128	**1,574**	**15.3%**	**20.5%**
Region				
Germany	1,020	1,323	16.1%	20.4%
Austria/Switzerland	58	107	10.1%	18.5%
US	30	84	8.7%	21.3%
UK	2	13	16.7%	43.3%
Other	18	47	13.4%	25.8%
	1,128	**1,574**	**15.3%**	**20.5%**

Not including international assets of Seven.One Studios.
1 Proportion of new employees by headcount.

SOCIETY

Social Responsibility

▼ ProSiebenSat.1 Group reaches millions of people every day. With our 15 free and pay TV stations in Germany, Austria and Switzerland alone, we address a variety of target groups and reach over 60 million people per month in the core sales market Germany. Entertainment is our core business, and our strategic focus is on the streaming platform Joyn. At the end of 2023, Joyn already had around 4.9 million users per month. The audience share of ProSiebenSat.1 stations in the reporting period came to 24.5% (previous year: 24.9%) among viewers aged 14 to 49 in Germany. Added to this is the reach of the Group's digital offerings such as Studio71, which generated 13.1 billion video views a month on YouTube alone in the financial year 2023 with around 1,350 channels (previous year: 11.8 billion video views).

→ Organization and Group Structure → Group Environment

As well as seeing the high reach and relevance of this market data we also recognize that it imposes a special obligation on us: With our offerings and particularly our content, we have a special social responsibility and contribute to shaping public opinion (public value). At the same time, we are committed to our society and using our media reach for social purposes (corporate citizenship).

Public Value

We generate public value by raising public awareness of socially relevant issues through our programs and campaigns. The term "public value" is used to describe the value and benefits that an organization contributes to society. This approach, which is stipulated in the program principles of the German Interstate Media Treaty (Medienstaatsvertrag – MStV), requires that private-sector broadcasters express the diversity of opinions in their content and allow important political, ideological, and societal stakeholders to have their say in an appropriate manner. In addition, the MStV guarantees that media offerings that are particularly relevant to the shaping of public opinion and contribute to media diversity will be easier to find on media platforms. The criteria used to determine these types of media offerings were defined in the statute on public value adopted by the German state media authorities. As part of a subsequent selection procedure, ProSieben, SAT.1, and Kabel Eins were considered to offer public value with their broadcasting and telemedia offerings. During the reporting period, the implementation of the requirements to make public value offerings easier to find in accordance with section 84 (3) Sentence 2 MStV became mandatory for providers of media platforms and user interfaces.

With the action area of "Public Value & Corporate Citizenship," ProSiebenSat.1 emphasized the aspects of opinion-forming and placement of socially relevant topics as key components of its sustainability commitment. Our goal in this respect is to integrate these aspects more strongly into our TV stations' programming and on our digital platforms. The Group Sustainability Office and the sustainability segment leads in the three segments work to increase public value content by communicating the sustainability strategy in the Group and driving the continual dialogue with the relevant interfaces throughout the Group.

We aim to reach all social groups and, above all, to address young people appropriately. We believe we have a responsibility to explain and contextualize current social and political developments for our viewers and users. We are systematically pursuing this ambition: Since January 2023, Seven.One Entertainment Group GmbH ("Seven.One Entertainment Group") has produced all the broadcasting group's news formats itself at an in-house newsroom with a staff of around 60. In addition to studios at our headquarters in Unterföhring, we operate a capital city studio very close to the German government at Potsdamer Platz in Berlin. Since 2023, the news broadcasts on ProSieben, SAT.1 and Kabel Eins along with all news offerings in the digital domain and on Joyn are bundled under the shared :newstime brand with the aim of delivering a more comprehensive and consistent journalistic offering for various target groups around the clock. In addition, the main news bulletins on SAT.1 from Monday to Friday were extended by ten minutes to 30 minutes. In various special broadcasts under the heading ":newstime SPEZIAL," we provide more detailed and up-to-date information on special news stories on SAT.1 and ProSieben.

For further information on journalistic due diligence and the independence of editorial work, please refer to the section:
→ Governance & Compliance

Apart from traditional news formats, we also want to incorporate socially and politically relevant topics in our programs and engage with people on an equal footing. Regular program priorities include the areas of climate and the environment as well as diversity, equality, and social cohesion.

For example, as part of "Green Seven Week," we implemented formats such as the report "Wie die Natur uns vor dem Klimawandel schützt – 5 Ideen, die Hoffnung machen" (How nature protects us from climate change – five ideas that give us hope) or several articles in the "Galileo" and "taff" magazine shows, which used the slogan "Let's save the planet!" to focus on overcoming environmental problems. For the 15th time, ProSieben highlighted sustainability and environmental issues under the "Green Seven" label. In addition to this ongoing commitment in its programming, ProSiebenSat.1 took part in a study initiated by the MaLisa Foundation and conducted by the University of Rostock entitled "Klimawandel und Biodiversität: Was zeigt das Fernsehen – was wollen die Zuschauer:innen?" (Climate change and biodiversity: What does television show – what do viewers want?), the results of which were published in 2023. The results of the study show the high relevance of television when it comes to informing viewers about climate and environmental issues: For those surveyed, TV is the most frequently used medium for this, and the majority would like to see even more frequent television coverage in the future.

Another focus is our partnership with the Special Olympics World Games, which were held in Germany for the first time in 2023. As the world's largest inclusive sporting event, the Special Olympics are committed to achieving greater recognition and social participation for people with disabilities. Among other things, we reported daily on the event in our magazine shows such as

"SAT.1 Frühstücksfernsehen," "taff" and "Galileo" and supplemented our reporting with a cross-media awareness campaign entitled "#Zusammenunschlagbar" (unbeatable together). The commitment was extended over the reporting period for the Special Olympics National Games in Germany in January and February 2024.

In the show "Joko & Klaas gegen ProSieben" (Beat the Channel), the two presenters Joko Winterscheidt and Klaas Heufer-Umlauf compete for a 15-minute slot in prime time that they can use however they wish. They use the time that they win to garner attention for current events and relevant topics. In the 2023 reporting period, for example, Joko and Klaas sent viewers of a game show on ProSieben on a search for new potential stem cell donors as part of the collective fight against blood cancer. Just how successful this concept is can be seen from the new record number of registrations at DKMS, an international nonprofit bone marrow donor center, recorded during the one-week campaign. More than 38,000 viewers requested a registration kit to be considered as potential stem cell donors.

We also take positions regarding socially relevant topics on a regular basis through our awareness-raising campaigns. For example, ProSieben campaigned for a diverse society under the slogan "We are one" on the International Day against Racism and on Christopher Street Day. On International Women's Day, SAT.1 drew attention to the discrimination and inequality that still exists between the genders. It also brought the topic of domestic violence to prime-time viewers with the documentary "Endlich frei! Das SAT.1-Event zum Weltfrauentag" (Free at last! The SAT.1 event on International Women's Day). SAT.1 and ProSieben also support a nationwide campaign against child abuse initiated by the Federal Ministry of Family Affairs and the Independent Commissioner for Child Abuse Issues.

We also want to meet our social responsibility in the Commerce & Ventures and Dating & Video segments and make a positive contribution in the area of public value. As part of the "Green Seven Week," experts from wetter.com provided daily information in the "Gute Klimanews" (Good Climate News) format about ideas and solutions for shaping a sustainable future. They also discussed technologies and innovative approaches that can help tackle climate change in the "Hope for Change" online talk. Another example from 2023 is the "Conscious Care" online initiative where Flaconi GmbH ("flaconi") showcases non-animal-tested, vegan, environmentally friendly or nature-based products and allows customers to filter selectively according to relevant criteria. Customers can also order refill variants for certain products instead of buying new ones, whereby flaconi is promoting sustainable multi-use packaging. On the topic of investments, SevenVentures focuses on companies with sustainable products or sustainable business models. The investment in Motatos GmbH ("Matsmart-Motatos") is an example in this context. The start-up sells food online at reduced prices, which helps large manufacturers to sell their surplus stock to consumers in a sustainable way.

In the Dating & Video segment, the ParshipMeet Group is using its matchmaking services to boost measures designed to promote a positive dating experience. Since the turn of 2021/2022, the Parship brand has been working to counteract challenges faced by the entire online dating industry, such as a lack of commitment and superficiality, under the "Healthy Dating" slogan. The English-language brand eharmony is pursuing this agenda in the USA, Canada, UK, and Australia. For example, 2023 saw the introduction of new product features for both apps to improve the dating experience for singles: The "Vibe Check" (Parship) and the "Highlight Feature" (eharmony) encourage users to discover similarities with other members and profile highlights and are designed to help singles engage more with the person behind the profile. In addition, new list views provide a better overview by separating incoming and outgoing likes and messages as well as mutual chats. This is all designed to put the focus on the quality rather than the quantity of contacts and further promote an authentic and appreciative dating experience with Parship and eharmony.

Under the brand #OneTomorrow, the Group communicates its sustainability activities throughout the Group both internally and externally. The Group-wide umbrella brand #OneTomorrow bundles our commitment from the pillars of public value & corporate citizenship, diversity & inclusion as well as climate & environment. Given that sustainability is increasingly characterizing the advertising campaigns of many major brands, #OneTomorrow also offers selected advertising customers the opportunity to book spots in environments produced with low carbon emissions or to calculate the carbon footprint for the campaigns and then offset the calculated amount with a voluntary donation to promote climate projects. Through brand collaborations, we also enable our advertising partners to use public value program environments for their own sustainability messages and associate with our #OneTomorrow brand. In 2023, for example, we developed a four-part, short-format series entitled "Sparkasse Zukunftstrends by #OneTomorrow – Nachhaltigkeit lohnt sich" (Sparkasse, i.e., German savings bank, future trends by #OneTomorrow – sustainability pays) to provide viewers with concise information about the opportunities of climate-friendly business while at the same time allowing the Sparkasse to use this appropriately themed TV environment to raise awareness of its sustainable service portfolio.

For more than a decade, the Group has placed its activities in the public value domain in a larger social context and has underscored their relevance for the Group by establishing an Advisory Board. The interdisciplinary body chaired by Bavaria's former minister-president Dr. Edmund Stoiber advises ProSiebenSat.1 Group on relevant social, ethical and media policy issues and provides impetus on important topics such as education and culture. In 2023, the Advisory Board held five meetings to discuss a range of issues including ProSiebenSat.1 Group's sustainability strategy. This year, the Advisory Board also got involved in the public debate on the reform of public broadcasting and emphasized the relevance of private broadcasting in creating a pluralistic media landscape that reflects the entire democratic spectrum of opinion. The Advisory Board believes that maintaining the financial viability of private journalistic content and striking a balance between the two pillars of the dual system are critically important and must be taken into account in considerations to reform the public service pillar.

As well as participating in public debates about the media landscape, we want to provide impetus for the responsible formation of a more sustainable media industry. We engage closely with political decision-makers and representatives of the supervisory authorities in an effort to jointly promote this objective. For example, we are a founding member of the Bavarian Media Sustainability Pact, which is coordinated by the Bavarian Regulatory Authority for Commercial Broadcasting. Together with other media companies, scientific representatives and the Bavarian Journalists' Association, our aim is to define journalistic responsibility as an essential component of sustainability in media companies in addition to economic, ecological, and social responsibility. With guidelines and FAQs, we want to give small and medium-sized media companies in particular the opportunity to develop a sustainability strategy with reasonable outlay in terms of time and human resources and embed public value within the company. In 2023, the Bavarian Media Sustainability Prize, awarded by ProSiebenSat.1 together with three other foundation partners, was presented for the first time as part of the "Munich Media Days" event. The prize recognizes media companies for their systematic approach to the topic of sustainability and offers best-practice examples for a sustainable media industry. ▲ **GRI 2-29**

Corporate Citizenship

In addition to our public value measures, we use the wide reach of our stations and platforms to bolster our commitment to corporate citizenship. We see corporate citizenship as an expression of our responsibility as a company and member of society to do good.

Providing aid for emergencies and disasters is a key pillar of our commitment to corporate citizenship. For us, this means pairing our million-strong reach and expertise in the media sector with the many years of experience of charitable partners. ProSiebenSat.1 provides charitable organizations with gross media volumes at a discount or pro bono, up to a single-digit million euro amount in individual cases, so that they can provide important humanitarian emergency aid.

When it comes to choosing partner organizations, criteria such as a high level of credibility and an ability to deliver politically neutral aid effectively are extremely important for us. To support those affected by the earthquakes in Turkey and Syria, we provided the Germany's relief coalition "Aktion Deutschland Hilft" among others with a gross media volume of up to EUR 1.0 million pro bono in 2023. At the same time, we launched a campaign across all our stations with a gross media volume of EUR 1.6 million, appealing for donations for people in the earthquake region. As a result, our SAT.1 special appeal for donations contributed to the total of EUR 5.7 million that our campaign with Aktion Deutschland Hilft raised for the people affected.

Due to numerous other disasters in 2023, such as the floods in Libya and the earthquake in Morocco, ProSiebenSat.1 Group provided the relief coalition "Aktion Deutschland Hilft" with a further EUR 1.0 million in gross media volume pro bono as part of its general disaster response approach.

We are also committed to delivering emergency humanitarian aid in the context of the Middle East conflict. We provided two partners with many years of emergency aid experience, "Aktion Deutschland Hilft" and "UNICEF", with a media volume of EUR 0.5 million and EUR 1.0 million pro bono. Thanks to these placed campaigns, "Aktion Deutschland Hilft" and "UNICEF" were able to appeal for donations for the civilians affected and provide emergency humanitarian aid.

In addition to our commitment to emergency and disaster relief, we also provide media volumes in support of other charitable organizations that make a positive contribution to our society. As a founding member, ProSiebenSat.1 Group has supported a range of organizations, including the startsocial association since 2001. As well as providing support in the form of media volumes, our employees support the initiative on a voluntary basis as coaches, jury members and on the advisory board. startsocial promotes voluntary social involvement throughout Germany by, among other things, helping social initiatives address their challenges and goals during a four-month consultation phase together with two coaches from the business world. With the German Federal Chancellor as its patron, startsocial also presents awards and allocates advisory grants to outstanding voluntary initiatives.

Through various charitable, local initiatives or company volunteering projects, our employees are engaged in climate and environmental protection as well as social projects. The GreenTeam, which was founded by employees in 2018, focuses on developing and implementing specific sustainable solutions with the goal of reducing ProSiebenSat.1's ecological footprint and inspiring employees to take more personal responsibility. The Group and its employees also organize regular fundraising campaigns for charitable organizations, such as the annual support for the Christmas campaign run by the children's foundation "Die Arche" in Munich. In the Entertainment segment, projects and fundraising campaigns are often organized in conjunction with productions. For example, "The Taste" has a long-standing partnership with Munich-based food bank "Münchner Tafel." For ten years, this initiative has arranged donations of unused food from production departments to "Münchner Tafel." In 2023, star chefs Alexander Herrmann, Tim Raue and Nelson Müller from "The Taste" also cooked meals in the canteen in Unterföhring for people in need at "Münchner Tafel" and then distributed them personally. The Commerce & Ventures and Dating & Video segments also organized regular fundraising campaigns and social projects, such as a "social day" at the ParshipMeet Group headquarters in Hamburg in support of the charitable education initiative KinderHelden GmbH.

DIVERSITY & INCLUSION

Diversity and Equal Opportunity

▼ For us, diversity means recognizing and valuing differences and individuality. Our goal is to create a working environment that is free of prejudice and shows all employees the same high level of appreciation – regardless of their age, disability, ethnic background and nationality, sex and gender identity, religion and ideology, or sexual orientation and identity. We regard the differences and diversity of our employees as an important requirement for our Company's success. Against this backdrop, ProSiebenSat.1 Group signed the Diversity Charter as early as 2014 and follows the guidelines specified in it. Our internal guidelines also stipulate that employees at all hierarchy levels should be hired exclusively according to objective criteria and promoted solely on the basis of their abilities. We pursue the goal of promoting diversity within our workforce and champion equal rights and equal opportunities in accordance with the guiding principle for the action area of diversity. The "Diversity & Inclusion" department is responsible for the further development of diversity management, the targeted focus and the operational implementation of associated measures. This department is part of the HR department. We wish to illustrate our commitment to diversity and inclusion with the "Diversity Principles," which have been published throughout the Group. They form the foundation for our activities to promote tolerance and diversity – in our Company and in society. We see this as a task for all our employees and our managers.

This action also includes the further development of our inclusion efforts: Inclusion officer and representatives for severely disabled employees cooperate closely to implement the inclusivity agreement concluded between the Executive Board and the Works Council. In addition, ProSiebenSat.1 Group is cooperating for the third year in a row with myAbility Social Enterprise GmbH ("myAbility"), which advocates for a society offering equal opportunities and accessibility. The company supports students and university graduates with disabilities and chronic illnesses in German-speaking countries by providing them with career coaching and opportunities for networking and job shadowing. In November 2023, we hosted a joint "career café" on the theme "How do I pitch myself with a disability or chronic illness in interviews?". In addition to input from our recruiters on how to present at interview and sample pitches from experts on their own behalf, there was a specialist presentation from the foundation MyHandicap gGmbH ("EnableMe"), a platform for information, dialog and support for disability and chronic illness.

To mark International Day of People with Disabilities in December this year, we took part in the global #PurpleLightUp campaign once again with an in-house event. The campaign is supported in the German-speaking region by myAbility as an official partner of PurpleSpace Ltd. ("PurpleSpace") and is intended to draw attention to the necessity of economic autonomy for people with disabilities. To raise their awareness of issues of inclusion, accessibility and discrimination in connection with disabilities raised, employees from the HR departments attended a presentation by the Sozialheld*innen, a charity that is campaigning for social justice via project work.

The diversity of our Company is aided by the best possible balance of men and women and a diversity of genders in the workforce and in management positions. Therefore, we integrated "gender equality" into ProSiebenSat.1 Group's sustainability strategy as a United Nations Sustainable Development Goal (SDG 5) that is particularly relevant to us. The internal and external communication of this goal sends a clear signal to both potential managers and to decision-makers at all management levels during selection processes. When it comes to filling management positions in the Group, men and women should be hired purely on the basis of professional and personal aptitude. As of December 31, 2023, 49.9% (previous year: 50.1%) of employees in the Group were female and 50.1% (previous year: 49.9%) were male. Two employees have chosen the gender identifier "diverse," which is why the proportion is about 0.0%. The proportion of female managers increased slightly from 35.8% (2022) to 36.0% (2023). **GRI 405-1**

▼ SHARE OF EMPLOYEES BY GENDER / GRI 405-1 ▲

Employee headcount as of December 31, in %

	Employees		Managers	
	2023	2022	**2023**	2022
Group[1]				
Women	49.9	50.1	36.0	35.8
Men	50.1	49.9	64.0	64.2
Diverse	0.0	0.0	—	—
	100.0	**100.0**	**100.0**	**100.0**
Germany				
Women	50.0	50.4	36.0	35.9
Men	49.9	49.6	64.0	64.1
Diverse	0.0	0.0	—	—
	100.0	**100.0**	**100.0**	**100.0**
ProSiebenSat.1 Media SE				
Women	63.7	63.8	42.9	43.9
Men	36.3	36.2	57.1	56.1
Diverse	—	—	—	—
	100.0	**100.0**	**100.0**	**100.0**

1 Not including international assets of Seven.One Studios.

As of December 31, 2023, the average age of employees at ProSiebenSat.1 Group was 38.4 years (previous year: 37.7 years). The proportion of employees who were of foreign nationality was 16.2% (previous year: 15.8%).

An open-minded working climate with regard to sexual orientation and gender identity is a key criterion for us to be perceived as a modern employer. That is why we specifically support initiatives aimed at promoting diversity and inclusivity. An example of this is the LGBT+ network (Lesbian, Gay, Bisexual and Transgender) PROUD@ProSiebenSat.1, which has been set up by employees and aims to make diversity more visible within the Group. In 2023, the network took part in Christopher Street Day in Munich for the second time and took a stand against discrimination and for tolerance. Our efforts to create an open-minded work atmosphere with regard to sexual orientation and gender identity were recognized in August by Uhlala GmbH ("UHLALA Group"), with the gold status of the PRIDE Champion seal. The audit involved an examination of the categories Organizational Structure, Human Resources, Communication & Visibility as well as Legal Framework & Regulations.

Employee networks play a key role for us in Companies because they create a platform to facilitate the exchange of experiences and perspectives. These networks foster an inclusive corporate culture in which diversity is viewed as a strength. They also aim to help raise awareness of diversity and inclusion and enable effective collaboration that benefits from different backgrounds and perspectives. Along with the employee network PROUD@ProSiebenSat.1, we therefore support our women's network F·Empowerment and the new cultural diversity network Culture Matters, which was founded in 2023. F·Empowerment focuses on networking and raising the visibility of women within the Group. Members of the network took part in a range of events, such as a personal exchange format to mark International Women's Day, a personal branding workshop or a series of informal discussions with female managers from the Company on the topic of perfect work-mom-life balance. The new Culture Matters network aims to create visibility for underrepresented groups and provide information about all aspects of cultural diversity. Employees can use an internal platform to exchange information and find out about intercultural days and events.

External networking with other companies also plays a key role in our efforts to improve diversity and inclusion as it facilitates the exchange of best practices and innovative approaches. By embracing this broader perspective, we are promoting the diversity of ideas. At the same time, we are gaining more comprehensive insight into the challenges and opportunities in the area of diversity and inclusion. This is also why our Executive Board member and Chief Human Resources

Officer (CHRO) Christine Scheffler plays an active role on our behalf on the Advisory Board of Beyond Gender Agenda GmbH ("BeyondGenderAgenda"). BeyondGenderAgenda supports the further strengthening of diversity and inclusive working environments in the culture of listed and medium-sized companies. We are also involved in the alliance "Medien für Vielfalt" (Media for Diversity), which was founded in 2021 by the media companies ARD, ZDF, Deutsche Welle, Deutschlandradio, RTL Deutschland and ProSiebenSat.1 on the initiative of the state media authority of Bremen. The alliance represents a clear commitment to diversity in the media sector and organizes regular discussion forums with the participating partners.

Our goal is to create an inclusive working environment in which all individuals are shown the same appreciation. It is therefore important for us to examine our own use of language in an everyday working context. For that reason, we made a recommendation to our employees in 2021 that they should use gender-sensitive language. This approach is presented during the welcome days for the onboarding of all new employees.

At the same time, ProSiebenSat.1 Group wants to use the reach of its entertainment offerings to set an example for diversity. Examples from the 2023 reporting period include the program highlights on SAT.1 for International Women's Day and on ProSieben for the International Day for the Elimination of Racial Discrimination, and PRIDE Day. In addition, there is the reporting on the Special Olympics World Games in Berlin from June 17 to 25, 2023. As part of the media alliance, we were represented on site and broadcasted daily reports in various formats. Information was also made available to editorial teams to ensure non-discriminatory reporting.

To create a deeper understanding of cultural sensitivity and diversity, we feel it is extremely important to provide training on racism for editorial teams of TV formats. To mark European Diversity Month in May, the editorial teams of the ProSieben "taff" and "Galileo" formats were also invited to attend a training course by the Diversity Kartell initiative entitled "Rassismuskritische Sprache in den Medien" (Racism-critical language in the media). Here, editorial teams were trained to take conscious action against stereotypical representations and to produce content that tries to present an unfiltered impression of diversity in society. Furthermore, the training is supposed to help foster an inclusive work environment in which diverse perspectives are valued and respected, which ultimately contributes to a more diverse and representative media landscape. ▲

OVERVIEW OF KEY DIVERSITY FIGURES

▼ DIVERSITY OF EMPLOYEES / GRI 405-1 ▲

As of December 31 (headcount), in %

		2023	2022
Managers with direct report to Managing Director or Member of the Executive Board	Women	33	35
	Men	67	65
Other managers	Women	37	36
	Men	63	64
Employees without management responsibility	Women	52	52
	Men	48	48
Managers with direct report to Managing Director or Member of the Executive Board	<30 years	1	1
	30–50 years	78	81
	>50 years	21	17
Other managers	<30 years	2	4
	30–50 years	83	81
	>50 years	15	15
Employees without management responsibility	<30 years	22	24
	30–50 years	65	64
	>50 years	14	12
Production	Women	44	45
	Men	56	55
Administration	Women	53	53
	Men	47	47
Sales	Women	56	56
	Men	43	44
Production	<30 years	18	19
	30–50 years	65	65
	>50 years	17	15
Administration	<30 years	18	22
	30–50 years	69	68
	>50 years	12	11
Sales	<30 years	22	24
	30–50 years	67	67
	>50 years	11	10

Not including international assets of Seven.One Studios.
Employees who have chosen the sex marker "diverse" are not shown due to the small number in order to protect personal rights.

▼ DIVERSITY OF GOVERNANCE BODIES AT PROSIEBENSAT.1 MEDIA SE / GRI 405-1 ▲

As of December 31 (headcount), in %

	Executive Board		**Supervisory Board**	
	2023	2022	**2023**	2022
Gender				
Women	33.3	25.0	44.4	37.5
Men	66.7	75.0	55.6	62.5
Diverse	—	—	—	—
	100.0	**100.0**	**100.0**	**100.0**
Age group				
<30 years	—	—	—	—
30–50 years	—	—	11.1	25.0
>50 years	100.0	100.0	88.9	75.0
	100.0	**100.0**	**100.0**	**100.0**

Accessible Offerings

ProSiebenSat.1 Group is committed to barrier-free access to its offerings. Among other things, our stations offer subtitled programming, audio descriptions for the blind and visually impaired, formats in sign language and, since 2023, in easy language in an effort to improve the dissemination of information. Back in 2000, ProSieben already introduced the first regular subtitle service for the deaf on German private television. The Group broadcasts accessible content on nearly all its free TV stations and continually drives their expansion ever since. In 2023, the range of programs with subtitles was expanded and, in particular, the number of formats with additional audio description and sign language was increased. Specific examples include the finale of "Germany's Next Topmodel – by Heidi Klum" on ProSieben, the entire season of "Zurück in die Schule" (Back to School) on SAT.1, or coverage of the coronation of King Charles III: "SAT.1. Das ist die Krönung!". These programs were available in barrier-free formats with subtitles, audio description, and in sign language. Deaf performers also appeared live for the first time on the final of "The Voice Kids". By expressing themselves through facial expressions, gestures and movement, they bring the music to life for viewers with impaired hearing. Likewise, the musical performances for the BAMBI Award were also accompanied by deaf performances for the first time, both on linear TV and for streams on Joyn. SAT.1 also broadcasted the award ceremony with live subtitles and audio description. For International Women's Day in 2023, easy-to-read language subtitles were offered for the first time for the "Endlich frei!" (Free at last!) format on SAT.1. We further expanded our easy language offerings with highlight clips and magazine features on the Special Olympics World Games 2023 on ProSieben. For the future, we aim to further expand our barrier-free offerings.

Since 2023, we also offer our advertising customers the opportunity to book accessible advertising slots on our stations with subtitles, audio description, and sign language. To mark the European Day of Protest for the Equality of People with Disabilities on May 5, we also highlighted the issue of hearing impairment as part of a commercial break event on ProSieben. This involved showing commercials in which the sound was modified to raise awareness of how the deaf or those with impaired hearing perceive advertising.

Moreover, the German Interstate Media Treaty requires broadcasters of nationwide programs and video-on-demand providers to expand their range of accessible content within the limits of their technical and financial capabilities. Since 2023, the German Interstate Media Treaty requires broadcasters to draw up concrete action plans for this. Individual states and the German government have already published action plans to implement the UN Convention on the Rights of Persons with Disabilities, which also aim to include more accessible formats on television. The state media authorities regularly monitor this expansion. Subtitles are currently included in the programs of five German ProSiebenSat.1 stations: SAT.1, ProSieben, Kabel Eins, sixx, and ProSieben MAXX. On average in 2023, subtitled minutes as a percentage of linear programming as a whole (24 hours) amounted to 29.8% on SAT.1, 50.7% on ProSieben, 53.7% on Kabel Eins, 33.9% on sixx and 15.8% on ProSieben MAXX.

Since December 2023, we have also been offering subtitles via teletext for our Austrian stations Puls 4, ATV, ATV II and Puls24 as well as the Swiss station Puls 8 in addition to our German channels.

CLIMATE & ENVIRONMENT

▼ ProSiebenSat.1 Group is aware of its ecological responsibility. Therefore, together with our employees and in dialog with our external stakeholders, we want to make our contribution in limiting climate change and protecting our environment and its resources. We have set operational carbon neutrality as a central, Group-wide target for 2030. To this end, we have continually reduced our operational emissions since the target was set in 2019 (base year). In 2023, we can report a reduction of 13% year-on-year.

» INFORMATION

As ProSiebenSat.1's decarbonization strategy aims for a high level of ambition and intends to make a science-based contribution to the global 1.5 degree target, we are currently working on a climate target in line with the requirements of the Science Based Targets initiative. Founded by the United Nations Global Compact, the World Resources Institute, the Carbon Disclosure Project (CDP) and the World Wide Fund For Nature (WWF), this initiative aims to support companies in developing and implementing scientifically sound strategies to reduce greenhouse gas emissions.

At our Unterföhring site – the Group's headquarters – we supply our office buildings, production studios, and data centers exclusively with green electricity. As an energy source for space heating, ProSiebenSat.1 prefers to use district heating from renewable sources, such as geothermal energy at its headquarters. We also use the waste heat from our data centers as heating energy. The ongoing conversion to LED lighting in our offices and production studios is also contributing to increased energy efficiency. In addition, sustainability certification in accordance with the LEED model (Leadership in Energy and Environmental Design) is planned as part of the new construction project at the campus in Unterföhring. In 2023, ProSiebenSat.1 PULS 4 also became the first Austrian TV station group to be certified according to the European environmental management system EMAS (Eco-Management and Audit Scheme).

With the "Clean shoot!" initiative, Seven.One Entertainment Group developed an extensive package of measures in 2019 to make film and television productions more sustainable: The initiative defines requirements and recommendations for production companies on how to reduce CO_2e emissions and conserve resources. The package of measures was also applied in full during the financial year 2023. As a member of the Green Shooting working group, the Group works with numerous representatives of the film and television industry as well as with film funding institutions to continue developing the industry-wide ecological standards for audiovisual production adopted in October 2021. Since 2023, compliance with these standards is also a mandatory requirement for receiving funding for the production of movies and series.

In addition to environmentally friendly production, ProSiebenSat.1 also champions environmental and climate protection issues in numerous formats. One program example is the "Green Seven Week" – a proven format that has been addressing young target groups in particular since 2009. Additional information can be found in the section:
→ Social Responsibility

Operational responsibility for recording and consolidating environmental activity data lies with the Corporate Procurement & Real Estate department for the headquarters and with the respective management teams for the ProSiebenSat.1 assets. The Group Sustainability Office is responsible for CO_2e accounting, determining other reported environmental performance indicators, and reporting and communicating these. The Group Sustainability Office is also responsible in organizational terms for the management of climate and environmental protection measures to achieve climate-related corporate goals. ▲

Energy

▼ Total energy consumption within the Group came to around 33 gigawatt hours (previous year reference: 33 GWh) in the reporting period. The main areas of consumption were electrical energy with 16 GWh (previous year: 14 GWh) and demand for heating and cooling with 12 GWh (previous year: 13 GWh). The energy consumption of the vehicle fleet was 5 GWh (previous year: 5 GWh). Across all categories the share of energy from renewable sources in total consumption across all categories was 67% in 2023 (previous year: 66%). ▲ **GRI 302-1, GRI 302-3, GRI 302-4**

▼ ENERGY INTENSITY / GRI 302-1, 302-3 ▲

	2023	2022
Total energy consumption in GWh[1]	33.09	33.26
energy from renewable sources	22.19	21.99
energy from non-renewable sources	10.90	11.27
Revenues in EUR m	3,852	4,163
Average FTE[2]	7,310	7,501
Energy consumption/revenues in MWh/EUR m	8.59	7.99
Energy consumption/average FTE in MWh/average FTE	4.53	4.43

1 Fuel types used: electricity (16.34 GWh), district heating & cooling (9.91 GWh), fuels vehicle fleet (5.05 GWh), fossil fuels (1.79 GWh)
2 The number of average employees is presented in full-time equivalents (FTE).

Emissions

▼ Overall, ProSiebenSat.1 Group's operational emissions (Scope 1, Scope 2) fell by 13% in 2023 compared to the previous year. In the case of emissions from heat generation (stationary heating in Scope 1 and district heating and geothermal energy in Scope 2), there was a shift between Scope 1 and Scope 2 due to the increase in primary data coverage in the reporting year.[2] In the previous year, the emissions of individual locations (around 160 tCO_2e[3]) were reported under Scope 2 (district heating and geothermal energy), which are reported in Scope 1 (stationary heating) in this reporting year due to additional information with regard to the energy source used. Adjusted for this effect, Scope 1 emissions are slightly below the previous year with stable emissions from stationary heating and Scope 2 emissions are still significantly below the previous year.

As in the previous year, the decrease in ProSiebenSat.1 Group's direct emissions (Scope 1) is mainly due to the reduced emissions from the vehicle fleet. The Group is undergoing an incremental transformation to switch completely to locally emission-free e-mobility. During the reporting period, all pool vehicles available at the headquarters in Unterföhring were replaced with fully electric models. There are more than 80 charging stations at the campus in Unterföhring and this number will increase to over 100 during the first quarter of 2024. The charging points are powered exclusively by green electricity. Apart from charging pool and company cars, employees can also use them for their private vehicles.

Also relevant for direct emissions are stationary heating and the operation of the emergency standby systems at the broadcasting site in Unterföhring, which run on light heating oil in the event of disruption to the electricity supply.

2 Increased primary data coverage in relation to the energy source used. In previous years, district heating was simply assumed as the energy source if no information on the actual energy source was available.
3 For emissions reporting, we use the unit CO2 equivalent (CO2e), a unit of measurement to standardize the climate impact of the different greenhouse gases. The calculation of emissions takes account of all greenhouse gases as defined by the Kyoto Protocol (CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3).

Indirect emissions caused by the generation of purchased energy (Scope 2) declined by 456 tCO_2e year on year to 918 tCO_2e. In addition to the conversion of further locations to a power supply from renewable energies, this is primarily due to lower emissions from district heating and geothermal energy. In addition to the effect of increased primary data coverage, the energy-saving measures implemented in the 2022/2023 heating period were continued in this area, further reducing the demand for heat.

The emissions recorded for the upstream and downstream value chain (Scope 3) apart from generation and transmission losses in the energy supply (27%) primarily arise from employee commuting (30%) and business travel (44%). The other emission categories of the upstream and downstream value chain (Scope 3) are currently being analyzed, and we plan to include these in our official CO_2e footprint as part of the accession process for the Science Based Targets initiative.

Across all recorded emission categories (Scope 1, Scope 2, Scope 3), an increase of 17% is recorded. This increase is primarily driven by higher emissions from business travel, which are due in particular to the increase in emission factors per flight kilometer compared to the previous year and the further increase in travel activity. Generation and transmission losses in the energy supply not included in Scope 1 and 2 (Scope 3) have also risen due to the overall increase in electricity consumption and the country-specific calculation method[4] used for the first time this year. Also, emissions from employee commuting have increased further due to increased presence in the office in 2023. As in previous years, ProSiebenSat.1 Group plans to offset 10% of the total emissions (Scope 1, Scope 2, Scope 3) by purchasing certificates from climate protection projects selected according to defined criteria.

▼ CARBON FOOTPRINT OF PROSIEBENSAT.1 GROUP / GRI 305-1, 305-2, 305-3 ▲

Greenhouse gas emissions (CO_2 equivalent) in metric tons[1]	2023	Change	2022
Scope 1 – Direct greenhouse gas emissions	**1,683**	**4%**	**1,618**
Vehicle fleet[2]	**1,308**	**−7%**	1,401
Emergency power supply	26	**4%**	25
Stationary heating	349	**82%**	192[10]
Scope 2 – Indirect greenhouse gas emissions[3]	**918**	**−33%**	**1,373**
Electricity[4]	409	**−4%**	428
District heating and geothermal energy[5]	509	**−46%**	946[10]
Scope 3 – Greenhouse gas emissions from upstream and downstream stages of the value chain	**10,685**	**27%**	**8,399**
Fuels and energy-related activities not included in Scope 1 or 2	2,835	**19%**	2,373
Waste from operating processes	12	**−35%**	18
Employee commuting	3,185	**15%**	2,758
Business travel[6,7]	4,653	**43%**	3,250
Operational emissions (Scope 1 and 2)	**2,600**	**−13%**	**2,991**
Total emissions (Scope 1, 2 and 3)[8,9]	**13,285**	**17%**	**11,390**

1 In determining the carbon footprint, we followed the criteria and definitions of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). The data collection was based on internal guidelines. In addition, we used the following standards to calculate our carbon footprint and selected data on indirect CO_2e emissions (Scope 3): Greenhouse Gas (GHG) Protocol – Corporate Accounting and Reporting Standard, Corporate Value Chain Accounting and Reporting Protocol of the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). All of the ProSiebenSat.1 Group's own sites and employees were included in the carbon footprint. The coverage with measurement data in Scope 1 and 2 is 97% (previous year: 82%). We used the market-based method for the calculation.
2 Excluding electricity for EVs.
3 Scope 2 emissions according to the location-based method amounted to 7,679 tCO_2e in the reporting period (previous year: 6,599 tCO_2e).
4 The location-based emissions in the electricity category amounted to 5,899 tCO_2e in the reporting period (previous year: 4,477 tCO_2e).
5 The location-based emissions in the category district heating and geothermal energy amounted to 1,780 tCO_2e in the reporting period (previous year: 2,123 tCO_2e).
6 Plane, train, rental car, taxi and public transport.
7 In the business travel category, 452 tCO_2e were offset in the reporting period (previous year: 599 tCO_2e).
8 Total emissions according to the location-based method amounted to 20,047 tCO_2e in the reporting period (previous year: 16,616 tCO_2e).
9 The remaining non-reduced and non-compensated emissions in the reporting period were 12,833 tCO_2e (previous year: 10,791 tCO_2e).
10 In the previous year, the emissions of individual locations (around 160 tCO2e) were reported under Scope 2 (district heating and geothermal energy), which are reported in Scope 1 (stationary heating) in this reporting year due to additional information with regard to the energy source used.

4 In previous years, simplified emission factors for Germany were used to calculate the fuels and energy-related activities not included in Scope 1 and 2 with regard to the electricity sector. Now the corresponding country-specific factors are used.

Detailed information on the accounting of greenhouse gas emissions can be found in the "Notes on the carbon footprint." ▲

→ Notes on the carbon footprint

▼ GHG EMISSIONS INTENSITY / GRI 305-4 ▲

	2023	2022
GHG emissions in metric tons CO_2e	13,285	11,390
Revenues in EUR m	3,852	4,163
Average FTE[1]	7,310	7,501
GHG emissions/revenues in metric tons CO_2e/EUR m	**3.45**	**2.74**
GHG emissions/average FTE in metric tons CO_2e/average FTE	**1.82**	**1.52**

1 The number of average employees is presented in full-time equivalents (FTE).

Other Environmental Indicators: Waste and Water Consumption

Waste at ProSiebenSat.1 mainly results from office activities and the cafeteria. Waste generated at the Unterföhring headquarters amounted to 374 t in the reporting period (previous year: 487 t), of which 39 t (previous year: 145 t) was attributable to the construction of the new campus. All waste is sent to disposal service providers for recycling. ProSiebenSat.1 follows local regulations and classifies waste as hazardous or non-hazardous in accordance with the respective national laws. The amount of hazardous waste in 2023 was 1.5 t (previous year: 0.4 t).

Drinking water is used for normal office operations, the company canteen and for technical usage such as sprinklers and cooling water. Industrial wastewater is mainly produced by the company canteen in Unterföhring. It is treated according to the degree of contamination and then returned to the utility company.

Disclosures in accordance with the EU Taxonomy Regulation

▼ With the "European Green Deal," the European Commission is pursuing a plan to organize the European economy more sustainably lines in the future and especially to direct capital flows into sustainable economic activities. To enable the categorization of economic activities according to their sustainability, the European Commission has created a classification system with the Taxonomy Regulation. The following explanatory notes and tables reflect our interpretation of the current legal situation with regard to the EU Taxonomy Regulation.

Reporting was initially required with respect to the two environmental objectives "climate change mitigation" and "climate change adaptation," on which the European Commission has published the "Climate Delegated Act" and its Annexes. In June 2023, the European Commission also published the "Environmental Delegated Act," which covers the other four environmental objectives of the Taxonomy Regulation. Both delegated acts contain the description of taxonomy-eligible economic activities.

» INFORMATION

An economic activity is taxonomy-eligible if it is covered by the Taxonomy Regulation (Regulation (EU) 2020/852), that is, if it is listed in the Annexes of one of the two delegated acts “Climate” and “Environmental” and thus has the potential to be classified as sustainable within the meaning of the Taxonomy Regulation (= taxonomy-aligned). The economic activity is only taxonomy-aligned if the technical screening criteria likewise found in the Annexes and the requirements for minimum social safeguards are met. The technical screening criteria relate firstly to the substantial contribution that an economic activity must make to an environmental objective and secondly to the criteria of “do no significant harm” (DNSH) in regard to other environmental objectives. In the previous year, ProSiebenSat.1 Group reported as required on taxonomy eligibility and conformity with regard to the two climate-relevant environmental targets. For the financial year 2023, the other four environmental objectives were also analyzed although a relief option provided by the EU was used, which meant that only their eligibility for classification under the Taxonomy Regulation needed to be assessed.

The following section describes how ProSiebenSat.1 Group expanded and updated its review of taxonomy-eligible economic activities for the financial year 2023 and how the taxonomy-alignment of these activities was verified. It also describes how the corresponding taxonomy KPIs relating to revenues as well as capital and operating expenditures were subsequently determined.

» INFORMATION

The analysis of our taxonomy-eligible economic activities in the areas of “climate change mitigation” and “climate change adaptation” was updated in 2023 and revalidated by various Group representatives. It was also expanded to include the economic activities to be considered under the “Environmental Delegated Act.” In this case, additional taxonomy-eligible economic activities, which overlap with activities under the environmental objective of “climate change mitigation,” were identified under the environmental objective of “circular economy.”

As a result of the previous years´ analysis, the Group identified various potentially relevant economic activities in relation to the environmental objective of **“climate change adaptation,”** for example, activity 8.3. “Programming and broadcasting activities” or activity 13.3. “Motion picture, video and television program production, sound recording and music publishing activities” in the “Climate Delegated Act.” However, no revenues can be assigned to these within the meaning of the taxonomy: In our opinion, these economic activities are not enabling in nature as laid down in the “Climate Delegated Act,” which is a requirement in order for them to be reported in relation to revenues. This is understood to refer to an economic activity that directly enables other activities to make a significant contribution to one of the two climate-related environmental objectives of the Taxonomy Regulation. However, this is not the core purpose of ProSiebenSat.1 Group’s activities. Moreover, we were unable to identify any capital expenditure or operating expenditures in connection with the environmental objective of “climate change adaptation”. In our view, this can be claimed only for expenses that are incurred in order to make an activity climate-resilient, i.e. to reduce the most significant physical climate risks.

In addition, ProSiebenSat.1 Group has identified various taxonomy-eligible activities in connection with the environmental objectives of **"climate change mitigation"** and **"circular economy"** that are linked to capital and operating expenditures. At ProSiebenSat.1 Group, these mainly relate to expenses for the vehicle fleet (activity 6.5. in the "Climate Delegated Act," Annex I), new buildings, renovations, expenses for the maintenance and repair of assets (activities 7.1. to 7.7. in the "Climate Delegated Act," Annex I as well as activities 3.1. and 3.2. in the "Environmental Delegated Act," Annex II), and for data centers (activity 8.1. in the "Climate Delegated Act," Annex I). All relevant investment projects were examined with regard to allocation to these activities and marked accordingly in the Group-wide consolidation and reporting system in order to enable the recognition of the associated capital expenditure. The activities could be clearly assigned to the corresponding environmental objectives in terms of their eligibility for taxonomy classification. Activities relating to the construction of new buildings and the renovation of existing buildings are equally eligible for taxonomy classification under the "climate change mitigation" and "circular economy" environmental objectives (activities 7.1. and 7.2. in the "Climate Delegated Act," Annex I as well as activities 3.1. and 3.2. in the "Environmental Delegated Act," Annex II). A breakdown of investments into the various environmental objectives is only necessary when considering taxonomy conformity. Accordingly, there is no double counting in the presentation of taxonomy-compliant investments.

As the identified activities exclusively relate to purchased products and services from third parties, evidence of taxonomy alignment must generally be obtained by requesting the relevant information from these business partners. However, the responses to the requests regarding fulfillment of the substantial contribution criteria, the DNSH criteria, and the minimum safeguards are still not sufficient to permit the conclusion of taxonomy-alignment for the financial year 2023. Therefore, ProSiebenSat.1 Group cannot present any taxonomy-aligned KPIs for the financial year 2023.

We have no activities under Delegated Regulation 2022/1214 relating to nuclear energy and fossil gas. ▲

▼ ENVIRONMENTAL RESPONSIBILITY ▲

In general, the Taxonomy Regulation has to date mainly covered those economic activities that are responsible for the most CO_2 emissions within Europe. At present, the majority of ProSiebenSat.1 Group's business activities are not covered by the Taxonomy Regulation. However, this does not imply that ProSiebenSat.1 makes no contribution to environmental protection or to climate change mitigation in particular. We are aware of the Group's responsibility due to the reach of our TV stations and digital platforms, and will continue to keep our target groups informed and raise awareness of environmentally relevant issues.

REVENUES

▼ The underlying revenues correspond to the revenues reported in the consolidated income statement. No revenues from taxonomy-eligible economic activities were identified for the financial year 2023. ▲

→ Group Earnings

▼ REVENUES 2023 ▲

Proportion of Revenues from products or services associated with taxonomy-aligned economic activities

				Substantial contribution criteria					
Economic activites	Code(s)	**Absolute Revenues 2023**	**Proportion of Revenues 2023**	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems
		in EUR m	in %	yes; no; not eligible	yes; no; not eligible	yes; no; not eligible	yes; no; not eligible	yes; no; not eligible	yes; no; not eligible
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
Revenues of environmentally sustainable activities (taxonomy-aligned) (A.1)		—	—						
Of which Enabling									
Of which Transitional									
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
				eligible; not eligible	eligible; not eligible	eligible; not eligible	eligible; not eligible	eligible; not eligible	eligible; not eligible
Revenues of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		—	—						
Total (A.1 + A.2)		—	—						
B. Taxonomy-non-eligible activities									
Revenues of taxonomy-non-eligible activities (B)		**3,852**	**100.0**						
Total (A + B)		**3,852**	**100.0**						

▼ REVENUES 2023 ▲

	DSNH criteria ("Do not significantly harm")									
Economic activites	Climate change miti-gation	Climate change adap-tation	Water & marine resources	Circular economy	Pollution	Bio-diversity & eco-systems	Mini-mum safe-guards	Proportion of Taxo-nomy aligned or eligible Revenues 2022	Category enabling activity	Category transitio-nal activitiy
	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	in %	E	T
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
Revenues of environmentally sustainable activities (taxonomy-aligned) (A.1)								—		
Of which Enabling										
Of which Transitional										
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)										
Revenues of Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)								—		
Total (A.1 + A.2)								—		
B. Taxonomy-non-eligible activities										
Revenues of taxonomy-non-eligible activities (B)										
Total (A + B)										

CAPITAL EXPENDITURES (CAPEX)

▼ ProSiebenSat.1 Group's capital expenditure comprises additions to programming assets (see Notes to Consolidated Financial Statements, note 18), other intangible assets (see Notes to Consolidated Financial Statements, note 19) as well as property, plant and equipment and rights-of-use to property, plant and equipment (see Notes to Consolidated Financial Statements, note 20). In the financial year 2023, there were no additions due to changes in the scope of consolidation.

Taxonomy-eligible capital expenditures are related to the Group's vehicle fleet, new buildings or renovations, data centers and spending on the maintenance and servicing of assets. The largest contribution comes from the new campus building in Unterföhring.

For the identification of the KPI accounted for the relevant leasing accounts, on which in particular additions relating to buildings and the vehicle fleet are booked. In addition, capital expenditure marked as taxonomy-eligible in the Group-wide consolidation and reporting system was included.

The potential taxonomy alignment of these activities could not be confirmed due to insufficient information from business partners. For the financial year 2023, ProSiebenSat.1 Group identified expenditure associated with the environmental objectives of "climate change mitigation" and "circular economy" but not with the other environmental objectives. ▲

→ Notes to Consolidated Financial Statements, Notes to the Consolidated Statement of Financial Position

▼ CAPITAL EXPENDITURE (CAPEX) 2023 ▲

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

				Substantial contribution criteria					
Economic activites	Code(s)	**Absolute CapEx 2023**	**Proportion of CapEx 2023**	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems
		in EUR m	in %	yes; no; not eligible	yes; no; not eligible	yes; no; not eligible	yes; no; not eligible	yes; no; not eligible	yes; no; not eligible
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		—	—						
Of which Enabling									
Of which Transitional									
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
				eligible; not eligible	eligible; not eligible	eligible; not eligible	eligible; not eligible	eligible; not eligible	eligible; not eligible
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	3	0.3	eligible	not eligible	not eligible	not eligible	not eligible	not eligible
Construction of new buildings	CCM 7.1./ CE 3.1.	59	5.4	eligible	not eligible	not eligible	eligible	not eligible	not eligible
Renovation of existing buildings	CCM 7.2./ CE 3.2.	1	0.1	eligible	not eligible	not eligible	eligible	not eligible	not eligible
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	1	0.0	eligible	not eligible	not eligible	not eligible	not eligible	not eligible
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	0	0.0	eligible	not eligible	not eligible	not eligible	not eligible	not eligible
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5.	0	0.0	eligible	not eligible	not eligible	not eligible	not eligible	not eligible
Acquisition and ownership of buildings	CCM 7.7.	23	2.1	eligible	not eligible	not eligible	not eligible	not eligible	not eligible
Data processing, hosting and related activities	CCM 8.1.	8	0.7	eligible	not eligible	not eligible	not eligible	not eligible	not eligible
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**95**	**8.6**						
Total (A.1 + A.2)		**95**	**8.6**						
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible activities (B)		**1,001**	**91.4**						
Total (A + B)		**1,095**	**100.0**						

▼ CAPEX 2023 ▲

	DSNH criteria ("Do not significantly harm")									
Economic activites	Climate change miti-gation	Climate change adap-tation	Water & marine resources	Circular economy	Pollution	Biodiversi ty & eco-systems	Mini-mum safe-guards	Proportio n of Taxo-nomy aligned or eligible CapEx 2022	Category enabling activity	Category transitio-nal activitiy
	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	in %	E	T
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)								—		
Of which Enabling										
Of which Transitional										
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)										
Transport by motorbikes, passenger cars and light commercial vehicles								0.2		
Construction of new buildings								4.5		
Renovation of existing buildings								0.0		
Installation, maintenance and repair of energy efficiency equipment								0.2		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)								0.0		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings								0.0		
Acquisition and ownership of buildings								1.4		
Data processing, hosting and related activities								0.5		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)								**6.8**		
Total (A.1 + A.2)								**6.8**		
B. Taxonomy-non-eligible activities										
CapEx of Taxonomy-non-eligible activities (B)										
Total (A + B)										

OPERATING EXPENSES (OPEX)

▼ Operating expenses in accordance with the definition in the EU Taxonomy, which essentially comprise non-capitalized expenses for servicing and maintenance of property, plant and equipment as well as research and development, came to EUR 56 million for the ProSiebenSat.1 Group in the reporting period. These expenses are not material (~1%) in the context of the Group's overall spending. Thus, there are no material operating expenses related to taxonomy-eligible or-aligned activities. ▲

▼ OPERATING EXPENSES (OPEX) 2023 ▲

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

				Substantial contribution criteria					
Economic activites	Code(s)	**Absolute OpEx 2023**	**Proportion of OpEx 2023**	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems
		in EUR m	in %	yes; no; not eligible	yes; no; not eligible	yes; no; not eligible	yes; no; not eligible	yes; no; not eligible	yes; no; not eligible
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		—	—						
Of which Enabling									
Of which Transitional									
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
				eligible; not eligible	eligible; not eligible	eligible; not eligible	eligible; not eligible	eligible; not eligible	eligible; not eligible
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		—	—						
Total (A.1 + A.2)		—	—						
B. Taxonomy-non-eligible activities									
OpEx of taxonomy-non-eligible activities (B)		**56**	**100.0**						
Total (A + B)		**56**	**100.0**						

▼ OPEX 2023 ▲

	DSNH criteria ("Do not significantly harm")									
Economic activites	Climate change miti-gation	Climate change adap-tation	Water & marine resources	Circular economy	Pollution	Bio-diversity & eco-systems	Mini-mum safe-guards	Proportion of Taxo-nomy aligned or eligible OpEx 2022	Category enabling activity	Category transitio-nal activitiy
	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	in %	E	T
A. Taxonomy-eligible activities										
A.1. Environmentally sustainable activities (taxonomy-aligned)										
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)								—		
Of which Enabling										
Of which Transitional										
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)										
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)								—		
Total (A.1 + A.2)								—		
B. Taxonomy-non-eligible activities										
OpEx of taxonomy-non-eligible activities (B)										
Total (A + B)										

GOVERNANCE & COMPLIANCE

The Executive Board and Supervisory Board regard good corporate governance as an essential component of responsible, transparent management geared toward long-term value creation. With the German Corporate Governance Code (GCGC), a standard for transparent control and management of companies was established. The corresponding information on corporate governance at ProSiebenSat.1 can be found in particular in the Management Declaration in accordance with sections 289f and 315d of the German Commercial Code (HGB). In addition to the annual Declaration of Compliance pursuant to section 161 of the German Stock Corporation Act (AktG), this includes other relevant information on ProSiebenSat.1 Group's corporate governance practices. Information on Executive Board and Supervisory Board compensation can be found in the Compensation Report.

→ Management Declaration → Compensation Report

▼ The Executive Board of ProSiebenSat.1 Media SE is convinced that sustainable economic success in a competitive environment can only be achieved by ensuring that business practices comply with the applicable laws. In addition to preventing corruption, the Group Compliance department at ProSiebenSat.1 Group concentrates in particular on the issues of money laundering prevention, sanctions and embargoes, as well as data protection. ProSiebenSat.1 Group has implemented a compliance management system (CMS) for these legal areas.

The main objective of the CMS is to ensure that all employees consistently think and act with integrity and in accordance with company policies and the law in order to avoid and help prevent violations of laws and regulations.

The central compliance organization is made up of the Compliance Committee and the Group Compliance department, which are assisted in the performance of their duties by experts from other areas, such as the Legal Affairs and Internal Audit departments. In addition, Unit Compliance Officers (UCOs) have been appointed who are responsible for the CMS at Group entities and are in direct contact with the respective subject experts. The delegation of compliance responsibilities is governed by the "Compliance Management System" guideline. The responsibilities and areas of responsibility in the management of the Group entities, the establishment of a uniform Group-wide reporting system, and cooperation between the entities and Group Compliance are specified in this way. Further information, particularly on the compliance organization, is provided in the Management Declaration in accordance with sections 289f and 315d HGB.

→ Management Declaration

ProSiebenSat.1 Group has laid down basic guidelines and policies in the Code of Conduct. These guidelines define the general standards for conduct in business, legal and ethical matters and also govern how employees can report misconduct in the Company. They serve all members of the Executive Board, the management of the Group entities, and the employees of ProSiebenSat.1 Group as a binding reference and regulatory framework for dealing both with each other and with business partners, customers, suppliers, and other third parties. The Code of Conduct is regarded as a unifying element across all segments of ProSiebenSat.1 Group, is continually developed and was last updated in 2023. The principles of the Code of Conduct are also made binding for our business partners through a separate Code of Conduct.

→ Code of Conduct → Code of Conduct for Business Partners

Another central compliance instrument for ProSiebenSat.1 Group is the whistleblower system. In addition to our internal reporting channels, since December 2022, it is also possible to report legal violations anonymously via an electronic whistleblower system. This also covers the complaints procedure under the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG). Regardless of the chosen reporting channel, the Group Compliance department must promptly inform the management of reports of serious suspicions that following preliminary internal evaluation prove to be potentially justified or that have a particularly high potential for damage.

ProSiebenSat.1 Media SE falls under the scope of the LkSG with effect from January 1, 2023. It obliges ProSiebenSat.1 Group companies to implement specific, appropriate measures to safeguard against human rights and environmental risks in their own business operations and with regard to their direct and indirect suppliers. To obtain a comprehensive and continuously updated overview of any risks in our supply chain, ProSiebenSat.1 conducts both annual and ad hoc risk analyses. In 2023, ProSiebenSat.1 Media SE issued a policy statement about its human rights and environmental strategy. This statement is publicly accessible. ProSiebenSat.1 Media SE will report publicly on this for the first time in 2024 as part of its reporting obligations under section 10 LkSG.

→ Policy Statement

ProSiebenSat.1 Group has implemented a compliance training concept that includes both online and classroom training. Online trainings are principally mandatory for all employees and are intended to provide a basic understanding of the main compliance risks. The online training must be repeated every two years, the online training “occupational health and safety” every year. The classroom trainings, most of which once again took place using hybrid formats in 2023, are targeted at risk groups and carried out by Legal Affairs, Group Compliance, Labor Law, Taxes, Corporate Information Security, the Data Protection Officer and the Youth Protection Officers for their individual areas. In addition, ProSiebenSat.1 Group offers seminars for the management teams of German affiliated entities at its P7S1 Academy to give them a comprehensive overview of their rights and obligations as well as the relevant legal bases. ▲ **GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26**

COMPLIANCE TRAININGS / GRI 2-26

<table>
<tr><th></th><th colspan="3">2023</th><th colspan="3">2022</th></tr>
<tr><th>Topic</th><th>Events (live/virtual)</th><th>Participants (live/virtual)</th><th>Online trainings</th><th>Events (live/virtual)</th><th>Participants (live/virtual)</th><th>Online trainings</th></tr>
<tr><td>Media, copyright, advertising law, German Unfair Competition Act (UWG)</td><td>3</td><td>220</td><td>—</td><td>6</td><td>193</td><td>—</td></tr>
<tr><td>Compliance[1]</td><td>5</td><td>234</td><td rowspan="4">5,551</td><td>18</td><td>245</td><td rowspan="4">5,188</td></tr>
<tr><td>Antitrust law</td><td>2</td><td>41</td><td>2</td><td>41</td></tr>
<tr><td>Money laundering</td><td>—</td><td>—</td><td>2</td><td>67</td></tr>
<tr><td>Sanctions & embargoes</td><td>—</td><td>—</td><td>1</td><td>25</td></tr>
<tr><td>General Act on Equal Treatment (AGG), labour law</td><td>2</td><td>19</td><td>4,483</td><td>1</td><td>7</td><td>3,280</td></tr>
<tr><td>Data protection</td><td>16</td><td>332</td><td>5,424</td><td>24</td><td>545</td><td>3,498</td></tr>
<tr><td>Information security</td><td>2</td><td>20</td><td>3,536</td><td>—</td><td>—</td><td>6,344</td></tr>
<tr><td>Youth protection</td><td>5</td><td>84</td><td>275</td><td>2</td><td>24</td><td>417</td></tr>
<tr><td>Occupational health and safety</td><td>—</td><td>—</td><td>7,334</td><td>—</td><td>—</td><td>7,360</td></tr>
<tr><td>Tax law</td><td>5</td><td>104</td><td>—</td><td>3</td><td>4</td><td>—</td></tr>
<tr><td>Management seminars</td><td>4</td><td>24</td><td>—</td><td>7</td><td>48</td><td>—</td></tr>
</table>

1 Trainings on the compliance management system and anti-corruption.

▼ The CMS at ProSiebenSat.1 Group is being continuously developed. In 2023, for example, by making adjustments to the organization, updating the relevance analysis, setting up a compliance assessment or revising guidelines and updating training content.

The Executive Board statement on the appropriateness and effectiveness of the CMS is included in the Group Management Report. ▲ **GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26**

→ **Internal Control and Risk Management System**

Anti-corruption and Antitrust Law

▼ Legally compliant behavior and the prevention of violations of laws and regulations are a prerequisite for a company's sustainable success. Therefore, preventing corruption and anticompetitive behavior is highly relevant to business and represents an important success factor for achieving corporate goals. Free competition is a key pillar of our economic system and is given special protection by antitrust laws and criminal law. Violations of competition laws may result in large fines and claims for damages that may affect not only the Company but also employees personally. In addition, corruption offenses can result in fines or custodial sentences.

Requirements for corruption prevention and legally compliant conduct in a competitive environment are laid down in the ProSiebenSat.1 Code of Conduct and specified in detail in the internal guidelines "Preventing Corruption" and "Conduct in Competition." The Code of Conduct for Business Partners makes the prohibition of corruption and bribery and the adherence to applicable antitrust laws binding for our business partners. The guidelines are subject to regular reviews and updates.

In order to obtain an independent assessment of the CMS, an audit firm conducted a review of the anti-corruption component in 2022. Following the review, Group Compliance responded to the findings by carrying out training measures or introducing process improvements, for example.

For 2023, as in the previous year, we are not aware of any investigations into the Group, its subsidiaries or employees of ProSiebenSat.1 Group with regard to corruption offenses or antitrust violations. ▲ **GRI 205-1, GRI 205-2, GRI 205-3, GRI 206-1**

Data Protection

▼ Owing to progressive digitalization and new business models, more and more personal data is being generated and processed in a wide variety of ways. That also applies to ProSiebenSat.1 Group with its diverse offerings in the segments Entertainment, Commerce & Ventures and Dating & Video. In this context, data protection protects the right to privacy and to information control. This refers to the right of every individual to control the disclosure and use of his or her own personal data. Our goal is to handle this data carefully and protect it from misuse. The Group Data Protection Officer is responsible for cooperation and coordination on all major data protection matters. He is assigned to the Group Compliance division in organizational terms and is supported by data protection law specialists when it comes to legal issues. By way of mandatory training and assessments by the Group Data Protection Officer, violations of privacy are to be prevented and compliance with data protection law ensured.

Data protection compliance is to be ensured on the basis of a risk-oriented data protection management system (DPMS) and personal and other sensitive data is to be protected from loss, destruction, unauthorized access or unauthorized use, processing, or disclosure. Specific measures are based on the legal regulations, particularly the EU General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (BDSG), as well as our own data protection guidelines. The data protection law requirements form part of our CMS. ProSiebenSat.1 Group has implemented processes to protect personal data against misuse. These relate to the preparation of agreements under data protection law in order to meet the requirements of Articles 26 and 28 GDPR and to the disclosure of personal data to public authorities. The data protection processes also cover obligations to provide information, the rights of the data subject, and the reporting of data breaches, i.e., third parties unlawfully obtaining personal data (Articles 33 and 34 GDPR).

In 2023, there were five cases (previous year: nine) of substantiated complaints regarding the violation of customers' privacy at ProSiebenSat.1 Group entities in Germany, of which five were from external parties (previous year: eight) and none from regulatory authorities (previous year: one). Furthermore, 48 cases of data leaks as well as data theft or data loss were reported (previous year: 20), of which 10 cases (previous year: two) had to be reported in accordance with the GDPR.

We are aware of the growing importance of data protection in our digital world and want to fulfill our responsibility for the security of the personal data of our customers, partners, and employees to the best of our ability. In 2023, we recorded a higher number of data protection incidents, primarily due to cyberattacks that mainly targeted our external service providers. Ultimately, the higher number of data protection incidents is also a result of our internal training measures, which are contributing to an ever greater awareness of data protection within ProSiebenSat.1 Group.
▲ GRI 418-1

Information Security

Various types of information are of key importance to the business activities of ProSiebenSat.1. Ensuring that business processes, IT, infrastructure, and critical information are kept adequately secure is therefore a strategic factor in the Group's competitiveness. Company-wide, process-oriented information security serves as a tool for identifying relevant risks in a timely manner and dealing with them appropriately in order to prevent potential damage.

In the context of an Information Security Management Systems (ISMS), the Information Security Office defines minimum standards in the form of guidelines, organizes assessments and penetration tests – for websites and online shops– as well as online and classroom training courses, most of which were once again delivered in hybrid form 2023. It is also responsible for incident and risk management and offers advice and support throughout the Group on all aspects of information security. In this context, the IT Security divisions at the individual subsidiaries of ProSiebenSat.1 Group in particular are responsible for the protection of IT systems.

The Information Security Guidelines define the fundamental principles and minimum requirements for handling information at ProSiebenSat.1 Group. They apply to all business units and areas worldwide and to all associated subsidiaries with majority shareholdings and their employees. In addition, they apply to all internal and external service providers, business partners, and other third parties that collect, process or use company information of ProSiebenSat.1 Group and that have committed to comply with the guidelines.

To continually improve security processes, the Information Security Office monitors compliance with and implementation of its guidelines. For the purpose of continually expanding and improving our ISMS, assessments based on the ISO 27001 standard in areas defined by the Information Security Office are carried out every two years by external auditors, most recently in 2023. The ISMS is to be expanded by increasing resources; for example, the position of an Information Security Manager is to be created at ProSiebenSat.1 Tech & Services GmbH in 2024. In addition, the ISMS is to be continuously improved in various areas, for example by further developing risk management at the Seven.One Entertainment Group.

The Information Security Office registers those incidents throughout the Group that violate the security objectives of confidentiality, integrity, availability, or authenticity of information, IT systems and/or other assets and have resulted or could result in a loss for ProSiebenSat.1 Group. In the period under review, most of the cases are minor data protection cases, such as misdirected e-mails or accidentally unhidden mailing lists. Overall, the spectrum of incidents ranges from minor deviations to non-compliance with internal guidelines, such as insufficiently restricted authorizations for internal documents, to incorrect configurations all the way to intrusions and targeted phishing attacks. It also includes attempts to detect and exploit vulnerabilities in components connected to the Internet or to plant malware in the Group network. Security incidents are handled in accordance with defined processes and escalation paths to deploy the necessary measures efficiently and quickly.

In 2023, 56 cases were reported at entities of ProSiebenSat.1 Group in Germany. Of these, 48 cases are also related to possible data leaks as well as data theft or data loss. **GRI 416-1, GRI 416-2**

Media Regulation

▼ The issues that are relevant to ProSiebenSat.1 Group from the point of view of media law include journalistic independence, the principles of the separation of advertising and programming, and the requirements for the protection of young people. These issues also form part of our Code of Conduct. For 2023, we recorded a total of 16 violations (previous year: 17) of journalistic due diligence, program principles, and provisions for the protection of minors and personal rights.

In all our activities, we are committed to a free and democratic order, which is based in particular on the fundamental right to freedom of opinion. The central editorial team of Seven.One Entertainment Group is responsible at operational level for ensuring journalistic independence in the editorial work of all stations. In daily conferences with the editorial teams and programming managers, the focus areas for the content of reporting and programming are discussed. The fundamental dual-control principle applies when approving editorial content. In addition, the Group has formulated guidelines which all journalists and editorial staff are required to follow. The “Guidelines for Ensuring Journalistic Independence” specify the understanding of the journalistic principles set forth in the Press Code of the German Press Council. According to these principles, journalists are essentially free to prepare their editorial content as they see fit and should report independently of social, economic or political interests. Topics such as press law and youth protection are trained and deepened in internal training courses.

ProSiebenSat.1 Group undertakes to differentiating between editorial reporting and broadcasts for advertising purposes. In substantiated individual cases where the use of surreptitious advertising is suspected, a supervisory committee can take action. In Germany, the Group is also obliged to comply with the provisions of the German Interstate Media Treaty and the state media authorities’

“Common charter on implementation of advertising regulations of the Interstate Media Treaty”. The ProSiebenSat.1 guidelines on the separation of advertising and programming include specific explanations regarding bans on the placement of particular products and services. They provide employees of the German entities of ProSiebenSat.1 Group with binding guidelines as part of their employment relationship in order to prevent violations of program principles as far as possible. For the German stations, the guidelines serve the preservation of journalistic credibility and aim to safeguard the independence of the content from third-party influences as the top-level programming guidelines.

Provisions for the protection of young people are also considered very important in the context of media regulation. ProSiebenSat.1 Group’s youth protection officers play a key role in this regard. They are tasked with making sure that all TV and online content for which the Group is responsible is offered in an age-appropriate way. The goal is to make it difficult for children and young people to gain access to content that is unsuitable for their age group. The German Interstate Treaty on Youth Protection in the Media (Jugendmedienschutz-Staatsvertrag, JMStV) and the German Youth Protection Act (Jugendschutzgesetz, JuSchG) stipulate clear requirements for this. The youth protection officers are autonomous in their assessments and are responsible for advising stations so that content that is unsuitable for children and young people is broadcast only at the legally stipulated times. Moreover, the youth protection officers are involved in the conception, production, and purchasing of programs as early as possible. At the same time, they are expected to ensure that technical means, such as PIN procedures or the filtering software JusProg, are used for dissemination of content that is relevant to the protection of young people on the Group’s websites. The youth protection officers carry out internal training for TV and online editors and participate in the certification program in accordance with JuSchG themselves. In addition, youth protection is actively involved in the committees of the Voluntary Self-Regulation of Television Association (Freiwillige Selbstkontrolle Fernsehen, FSF) and the Voluntary Self-Monitoring of Multimedia Service Providers Association (Freiwillige Selbstkontrolle Multimedia Diensteanbieter, FSM).
▲ **GRI 416-1, GRI 416-2**

Anti-discrimination

▼ Discrimination refers to unequal treatment of individuals or groups of people on the basis of certain characteristics. The prohibition of discrimination is defined as a human right and forms the basis for respectful interaction. We believe that especially at companies it is very important to ensure equal treatment of all employees. ProSiebenSat.1 Group therefore does not tolerate discrimination based on age, disability, ethnic background and nationality, sex and gender identity, religion and ideology, or sexual orientation and identity. We provide the workforce throughout Germany with mandatory training on the General Act on Equal Treatment (AGG). With our Code of Conduct, we also take a clear stand against any type of sexual violence or abuse of power.

All employees are encouraged to report discrimination or violations of principles set out in the Code of Conduct. A central compliance instrument for ProSiebenSat.1 Group is the whistleblower system. In addition to our internal reporting channels, since December 2022, it is also possible to report legal violations anonymously via an electronic whistleblower system. Via the private media association VAUNET, we also participate in the Themis advice center against sexual harassment and violence, which provides assistance for those affected in the film, television and theater industry. In 2023, there were five incidents (previous year: one) due to violations in connection with discrimination, all of which were closed in the reporting period. ▲ **GRI 406-1**

Other Significant Instances of Non-compliance

There is one reportable incident from 2022 relating to a possible violation of other laws or regulations. This concerned a possible violation of the Interstate Gambling Treaty, which resulted in a prohibition by the gambling supervisory authority. An appeal was lodged against this prohibition in the form of an action for annulment; the proceedings were not concluded in 2023. No fine was imposed.

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 part of 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 under the German Payment Services Supervision Act ("Zahlungsdiensteaufsichtsgesetz" – "ZAG"). For detailed information on the facts and associated violations of statutory provisions, please refer to the risk report. **GRI 2-27**

→ Risk Report

COMPENSATION REPORT

INTRODUCTION

The Compensation Report describes the main features of the compensation system for the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE for the financial year 2023. It explains the structure and level of compensation of the individual current or former members of the Executive Board and Supervisory Board. In line with the German Act for the Implementation of the Second Shareholder Rights Directive (ARUG II) and the German Corporate Governance Code (GCGC), the Supervisory Board adopted changes to the compensation system for the members of the Executive Board and submitted the compensation system for the Annual General Meeting's approval on June 1, 2021. The Annual General Meeting approved the compensation system for the members of the Executive Board by a broad majority of around 96%. This compensation system approved by the Annual General Meeting on June 1, 2021 (hereinafter: "compensation system" or "2021 compensation system"), applies to all new Executive Board employment contracts and to contract extensions. Due to the appointments of Bert Habets as Group CEO as of November 1, 2022, and Martin Mildner as Group CFO as of May 1, 2023, and the extension of Christine Scheffler's contract effective January 1, 2023, the 2021 compensation system applied uniformly to all three Executive Board members in the financial year 2023. The former Group CFO Ralf Peter Gierig, who resigned from the Executive Board with effect from April 27, 2023, prior to the resolution on the preparation of the Annual and Consolidated Financial Statements for the financial year 2022, and the former Executive Board member Wolfgang Link, who resigned from the Executive Board with effect from July 15, 2023, were likewise subject to the 2021 compensation system until their departure.

This Compensation Report was prepared by the Executive Board and Supervisory Board and complies with the applicable provisions of stock corporation law. The Compensation Report was audited by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft ("Ernst & Young") in accordance with Section 162 (3) of the German Stock Corporation Act (AktG) and with regard to content. The Compensation Report and the attached Report on the Audit of the Compensation Report are published on the ProSiebenSat.1 Media SE website.

→ www.prosiebensat1.com

The Compensation Report for the previous financial year was approved by a broad majority of around 92% at the Annual General Meeting on June 30, 2023. Therefore, the format and content of this Compensation Report are based on the previous year's Compensation Report.

The Compensation Report also takes into account the recommendations of the German Corporate Governance Code (GCGC) in the version of April 28, 2022 (see the March 2024 Declaration of Compliance).

→ www.prosiebensat1.com/en/investor-relations/corporate-governance/management-declaration

COMPENSATION OF THE EXECUTIVE BOARD

Responsibility and Procedure for Determining Executive Board Compensation

In accordance with Section 87a (1) AktG, the Supervisory Board of ProSiebenSat.1 Media SE determines the compensation system for the Executive Board members with assistance from its Compensation Committee. The Compensation Committee develops a proposal for the compensation system, which the Supervisory Board adopts and regularly reviews. The Annual General Meeting of ProSiebenSat.1 Media SE decides on the approval of the compensation system submitted by the Supervisory Board at least every four years and in the event of material changes to the compensation system.

In line with the compensation system, the Supervisory Board determines the individual level of Executive Board compensation for each Executive Board member on the basis of the Compensation Committee's proposal. The Supervisory Board also sets the target values of the target parameters and key performance indicators based on the Company's budget submitted to and approved by the Supervisory Board. These target values provide the basis for the performance assessment and are anchored in the variable compensation of the Executive Board members.

The Supervisory Board hereby ensures that there is an appropriate relationship between the individual performance and areas of work and responsibility of the individual members of the Executive Board on the one hand and the Company's business situation on the other.

DETERMINING EXECUTIVE BOARD COMPENSATION

Compensation Committee	→	Supervisory Board	→	Annual General Meeting
Prepares resolutions on the compensation system and the amount of compensation and presents these to the Supervisory Board.	→	**Adopts resolution on the compensation system and the amount of compensation. The resolved compensation system is presented to the Annual General Meeting for approval.**	→	**Adopts resolution on the approval of the compensation system.**

The relative compensation within ProSiebenSat.1 Media SE is also taken into account (vertical appropriateness), whereby the Supervisory Board above all analyzes the relationship of Executive Board compensation to the compensation of senior management and the workforce as a whole – including its development over time. For this purpose, the Supervisory Board defines senior management as the group of managers on the top two management levels below the Executive Board; the workforce as a whole comprises the employees employed in Germany, especially at the Unterföhring site.

The amount of Executive Board compensation in comparable companies is also considered (horizontal appropriateness). The Supervisory Board currently considers comparable companies to be companies listed firstly in the DAX/MDAX and secondly in STOXX Europe 600 Media, a sub-index of the STOXX Europe 600 index comprising companies from the European media industry, as well as direct competitors.

If the Supervisory Board deems it necessary or expedient, it consults external experts to determine and review the Executive Board compensation. To date, the Supervisory Board has also had the Executive Board compensation reviewed at regular intervals by independent external consultants with regard to common market practice.

Principles of the Compensation System and Relationship to Corporate Strategy

The ProSiebenSat.1 Media SE compensation system has clear and transparent structures and is in line with the Group strategy. The aim of the compensation system is to create an effective incentive for successful and sustainable performance of the Company. The system is therefore geared toward components that are transparent, performance-based, and closely linked to the Company's success. They depend in particular on long-term targets and the performance of the ProSiebenSat.1 share and are measurable. The compensation system is intended to motivate the members of the Executive Board to achieve the targets enshrined in ProSiebenSat.1 Media SE's business strategy while simultaneously avoiding disproportionate risks.

Company-specific performance criteria 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.

The performance criteria 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.

In designing the compensation system, the Supervisory Board was guided by the following principles:

PRINCIPLES OF EXECUTIVE BOARD COMPENSATION

The Executive Board Compensation includes ...

- ✓ **clear and transparent structures**
- ✓ **predominantly long-term targets**
- ✓ **effective incentives for sustainable development**
- ✓ **performance-based components**
- ✓ **share price reference, also in comparison with the competition**
- ✓ **fixed payout limits (caps)**
- ✓ **reasonable and market-oriented heights**

The Executive Board Compensation avoids ...

- **lack of transparency in the reporting**
- **short-term success at the expense of sustainability**
- **special bonuses**
- **unreasonably high degrees of judgment**
- **excessive severance payments**
- **unreasonably high compensation**
- **structure attributes not customary in the market**

Overview of the 2021 Compensation Systems

The Executive Board compensation system comprises non-performance-based (fixed) and performance-based (variable) components. The fixed components include the basic compensation, the fringe benefits and the Company pension. The variable components include the Short-Term Incentive (STI) as the short-term variable compensation ("Performance Bonus") and the Long-Term Incentive (LTI) as the long-term variable compensation ("Performance Share Plan"). Maximum compensation is also defined for the Executive Board members, as well as malus and clawback provisions and obligations to acquire and hold shares in the Company (Share Ownership Guidelines).

The table below provides an overview of individual compensation and other contractual components of the compensation system, which are then described in detail:

2021 COMPENSATION SYSTEM

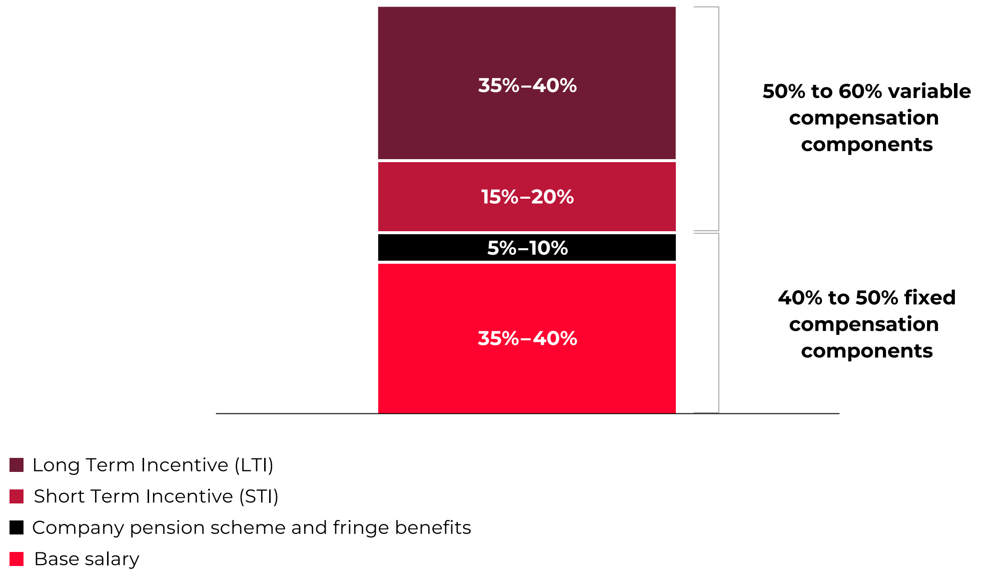
Non-Performance-Based (fixed) Compensation	
Base salary	– Fixed base salary which corresponds to the area of activity and responsibility of the respective Executive Board member and is paid in monthly installments.
Fringe benefits	– Non-performance-based fringe benefits, particularly in the form of provision of a company car, group accident insurance, insurance policy contributions.
Company pension scheme	– Defined contribution plan: Annual payment into a pension account in the amount of 20% of the gross base salary. – Payout either as a monthly retirement payment of as a one-off retirement payment (after reaching the age of 62).
Performance-Based (variable) Compensation	
Short-Term Incentive (STI)	
Type of plan	– Target bonus system
Performance period	– 1 year
Performance targets	– 40%: adjusted EBITDA (target achievement 0% - 200%). – 40%: adjusted Operating FCF (target achievement 0% - 200%). – 20%: ESG targets (target achievement 0% - 200%).
Payout	– In cash after the end of the financial year (cap: 200% of target amount).
Long-Term Incentive (LTI)	
Type of plan	– Performance Share Plan
Performance period	– 4 years
Performance targets	– 70%: P7S1 ROCE (target achievement 0% - 200%). – 30%: relative TSR compared to the STOXX Europe 600 Media Index (target achievement 0% - 200%).
Payout	– In cash after the end of the performance period of the respective tranche (cap: 200% of the allocation amount).
Further Contractual Components	
Malus- and Clawback-provisions	– Full or partial reduction of unpaid variable compensation (STI and LTI) and also reclaim of variable compensation already paid out in the event of material compliance violations and an incorrect consolidated financial statement.
Share Ownership Guidelines	– 200% of the gross base salary for the Chairman of the Executive Board. – 100% of the gross base salary for the other members of the Executive Board.
Maximum compensation	– EUR 7,500,000 for the Chairman of the Executive Board. – EUR 4,500,000 for the Ordinary Members of the Executive Board.
Commitments in the event of termination of Executive Board employment	– Limitation of severance commitments in the event of premature termination of Executive Board contact without good cause to the amount of two years' total compensation (severance cap), but not exceeding the amount of compensation that would have been paid until the end of the contract period. – Change of control clause: Non entitlement to severance payment in the event of a change control.

Structure and Components of Executive Board Compensation

The total compensation of an Executive Board member comprises the sum of the fixed and variable compensation components. In order to follow the "pay for performance" principle of compensation, the Supervisory Board ensures that the target amount of variable compensation (in the event of 100% target achievement) exceeds the fixed compensation. In addition, a focus on the long-term development of ProSiebenSat.1 Group is ensured by weighting the Long-Term Incentive higher than the Short-Term Incentive.

With the aim of granting Executive Board members compensation that is equally appropriate and competitive in terms of amount and structure, the Supervisory Board defined bands for the weighting of the individual compensation components (in the event of 100% target achievement in variable compensation) in the 2021 compensation system, which are shown in the graphic below:

COMPENSATION STRUCTURE



NON-PERFORMANCE-BASED COMPENSATION

The non-performance-based compensation comprises three elements: the basic compensation in the form of a fixed base salary, the Company pension, and additional fringe benefits in the form of non-cash compensation.

BASIC COMPENSATION

The basic compensation is paid in twelve equal installments at the end of each month. If the employment contract begins or ends during a financial year, the basic compensation for this financial year is granted pro rata temporis.

FRINGE BENEFITS

In addition, Executive Board members receive non-performance-based fringe benefits (particularly, the provision of company cars that can also be used privately, group accident insurance, insurance policy contributions, and occasionally the reimbursement of costs associated with joining the Company (e.g. flights home, relocation costs, housing cost allowance)).

Executive Board members are also covered by group liability insurance (D&O insurance). This D&O insurance covers the personal liability risk should Executive Board members be made liable for financial losses when exercising their professional functions for the Company. The insurance includes a deductible according to which an Executive Board member against whom a claim is made pays a total of at least 10% of the claim in each insured event, but not more than 150% of the respective fixed annual compensation for all insurance events in one insurance year, and thus meets the requirements of Section 93 (2) Sentence 3 of the German Stock Corporation Act (AktG). The relevant figure for calculating the deductible is the fixed compensation in the calendar year in which the breach of duty occurred.

COMPANY PENSION SCHEME

Pension agreements were signed for all members of the Executive Board: For the period of the employment relationship, the Company pays an annual total contribution into the personal pension account managed by the Company. The total annual contribution to be paid by the Company is equivalent to 20% of the respective basic compensation. Each member of the Executive Board has the right to pay any additional amount into the pension account in the context of deferred compensation. There are no further payments after the end of the employment relationship. The Company guarantees the paid-in capital and an annual interest of 2%. The amounts paid-in are invested on the money and capital markets. A monthly retirement pension or alternatively a one-off retirement payment is paid if the Executive Board member reaches the age of 62 and has been a member of the Executive Board for at least three full years. This entitlement also arises in the case of permanent disability. The monthly retirement pension is derived from the actuarially calculated life-long pension as of the time of the entitlement to benefits. If no monthly retirement pension is paid, then a retirement payment is made in the amount of the guaranteed capital as a one-off payment (or in up to ten equal annual installments).

As of December 31, 2023, pension provisions measured in accordance with IFRS for active and former Executive Board members totaled EUR 25.0 million before netting with plan assets (previous year: EUR 24.3 million). In accordance with Section 162 (5) AktG, disclosures regarding former Executive Board members who left the Executive Board more than ten years ago are not made personalized, but as a total under Others.

AMOUNT OF PENSION OBLIGATION (DBO) AS OF DECEMBER 31, 2023

in EUR k

	Amount of pension obligation (DBO)	thereof entitlements from deferred compensation
	Executive Board members in office in the financial year	
Bert Habets	187.2	—
Martin Mildner	79.9	—
Christine Scheffler	736.7	232.5
Wolfgang Link[1]	—	—
Ralf Peter Gierig[2]	407.5	407.5
Total	**1,411.3**	**640.0**
	Former members of the Executive Board	
Conrad Albert	3,447.5	1,871.7
Rainer Beaujean	842.2	—
Thomas Ebeling	8,886.4	7,098.5
Jan David Frouman	639.1	239.2
Dr. Ralf Schremper	275.1	—
Heidi Stopper	355.7	—
Christof Wahl	330.3	—
Dr. Christian Wegner	1,342.9	537.3
Dr. Gunnar Wiedenfels	304.8	304.8
Total Others	7,207.6	3,618.2
Total	**23,631.6**	**13,669.6**
Total	**25,042.9**	**14,309.6**

1 In connection with Wolfgang Link's departure from the Executive Board on July 15, 2023, it was agreed with Wolfgang Link that his pension entitlements totaling EUR 0.6 million would be redeemed and that all claims under the pension agreement would be settled.
2 Due to Ralf Peter Gierig's departure from the Executive Board on April 27, 2023, contractual vesting in accordance with the provisions of the pension agreement only occurred for the deferred compensation.

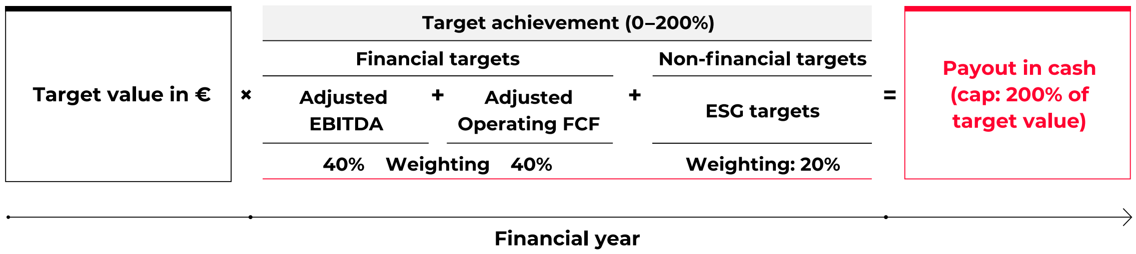
PERFORMANCE-BASED COMPENSATION

Performance-based compensation comprises two elements: annual variable compensation (Short-Term Incentive) in the form of an annual bonus payment (Performance Bonus) and multi-year variable compensation (Long-Term Incentive) in the form of virtual shares (performance share units) in ProSiebenSat.1 Media SE (Performance Share Plan).

SHORT-TERM INCENTIVE (PERFORMANCE BONUS)

The Short-Term Incentive depends on ProSiebenSat.1 Group's business performance in the past financial year. It is calculated on the basis of the achievement ascertained for the financial year of adjusted EBITDA and adjusted operating free cash flow (adjusted operating FCF) targets at Group level and of ESG targets. The weighted target achievements are aggregated after the end of a financial year, with the two financial performance indicators being weighted at 40% each and the ESG targets at 20%. The final payment is capped at a maximum of 200% of the individual target amount agreed in each employment contract.

HOW THE SHORT-TERM INCENTIVE WORKS



ADJUSTED EBITDA AT GROUP LEVEL

Adjusted EBITDA is one of the most important financial performance indicators in ProSiebenSat.1 Group's management system based on key figures and helps the Executive Board assess the operating profitability of the Group and its segments.

Adjusted EBITDA stands for adjusted earnings before interest, taxes, depreciation and amortization. It describes the operating result (earnings before interest, taxes, depreciation, and amortization) adjusted for certain influencing factors (see "Treatment of Reconciling Items in the 2021 Compensation System"). Adjusted EBITDA is an industry-standard and frequently used measure of operating earnings, which in our Entertainment, Commerce & Ventures and Dating & Video segments provides a high degree of comparability with other businesses and is also regularly used on the capital market for enterprise valuations. ProSiebenSat.1 Group reports on adjusted EBITDA in its regular financial reporting.

Before the start of a financial year, the Supervisory Board sets the target value in EUR for adjusted EBITDA, adopting the value from the budget planning for the respective financial year as the 100% value. To ascertain the target achievement, the actual adjusted EBITDA as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE is compared with the target value for the respective financial year.

If the achieved adjusted EBITDA corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target value of 10% or more. To reach the maximum target achievement of 200%, the achieved adjusted EBITDA must exceed the target value by 10% or more. Intermediate values are interpolated in a straight line.

ADJUSTED EBITDA TARGET ACHIEVEMENT CURVE

ADJUSTED OPERATING FREE CASH FLOW AT GROUP LEVEL

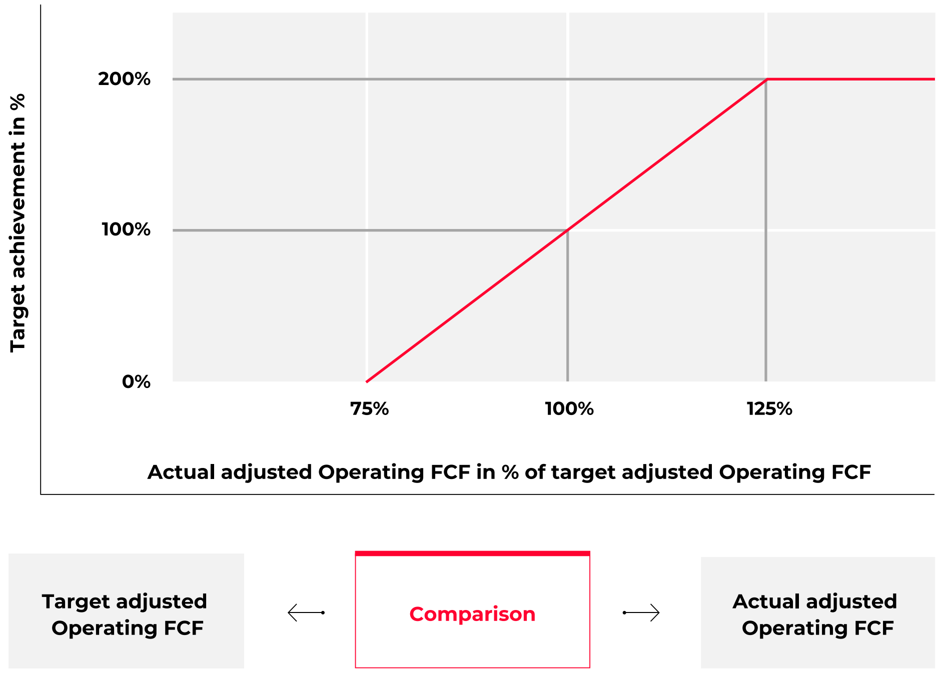
For the segments' focused operating cash flow management, the Group introduced adjusted operating FCF as the most important financial performance indicator from the financial year 2021.

Adjusted operating FCF is defined as operating free cash flow before interest and taxes. It 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. Working capital is primarily calculated as current assets less cash and cash equivalents and current liabilities. All changes from reconciling items corrected for in adjusted EBITDA (see "Treatment of Reconciling Items in the 2021 Compensation System") are likewise corrected for in working capital. Adjusted operating FCF is one of the most important performance indicators in ProSiebenSat.1 Group's financial and liquidity planning. It is also an important measure for shareholders, as it reflects the cash and cash equivalents generated with operating business, which in turn make up a significant portion of the cash and cash equivalents available for distributions to shareholders. ProSiebenSat.1 Group reports on adjusted operating FCF in its regular financial reporting.

Before the start of a financial year, the Supervisory Board sets the target value in EUR for adjusted operating FCF, adopting the value from the budget planning for the respective financial year as the 100% value. To ascertain the target achievement, the actual adjusted operating FCF as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE is compared with the target value for the respective financial year.

Because adjusted operating FCF is smaller than adjusted EBITDA in absolute terms and thus more volatile, it is a challenge to set a target value that is both ambitious and plausible. Therefore, the Supervisory Board provides for a broader target achievement corridor in both directions (+/- 25%). If the achieved adjusted operating FCF corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target value of 25% or more. To reach the maximum target achievement of 200%, the achieved adjusted operating FCF must exceed the target value by 25% or more. Intermediate values are interpolated in a straight line.

ADJUSTED OPERATING FCF TARGET ACHIEVEMENT CURVE



ESG TARGETS AT GROUP LEVEL

The successive implementation of ProSiebenSat.1 Group's sustainability strategy is tracked by annual ESG targets at Group level in the Short-Term Incentive. This enables relevant and simultaneously quantifiable ESG targets to be taken into account in line with the annual targets for the implementation of the sustainability strategy. As part of budget approval, the Supervisory Board therefore sets binding, specific, and measurable targets from a defined list of criteria before the start of the respective financial year. The list of criteria comprises ecological and social targets derived from the fields of action of the sustainability strategy. These currently include public value & corporate citizenship (formerly: society), diversity & inclusion, climate & environment, and governance & compliance. For example, they relate to making ProSiebenSat.1 Group climate neutral by 2030, among other things by reducing CO_2 emissions, to the expansion of accessible content with more subtitled programming and audio description, and to the increased, responsible use of media reach for socio-politically relevant issues.

Before the start of a financial year, the Supervisory Board defines a quantifiable target value for each ESG target as part of the budget discussion. To ascertain the target achievement, the value actually achieved is compared with the target value for the respective financial year.

If the value achieved corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a significant negative deviation from the target value. To reach the maximum target achievement of 200%, the value achieved must significantly exceed the target value.

PAYMENT DATE

The Short-Term Incentive is payable in the following year within a month of the audited and approved Consolidated Financial Statements for the financial year in question becoming available and is paid out with the next monthly salary.

LONG-TERM INCENTIVE (PERFORMANCE SHARE PLAN)

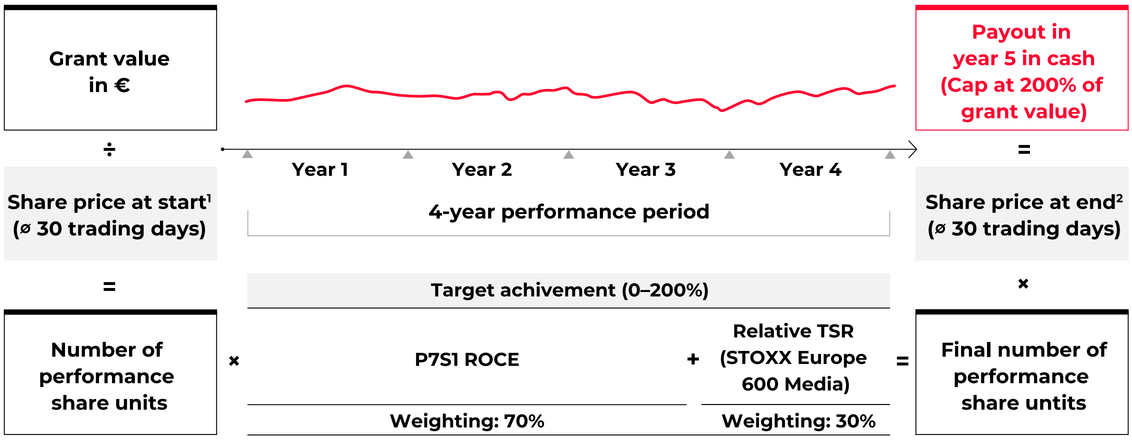
The Long-Term Incentive is designed as multi-year variable compensation in the form of virtual shares (performance share units). Consequently, it does not constitute stock options within the meaning of Section 162 (1) No. 3 AktG. Tranches are granted annually, each with a four-year performance period. Payment is made in cash in year five, the year after the end of the performance period. The Company has the right to choose equity settlement rather than cash settlement and to deliver a corresponding number of own shares for this purpose.

The payout depends on the development of ProSiebenSat.1 Media SE's share price as well as on the Company's internal and external performance. In the 2021 compensation system, the Company's performance is measured based on P7S1 ROCE (return on capital employed) at Group level with a weighting of 70% and the relative total shareholder return (TSR – shareholder return for ProSiebenSat.1 shares compared to shareholder return for companies in the selected comparison index STOXX Europe 600 Media) with a weighting of 30%.

In the compensation system approved by the Annual General Meeting on May 16, 2018 (hereinafter: "2018 compensation system"), which applied before the current 2021 compensation system, the Company's performance was measured based on adjusted net income at Group level as well as the relative total shareholder return, each with a weighting of 50%. Under the Performance Share Plan in accordance with the 2018 compensation system, performance share units were issued for the last time to the Executive Board members then in office – Christine Scheffler, Wolfgang Link and Rainer Beaujean (pro rata to the latter) – in the financial year 2022.

An individual grant value is specified in the service contract for each member of the Executive Board. With effect from the start of a financial year, a number of performance share units (PSUs) corresponding to the grant value will be granted on the basis of the volume-weighted average XETRA closing price of the ProSiebenSat.1 share over the 30 trading days preceding the start of the financial year. Following the end of the four-year performance period, the granted performance share units are converted into a final number of performance share units according to total target achievement, which is determined according to the weighted target achievement for P7S1 ROCE and relative TSR (2021 compensation system) or for adjusted net income and relative TSR (2018 compensation system). The payout amount for each performance share unit is equal to the volume-weighted average XETRA closing price of ProSiebenSat.1's shares over the 30 trading days preceding the end of the performance period, plus cumulative dividend payments over the performance period on the ProSiebenSat.1 share. Because the dividend is included in the calculation of the payout amount, the Executive Board is in a neutral position regarding the distribution of dividends and has no incentive not to distribute profits. The payout amount is limited to a maximum of 200% of the individual grant value per tranche (cap). In the case of a settlement in own shares, the amount paid out is converted into a corresponding number of own shares of the Company issued to the beneficiary on the basis of the above average price.

HOW THE PERFORMANCE SHARE PLAN WORKS – 2021 COMPENSATION SYSTEM



1 Volume-weighted average XETRA closing price over the 30 trading days preceding the start of the performance period.
2 Volume-weighted average XETRA closing price over the 30 trading days preceding the end of the performance period, plus cumulative dividend payments.

P7S1 ROCE AT GROUP LEVEL (2021 COMPENSATION SYSTEM)

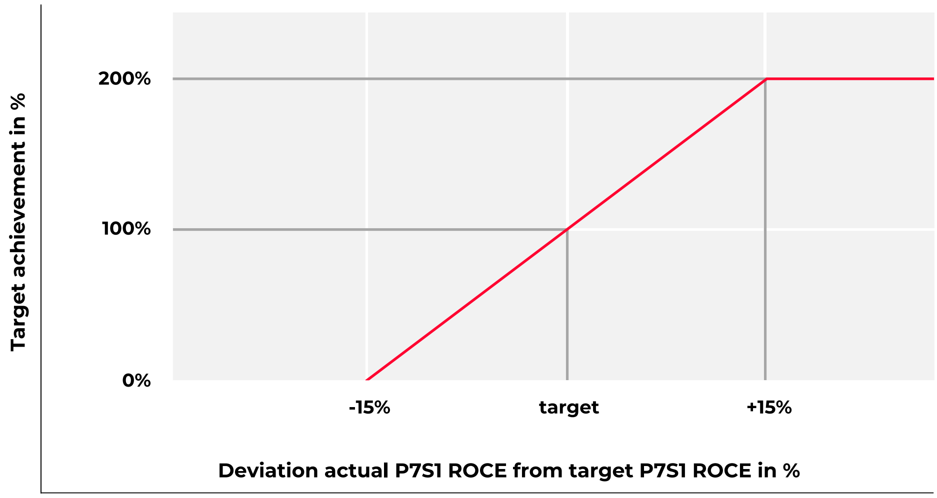
In line with the strategic objective of continuous value enhancement and the associated, even more consistent management of investments, adjusted net income, which was included in the Performance Share Plan (LTI) in accordance with the 2018 compensation system, has been replaced as a key performance target by P7S1 ROCE.

P7S1 ROCE stands for ProSiebenSat.1 Group's return on capital employed and 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. Adjusted EBIT is the operating result adjusted for certain influencing factors (see "Treatment of Reconciling Items in the 2021 Compensation System"). 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. P7S1 ROCE in an industry-standard and frequently used performance indicator that tracks return on capital employed and creates incentives for continuous value enhancement. ProSiebenSat.1 Group reports on P7S1 ROCE in its regular financial reporting.

The target achievement for P7S1 ROCE is ascertained using the average annual target achievement of P7S1 ROCE over the four-year performance period. Before the start of each financial year, the Supervisory Board sets the target value in % for P7S1 ROCE, adopting the value from the budget planning for the respective financial year as the 100% value. To ascertain the target achievement, the actual P7S1 ROCE as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE is compared with the target value for the respective financial year.

If the achieved P7S1 ROCE corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target value of 15% or more. To reach the maximum target achievement of 200%, the achieved P7S1 ROCE must exceed the target value by 15% or more. Intermediate values are interpolated in a straight line.

P7S1 ROCE TARGET ACHIEVEMENT CURVE

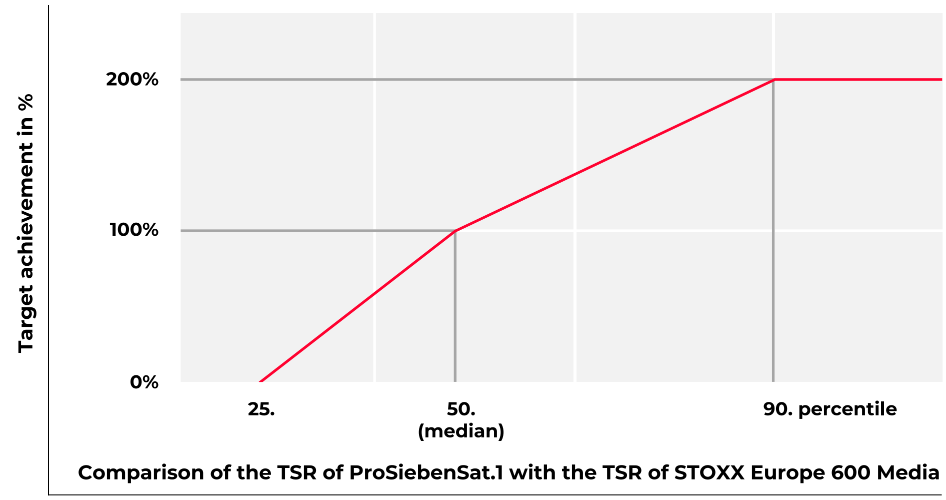


RELATIVE TOTAL SHAREHOLDER RETURN (TSR) – 2021 COMPENSATION SYSTEM

Relative total shareholder return (relative TSR) represents a comparison of the shareholder return (share price performance including hypothetically reinvested gross dividends) on shares in ProSiebenSat.1 Media SE with that of the companies listed in STOXX Europe 600 Media. The relative comparison incentivizes the outperformance of competitors on the capital market and thus measures the performance of the ProSiebenSat.1 share independently of economic effects. The target achievement for relative TSR is ascertained using the average annual target achievement of relative TSR over the four-year performance period. Firstly, the TSR for ProSiebenSat.1 Media SE and for the companies listed in STOXX Europe 600 Media is determined on an annual basis. Then, the calculated TSR values are ranked and the relative positioning of ProSiebenSat.1 Media SE in this ranking is determined.

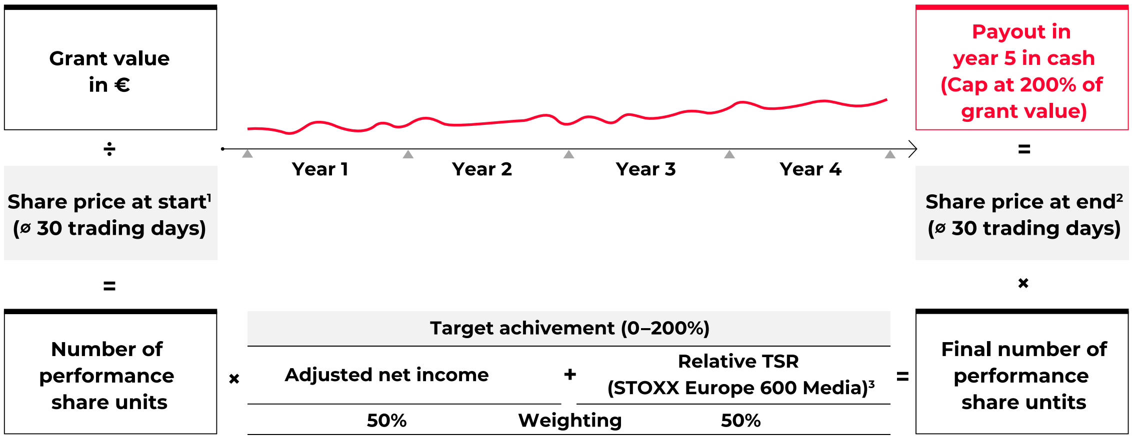
If the relative TSR achieved by ProSiebenSat.1 Media SE corresponds to the median (50th percentile rank) of the peer group, the target achievement is 100%. When positioned at or below the 25th percentile rank, the target achievement is 0%. Maximum target achievement of 200% requires that at least the 90th percentile rank is reached. Intermediate values are interpolated in a straight line.

RELATIVE TSR TARGET ACHIEVEMENT CURVE



The Performance Share Plan in accordance with the 2018 compensation system is described in more detail below.

HOW THE PERFORMANCE SHARE PLAN WORKS – 2018 COMPENSATION SYSTEM



1 Volume-weighted average XETRA closing price of ProSiebenSat.1's shares over the 30 trading days preceding the start of the performance period, rounded down to two decimal places.
2 Volume-weighted average XETRA closing price of ProSiebenSat.1's shares over the 30 trading days preceding the end of the performance period, rounded down to two decimal places, plus cumulative dividend payments on each share in ProSiebenSat.1.
3 Relative TSR of ProSiebenSat.1 Media SE's shares over the four-year performance period in comparison with STOXX Europe 600 Media companies.

ADJUSTED NET INCOME AT GROUP LEVEL – 2018 COMPENSATION SYSTEM

The adjusted net income at Group level is taken into account with a weighting of 50% in the Performance Share Plan. That is, 50% of the final number of performance share units are dependent on the average target achievement for the Group adjusted net income over the four-year performance period.

Adjusted net income is the net income attributable to shareholders of ProSiebenSat.1 Media SE, adjusted for the reconciling items shown for adjusted EBITDA (see “Treatment of Reconciling Items in the 2021 Compensation System”) and adjusted for additional reconciling items. These additional reconciling items include:

- Depreciation, amortization and impairments from purchase price allocations
- Impairments of goodwill
- Valuation effects in other financial result
- Valuation effects of put-option and earn-out liabilities
- Valuation effects from hedging transactions
- Results from other material one-time items (relates to transactions of at least EUR 0.5 million each)

Moreover, the tax effects resulting from such adjustments and effects on the net result attributable to non-controlling interests are also adjusted.

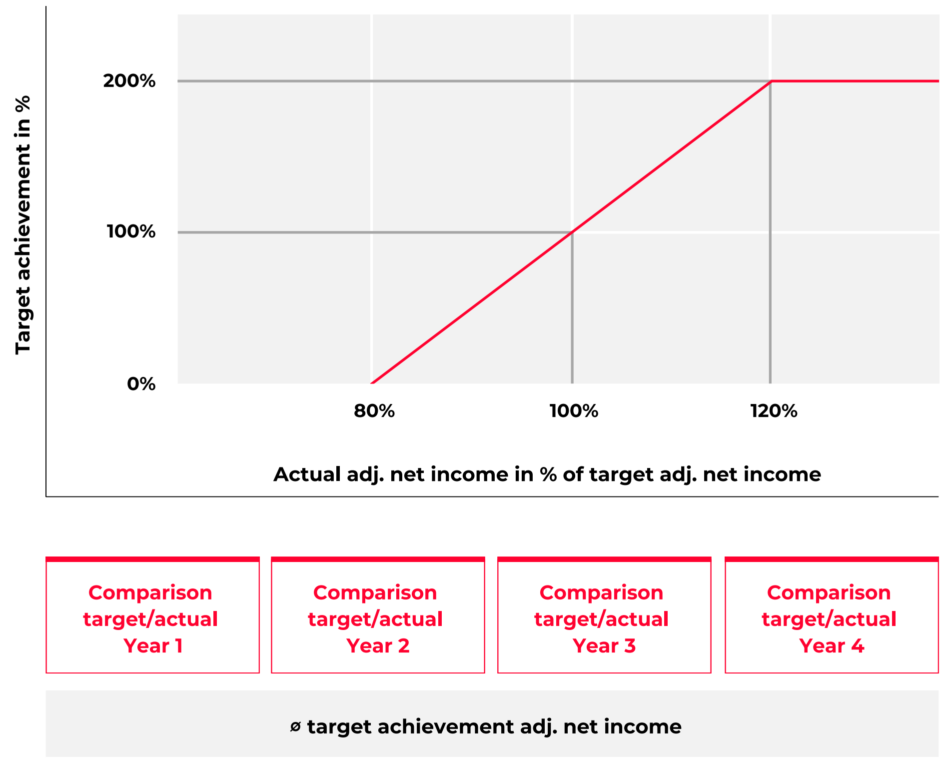
The average annual target achievement of the adjusted net income of the four-year performance period is used to determine the target achievement for the Group’s adjusted net income at the end of the term of a tranche. The adjusted net income target value for each of the financial years within the performance period is set annually by the Supervisory Board in EUR and is derived from budget planning for ProSiebenSat.1 Group. The financial effects of operational and strategic measures are reflected in the budget planning.

If required, the Group’s actual adjusted net income reported by ProSiebenSat.1 Media SE is adjusted to determine the target achievement, adjustments being made e.g. for effects from significant changes in IFRS accounting and from the effects of M&A transactions (including related financing effects) carried out during the reporting period that are not included in the planning.

To measure the target achievement, the actual adjusted net income as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE, subject to the above adjustments, is compared with the target adjusted net income for the respective financial year.

If the actual adjusted net income corresponds to the target value, the target achievement is 100%. In the case of a negative deviation of 20% or more from the target adjusted net income, the target achievement is 0%. For the maximum target achievement of 200%, the actual adjusted net income must exceed the target adjusted net income by 20% or more. Intermediate values are interpolated in a straight line. The adjusted net income target achievement curve is symmetrical, which means that any underachievement or overachievement of the target is equally taken into account.

ADJUSTED NET INCOME TARGET ACHIEVEMENT CURVE



RELATIVE TOTAL SHAREHOLDER RETURN (TSR) – 2018 COMPENSATION SYSTEM

In addition, 50% of the final number of performance share units are dependent on the relative TSR of ProSiebenSat.1 Media SE's shares compared with STOXX Europe 600 Media companies. In contrast to the 2021 compensation system, relative TSR in the 2018 compensation system is determined once over the four-year performance period.

PAYMENT DATE

Each respective tranche of the Long-Term Incentive is paid out or settled, as the case may be, in the following year, after the audited and approved Consolidated Financial Statements for the final financial year of the four-year performance period become available.

TREATMENT OF RECONCILING ITEMS IN THE 2021 COMPENSATION SYSTEM

The adjustments in the 2018 compensation system are described exclusively in the respective section on the performance indicators.

Reconciliation to adjusted performance indicators

Reconciling items can influence or even overshadow operating performance. Therefore, figures adjusted for such items offer supplementary information for the assessment of ProSiebenSat.1 Group's operating performance. Adjusted figures thus are more relevant for managing the Company. Adjusted earnings figures therefore also constitute suitable measures of performance for assessing ProSiebenSat.1 Group's sustainable development.

For adjusted EBITDA and adjusted operating free cash flow in accordance with the compensation system, these reconciling items include:

- M&A-related expenses
- Reorganization expenses
- Expenses for legal claims
- Fair value adjustments of share-based payments
- Results from changes in scope of consolidation
- Results from other material one-time items (relates to transactions of at least EUR 0.5 million each)
- Valuation effects relating to strategic realignment of business units

In addition to the reconciling items listed above for adjusted EBITDA and adjusted operating free cash flow, adjusted EBIT is likewise adjusted for depreciation, amortization and impairments from purchase price allocations (Group entities and investments accounted for using the equity method) and impairments on goodwill.

Potential additional adjustments of the adjusted performance indicators

Adjusted EBITDA, adjusted EBIT, adjusted operating free cash flow, and average capital employed are also adjusted for the effects of material changes in IFRS accounting and unplanned effects of M&A transactions carried out within the financial year. This corrects for distortions in target achievement. Adjustment beyond these limited effects and subsequent adjustment of the target are not permitted.

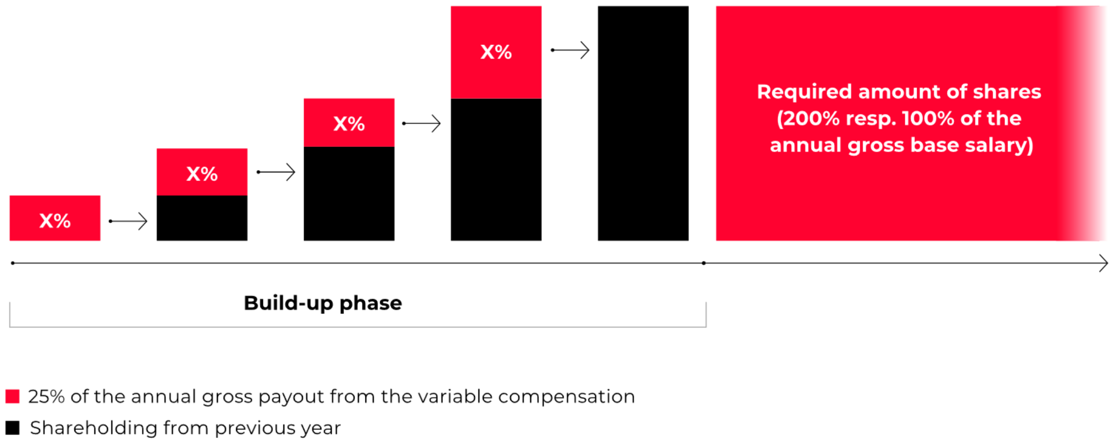
MAXIMUM COMPENSATION

In addition to the limits on the individual variable compensation components, the 2021 compensation system provides for maximum compensation determined by the Supervisory Board in accordance with Section 87a (1) Sentence 2 No. 1 AktG, which encompasses all compensation components. This maximum amount is EUR 7,500,000 for the Group CEO and EUR 4,500,000 for the other Executive Board members. The maximum compensation limits the sum of the disbursements of all compensation components resulting from a financial year and constitutes the maximum permissible limit within the compensation system. As adherence to the maximum compensation depends on the receipts from the multi-year performance-based compensation (Performance Share Plan), it can only be reported on after the end of the respective four-year performance period. The contractually promised target compensation for the financial year 2023 and the limits on the variable compensation ensure that the determined maximum compensation cannot be exceeded.

OBLIGATIONS TO ACQUIRE AND HOLD SHARES IN THE COMPANY (SHARE OWNERSHIP GUIDELINES)

In order to strengthen the equity culture and bring the interests of the Executive Board and shareholders into even greater alignment, the members of the Executive Board are obliged to acquire and hold shares in the Company. Each Executive Board member is obliged to acquire shares in ProSiebenSat.1 Media SE with a value totaling 200% (Group CEO) or 100% (other Executive Board members) of the annual gross basic compensation and to hold these shares at least until the end of their appointment as a member of the Executive Board. Until the required levels are reached, the Executive Board members are obliged to invest at least 25% of the annual gross payout from the Short-Term Incentive (Performance Bonus) and the Long-Term Incentive (Performance Share Plan) in ProSiebenSat.1 shares.

SHARE OWNERSHIP GUIDELINES



The Executive Board members met their respective purchase obligations in the financial year 2023. For Martin Mildner, this will apply for the first time when the Performance Bonus for 2023 is paid out in the financial year 2024. An overview of the amounts invested as of December 31, 2023, is given below:

INDIVIDUALIZED SHAREHOLDINGS OF THE EXECUTIVE BOARD AS OF DECEMBER 31, 2023

Member of the Executive Board	Number of shares	Investment at acquisition date	Investment obligation as of December 31, 2023[1]	Total investment obligation
Bert Habets	110,000	664,543 €	12,410 €	1,890,000 €
Martin Mildner[2]	15,000	81,267 €	—	753,000 €
Christine Scheffler	37,547	351,975 €	321,051 €	800,000 €
Wolfgang Link	28,860	349,102 €	377,400 €	895,000 €
Ralf Peter Gierig[3]	2,700	55,370 €	—	715,000 €

1 Sum of 25% of the annual gross payouts from variable compensation since the beginning of the respective build-up phase.
2 For Martin Mildner, this will apply for the first time when the performance bonus for 2023 is paid out in financial year 2024.
3 Due to the departure of Ralf Peter Gierig on April 27, 2023 and the termination agreement, there is no entitlement to variable compensation for the 2022 and 2023 financial years and therefore no further investment obligation. Acquisition of 2,700 shares prior to appointment to the Executive Board.

Malus and Clawback Provisions

In the context of recommendation G.11 of the GCGC in the version dated April 28, 2022, the existing clawback provision in the 2018 compensation system and a malus provision in the variable compensation were added to the 2021 compensation system. According to these provisions, compensation from both the Performance Bonus and the Performance Share Plan can be reduced (malus) or reclaimed (clawback).

If it is determined after the variable compensation has been paid out that the Consolidated Financial Statements were erroneous, the Supervisory Board can reclaim paid variable compensation in full or in part ("performance clawback"). The size of the clawback is determined based on the corrected and audited Consolidated Financial Statements and relates to the net amounts paid.

If an Executive Board member intentionally or by gross negligence violates his or her statutory duty of care in accordance with Section 93 AktG, his or her employment contract, or material compliance policies in accordance with ProSiebenSat.1 Group's compliance management system in such a way that would justify a dismissal for cause in accordance with Section 84 (3) AktG, the Supervisory Board can, at its discretion, fully or partially reduce as yet unpaid variable compensation for the financial year to which the breach of duty is attributable ("compliance malus") or, if the variable compensation has already been paid, reclaim the variable compensation in full or in part ("compliance clawback"). The size of the clawback relates to the net amounts paid.

The malus or clawback option was not utilized in the financial year 2023.

Moreover, all variable compensation components for Executive Board members in the compensation system are forward-looking and are not paid out until after the end of the plan term. Until then, they also reflect negative value risks at the expense of the variable compensation.

Finally, the respective employment contracts clearly state that potential claims on the part of the Company against Executive Board members from Section 93 (2) AktG are unaffected. According to this provision, Executive Board members who neglect their duties are obliged to compensate the Company for the resulting damage as joint and several debtors.

COMMITMENTS IN THE EVENT OF TERMINATION OF EXECUTIVE BOARD EMPLOYMENT

REGULAR TERMINATION

If an Executive Board member's employment is terminated, any remaining variable compensation components attributable to the period up until contract termination are paid based on the originally agreed targets and only after the end of the regular performance periods.

PREMATURE TERMINATION WITHOUT GOOD CAUSE

If the employment contracts of Executive Board members are terminated prematurely by the Company without good cause within the meaning of Section 626 of the German Civil Code, these contracts provide for a severance payment amounting to two years' worth of total compensation as defined by recommendation G.13 GCGC in the version dated April 28, 2022. However, this may not exceed the amount of compensation that would have been paid until the end of the contract period.

PREMATURE TERMINATION IN THE EVENT OF A CHANGE OF CONTROL

The contracts of Executive Board members contain change of control clauses in the event of a change of control at the Company. A change of control as defined in the agreements of the Executive Board members takes place (i) if control is acquired within the meaning of takeover law, (ii) if the merger of the Company is implemented with the Company as the transferring legal entity pursuant to Sections 2 et. seq. or Sections 122a et. seq. of the German Transformation of Companies Act (UmwG), or (iii) if a control agreement pursuant to Sections 291 AktG (also in connection with a profit and loss transfer agreement) comes into force with the Company as the dependent entity. 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 significantly affects the position of these Executive Board members. There is no entitlement to severance payment in the event of a change of control. The change of control clause was not applied in the financial year 2023.

POST-CONTRACTUAL NON-COMPETITION CLAUSE

A post-contractual non-competition clause was agreed for all Executive Board members covering one year following the termination of the employment contract.

If the post-contractual non-competition clause applies, Executive Board members receive a monthly waiting allowance for the duration of the post-contractual non-competition agreement, which in each case amounts to 1/12 of 75% of the annual compensation amount most recently received. In order to determine the waiting allowance, the sum of basic compensation, the Performance Bonus and, if applicable, additional multi-annual compensation components that have been granted are to be regarded as annual compensation. In the calculation, the target amount is recognized for the Performance Bonus and the individual annual grant value for the participation in the Performance Share Plan. Any income generated from work performed while the non-competition clause is in force is to be offset against in the waiting allowance – based on a one-year period – if it exceeds 50% of the annual compensation most recently obtained. The Company may waive the non-competition clause before the end of the agreement. In this case, the Executive Board member is entitled to a waiting allowance only for the period between the end of the agreement and the end of a six-month period after the waiver has been received. Sections 74 et seq. of the German Commercial Code also apply accordingly.

The following table shows the net present value of compensation to be paid in connection with the post-contractual non-competition clause. This consists of the present value of the amounts that would be paid assuming that Executive Board members were to leave the Company at the end of the term of their respective contracts and that the contractual benefits received immediately before the termination of their contracts equal the annual compensation received at the end of their respective contract term. It can be assumed that actual compensation resulting from the post-contractual non-competition clause will differ from the amounts presented in this table. This depends on the exact date on which the employment contract is terminated and the level of compensation received on this date.

WAITING ALLOWANCE

in EUR k

	Duration of the contract	**Net present value of the waiting allowance[1]**
Bert Habets[2]	10/31/2025	1,922.1
Martin Mildner[2]	04/30/2026	1,255.5
Christine Scheffler	12/31/2027	1,314.7
Total		**4,492.3**

1 The following discount rates according to IAS 19 were used for this calculation: Bert Habets 3.30%, Martin Mildner 3.31% and Christine Scheffler 3.35%.
2 Bert Habets' Executive Board contract provides for compensation adjustments effective January 1, 2024 and January 1, 2025. The waiting compensation stated above takes into account the new compensation.

Wolfgang Link resigned from the Executive Board with effect from July 15, 2023; his employment contract ended with effect from July 31, 2023. In his termination agreement, it was agreed that the post-contractual non-competition clause continues to apply for one year starting from July 31, 2023, and that the waiting allowance owed in return is settled in full by the severance payment. For this reason, a net present value is no longer shown for Wolfgang Link.

Ralf Peter Gierig resigned from the Executive Board with effect from April 27, 2023; his employment contract ended with effect from October 31, 2023. The post-contractual non-competition clause was lifted, so there is no entitlement to compensation for waiting.

COMPENSATION FOR SUPERVISORY BOARD POSTS

If an Executive Board member receives compensation for holding Supervisory Board posts at affiliated entities, this compensation is included. All entities controlled by ProSiebenSat.1 Media SE within the meaning of Section 17 AktG are considered affiliated entities. In the financial year 2023, the Executive Board members received no compensation for holding Supervisory Board posts at affiliated entities.

INDIVIDUAL COMPENSATION OF THE EXECUTIVE BOARD FOR THE FINANCIAL YEAR 2023

Target Compensation

The following individual target compensation levels and breakdowns were determined for Executive Board members in office in the financial year 2023; termination agreements concluded in the financial year 2023 are already included for the purpose of presenting the target compensation for this financial year. The one-year and multi-year variable compensation shown in the table is based on a theoretical target achievement of 100%.

TARGET COMPENSATION

	Bert Habets				**Martin Mildner**				**Christine Scheffler**			
	Chairman of the Executive Board (Group CEO)				Member of the Executive Board & Chief Financial Officer (Group CFO)				Member of the Executive Board			
	(Member of the Executive Board since November 2022)				(Member of the Executive Board since May 2023)				(Member of the Executive Board since March 2020)			
	2023		2022		**2023**		2022		**2023**		2022	
	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %
Basic compensation	945.0	37%	157.5	37%	502.0	38%	—	—	800.0	38%	715.0	37%
+ fringe benefits	45.3	2%	6.8	2%	32.3	2%	—	—	6.9	0%	6.9	0%
= total fixed compensation	**990.3**	**39%**	**164.3**	**39%**	**534.3**	**41%**	**—**	**—**	**806.9**	**38%**	**721.9**	**37%**
+ annual variable compensation												
Performance Bonus for 2022	—	—	85.0	20%	—	—	—	—	—	—	357.5	19%
Performance Bonus for 2023	510.0	20%	—	—	233.3	18%	—	—	400.0	19%	—	—
+ multi-year variable compensation												
Performance Share Plan (2022-2025)	—	—	153.3	36%	—	—	—	—	—	—	715.0	37%
Performance Share Plan (2023-2026)	920.0	36%	—	—	468.7	36%	—	—	800.0	38%	—	—
+ Company pension service cost	141.0	6%	22.6	5%	79.9	6%	—	—	124.4	6%	133.3	7%
= total compensation	**2,561.3**	**100%**	**425.2**	**100%**	**1,316.2**	**100%**	**—**	**—**	**2,131.3**	**100%**	**1,927.7**	**100%**

TARGET COMPENSATION

	Wolfgang Link[1]				**Ralf Peter Gierig**[2]			
	Member of the Executive Board				Member of the Executive Board & Chief Financial Officer (Group CFO)			
	(Member of the Executive Board until July 2023)				(Member of the Executive Board until April 2023)			
	2023		2022		**2023**		2022	
	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %
Basic compensation	522.1	36%	800.0	37%	238.3	64%	715.0	37%
+ fringe benefits	4.7	0%	8.1	0%	4.2	1%	12.6	1%
= total fixed compensation	**526.8**	**36%**	**808.1**	**37%**	**242.5**	**65%**	**727.6**	**37%**
+ annual variable compensation								
Performance Bonus for 2022	—	—	400.0	18%	—	—	357.5	18%
Performance Bonus for 2023	259.6	18%	—	—	—	—	—	—
+ multi-year variable compensation								
Performance Share Plan (2022-2025)	—	—	800.0	37%	—	—	715.0	37%
Performance Share Plan (2023-2026)	522.1	36%	—	—	—	—	—	—
+ Company pension service cost	143.8	10%	155.3	7%	128.5	35%	143.6	7%
= total compensation	**1,452.3**	**100%**	**2,163.4**	**100%**	**371.0**	**100%**	**1,943.7**	**100%**

1 Wolfgang Link resigned from the Executive Board with effect from July 15, 2023; his employment contract ended with effect from July 31, 2023.
2 Ralf Peter Gierig resigned from the Executive Board with effect from April 27, 2023; his employment contract ended with effect from October 31, 2023. The information in the table takes into account that, according to the termination agreement there is no entitlement to variable compensation for the 2023 financial year; the elimination of the entitlement to variable compensation for the 2022 financial year in accordance with the termination agreement was not taken into account in the table for reasons of consistency with the 2022 compensation report and transparency of presentation.

COMPENSATION GRANTED AND OWED

In accordance with Section 162 (1) AktG, the following table presents the compensation granted and owed in the financial year 2023. In order to ensure congruence between the published business results of the financial year 2023 and the resulting compensation ("pay for performance"), the variable compensation components are based on the compensation owed for performance in the financial year 2023, regardless of the actual timing of receipt. Therefore, the Performance Bonus for 2023 and the Performance Share Plan 2020 are presented here, because the performance was completed in the financial year 2023 even though the payout will not be made until the financial year 2024. The service cost for the Company pension is shown in an additional sum as total compensation, even though it is not compensation granted and owed in the narrower sense.

COMPENSATION GRANTED AND OWED

	Bert Habets				**Martin Mildner**				**Christine Scheffler**			
	Chairman of the Executive Board (Group CEO)				Member of the Executive Board & Chief Financial Officer (Group CFO)				Member of the Executive Board			
	(Member of the Executive Board since November 2022)				(Member of the Executive Board since May 2023)				(Member of the Executive Board since March 2020)			
	2023		2022		**2023**		2022		**2023**		2022	
	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %
Basic compensation	945.0	75%	157.5	74%	502.0	77%	—	—	800.0	69%	715.0	69%
+ fringe benefits	45.3	4%	6.8	3%	32.3	5%	—	—	6.9	1%	6.9	1%
= total fixed compensation	**990.3**	**79%**	**164.3**	**77%**	**534.3**	**82%**	**—**	**—**	**806.9**	**70%**	**721.9**	**70%**
+ annual variable compensation												
Performance Bonus for 2022	—	—	49.6	23%	—	—	—	—	—	—	312.5	30%
Performance Bonus for 2023	264.7	21%	—	—	121.1	18%	—	—	207.6	18%	—	—
+ multi-year variable compensation												
Performance Share Plan (2019-2022)[1]	—	—	—	—	—	—	—	—	—	—	—	—
Performance Share Plan (2020-2023)[2]	—	—	—	—	—	—	—	—	138.6	12%	—	—
= total compensation granted and owed (in accordance with Section 162 AktG)	**1,255.0**	**100%**	**213.9**	**100%**	**655.4**	**100%**	**—**	**—**	**1,153.1**	**100%**	**1,034.4**	**100%**
+ Company pension service cost	141.0	—	22.6	—	79.9	—	—	—	124.4	—	133.3	—
= total compensation	**1,396.0**	**—**	**236.5**	**—**	**735.3**	**—**	**—**	**—**	**1,277.6**	**—**	**1,167.7**	**—**

1 The members of the Executive Board in office in financial year 2023 did not participate in the Performance Share Plan 2019 in their capacity as members of the Executive Board.
2 Of the Executive Board members in office in financial year 2023, only Wolfgang Link and Christine Scheffler participated in the Performance Share Plan 2020 in their capacity as Executive Board members.

COMPENSATION GRANTED AND OWED

	Wolfgang Link[3] Member of the Executive Board (Member of the Executive Board until July 2023)				Ralf Peter Gierig[4] Member of the Executive Board & Chief Financial Officer (Group CFO) (Member of the Executive Board until April 2023)			
	2023		2022		**2023**		2022	
	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %
Basic compensation	522.1	63%	800.0	69%	238.3	98%	715.0	98%
+ fringe benefits	4.7	1%	8.1	1%	4.2	2%	12.6	2%
= total fixed compensation	**526.8**	**63%**	**808.1**	**70%**	**242.5**	**100%**	**727.6**	**100%**
+ annual variable compensation								
Performance Bonus for 2022	—	—	349.6	30%	—	—	—	—
Performance Bonus for 2023	134.7	16%	—	—	—	—	—	—
+ multi-year variable compensation								
Performance Share Plan (2019-2022)[1]	—	—	—	—	—	—	—	—
Performance Share Plan (2020-2023)[2]	173.3	21%	—	—	—	—	—	—
= total compensation granted and owed (in accordance with Section 162 AktG)	**834.8**	**100%**	**1,157.7**	**100%**	**242.5**	**100%**	**727.6**	**100%**
+ Company pension service cost	143.8	—	155.3	—	128.5	53%	143.6	—
= total compensation	**978.5**	**—**	**1,313.0**	**—**	**371.0**	**153%**	**871.2**	**—**

1 The members of the Executive Board in office in financial year 2023 did not participate in the Performance Share Plan 2019 in their capacity as members of the Executive Board.
2 Of the Executive Board members in office in financial year 2023, only Wolfgang Link and Christine Scheffler participated in the Performance Share Plan 2020 in their capacity as Executive Board members.
3 Wolfgang Link resigned from the Executive Board with effect from July 15, 2023; his employment contract ended with effect from July 31, 2023.
4 Ralf Peter Gierig resigned from the Executive Board with effect from April 27, 2023; his employment contract ended with effect from October 31, 2023. The information in the table takes into account that, according to the termination agreement there is no entitlement to variable compensation for the 2022 and 2023 financial years.

All fixed and variable compensation components of the Executive Board members correspond to the compensation system valid in the financial year 2023.

Variable Compensation – Detailed Disclosure on Target Achievement

PERFORMANCE BONUS

The Performance Bonus is calculated on the basis of the achievement (0% – 200%) ascertained for the financial year of adjusted EBITDA and adjusted operating FCF targets at Group level and of ESG targets. The final payment is capped at a maximum of 200% of the individual target amount agreed in each employment contract.

For the financial year 2023, the Supervisory Board set an ESG target of a reduction in operating CO_2 emissions (sum of Scope 1 and Scope 2 emissions in accordance with the GHG Protocol Corporate Standard) from 2,991 tCO_2e in the financial year 2022 to 2,619 tCO_2e in the financial year 2023. If the actual emissions correspond to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if the target value is exceeded by 5% or more. To reach the maximum target achievement of 200%, the actual emissions must be lower than the target value by 5% or more. Intermediate values are interpolated in a straight line. The ESG target achievement curve is symmetrically designed, meaning that an over- or underachievement of the target will be reflected evenly.

The Supervisory Board has determined the following target achievement for the financial year 2023 with regard to adjusted EBITDA, adjusted operating FCF, and the ESG target, with the two financial performance indicators being weighted at 40% each and the ESG target at 20%:

TARGET PARAMETERS FOR PERFORMANCE BONUS 2023 IN EUR M

	Weighting	0% target value	**100% target value**	200% target value	Actual value (before adjustment)	**Actual value (adjusted)**	Target achievement
adjusted EBITDA at Group level	40%	542.7	603.0	663.3	577.8	574.2	52.3%
adjusted operating free cashflow (FCF) at Group level	40%	234.0	312.0	390.0	259.8	252.8	24.1 %
ESG target: reduction of operating emissions in tCO_2e	20%	2,750.0	2,619.0	2,488.0	2,600.4	2,610.3	106.7 %
Weighted target achievement	**100%**						**51.9 %**

To calculate target achievement for the financial year 2023, the Supervisory Board adjusted the target parameters of adjusted EBITDA at Group level, adjusted operating FCF at Group level, and the ESG target for reconciling items from the disposal of Regiondo GmbH.

Taking the target achievement for adjusted EBITDA, adjusted operating FCF, and the ESG targets into account results in the following overall target achievement for the Performance Bonus in the financial year 2023:

TOTAL TARGET ACHIEVEMENT PERFORMANCE BONUS 2023

Member of the Executive Board	Target value in EUR k	Target achievement adjusted EBITDA at Group level	Target achievement adjusted operating free cash flow (FCF) at Group level	Target achievement ESG target	Total target achievement	Payout amount in EUR k
Bert Habets	510.0	52.3%	24.1%	106.7%	51.9%	264.7
Martin Mildner	233.3	52.3%	24.1%	106.7%	51.9%	121.1
Christine Scheffler	400.0	52.3%	24.1%	106.7%	51.9%	207.6
Wolfgang Link[1]	259.6	52.3%	24.1%	106.7%	51.9%	134.7
Peter Ralf Gierig[2]	119.2	52.3%	24.1%	106.7%	51.9%	—

1 Due to the departure of Wolfgang Link as of July 15, 2023, and the termination agreement the entitlement to the 2023 Performance Bonus was reduced pro rata temporis by 5/12 in accordance with the termination date during the year.
1 Due to the departure of Ralf Peter Gierig as of April 27, 2023, and the termination agreement there is no entitlement to variable compensation for financial years 2022 and 2023.

PERFORMANCE SHARE PLAN

A new tranche of the Performance Share Plan was granted to the Executive Board members in the financial year 2023. Target achievement is measured in the 2021 compensation system based on P7S1 ROCE at Group level with a weighting of 70% and relative total shareholder return (TSR) with a weighting of 30% and in the 2018 compensation system based on adjusted net income at Group level as well as the relative total shareholder return (TSR), each with a weighting of 50%. The value performance of the resulting number of performance share units is dependent on the absolute share price performance of the ProSiebenSat.1 share and the dividend payments over the performance period.

The performance period of the 2020 tranche, which was issued on the basis of the 2018 compensation system, ends at the end of the financial year 2023. Of the Executive Board members in office in the financial year 2023, only Christine Scheffler and Wolfgang Link participated in the Performance Share Plan 2020 in their capacity as Executive Board members. The following target achievements were defined for adjusted net income at Group level and relative TSR:

TARGET PARAMETERS FOR PERFORMANCE SHARE PLAN 2020 (2018 COMPENSATION SYSTEM)

in EUR m

	Weighting	0% target value	**100% target value**	200% target value	Actual value (before adjustment)	**Actual value (adjusted)**	Target achievement
Adjusted net income at Group level	50%						
2020		216.4	270.5	324.6	221.3	202.8	0.0%
2021[1]		197.9	247.4	296.9	364.5	363.4	200.0%
2022		281.7	352.1	422.5	301.1	307.1	36.1%
2023		197.4	246.8	296.1	225.2	219.0	43.7%
Weighted target achievement adjusted net income							69.9%
Relative total shareholder return (TSR)	50%	25th percentile rank	50th percentile rank	90th percentile rank	20th percentile rank	—	0.0%
Weighted total target achievement	**100%**						**35.0%**

1 Restated actual value for 2021 before adjustment, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

To calculate target achievement for the financial year 2023, the Supervisory Board adjusted the target parameter of adjusted net income at Group level for reconciling items from the disposal of Regiondo GmbH.

The final target achievement with regard to adjusted net income at Group level and relative TSR for the four-year performance period of the 2021 and 2022 Performance Share Plans cannot be calculated until after the end of the final financial year of the respective four-year performance period.

In the financial year 2023, the Performance Share Plan was issued uniformly to all serving Executive Board members on the basis of the 2021 compensation system.

To calculate target achievement for the financial year 2023, the Supervisory Board adjusted the target parameter of return on capital employed at Group level for reconciling items from the disposal of Regiondo GmbH and impairments in the course of the disposal of the business operations of Stylight GmbH and all shares in Stylight Inc, that was closed at the beginning of 2024.

TARGET PARAMETERS FOR PERFORMANCE SHARE PLAN (2021 COMPENSATION SYSTEM)

in EUR m

	Weighting	0% target value	**100% target value**	200% target value	Actual value (before adjustment)	**Actual value (adjusted)**	Target achievement
ROCE at Group level	70%						
2022		12.1%	14.3%	16.4%	12.4%	12.0%	0.0%
2023		9.7%	11.4%	13.1%	11.0%	10.8%	65.4%
2024		—	—	—	—	—	—
2025		—	—	—	—	—	—
Weighted target achievement ROCE							
Relative total shareholder return (TSR)	30%						
2022		25th percentile rank	50th percentile rank	90th percentile rank	17th percentile rank	—	0.0%
2023		25th percentile rank	50th percentile rank	90th percentile rank	9th percentile rank	—	0.0%
2024		25th percentile rank	50th percentile rank	90th percentile rank	—	—	—
2025		25th percentile rank	50th percentile rank	90th percentile rank	—	—	—
Weighted target achievement relative total shareholder return (TSR)							
Weighted total target achievement	**100%**						**—**

The following table shows an overview of the tranches of the Performance Share Plan running in the financial year 2023:

OVERVIEW OF THE GRANTED TRANCHES OF THE PERFORMANCE SHARE PLAN (PSP)

						Determination of payout amount				
		Target value resp. Fair value at the grant date in EUR k	Starting price of ProSiebenSat.1 share	Number of performance share units granted conditionally	Number of performance share units forfeited	Total target achievement	Final number of performance share units	Closing price of ProSiebenSat.1 share	Total dividends paid	Payout amount in EUR k
PSP 2020 (01/01/2020 – 12/31/2023)	Rainer Beaujean[1]	980.0	13.59 €	72,112	—		25,218			180.6
		315.0		36,333	—		12,706			91.0
	Wolfgang Link[2]	600.0	8.67 €	69,205	—	35.0%	24,201	5.82 €	1.34 €	173.3
	Christine Scheffler[2]	480.0		55,364	—		19,361			138.6
	Conrad Albert	366.7	13.59 €	26,981	—		9,436			67.6
PSP 2021 (01/01/2021 – 12/31/2024)	Rainer Beaujean	1,400.0		106,871	—					
	Wolfgang Link	800.0	13.10 €	61,069	—	The performance period of the 2021 tranche ends on December 31, 2024.				
	Christine Scheffler	683.8		52,195	—					
PSP 2022 (01/01/2022 – 12/31/2025)	Bert Habets	153.3		11,234	—					
	Ralf Peter Gierig[3]	715.0		52,381	52,381					
	Wolfgang Link	800.0	13.65 €	58,609	—	The performance period of the 2022 tranche ends on December 31, 2025.				
	Christine Scheffler	715.0		52,381	—					
	Rainer Beaujean	1,500.0		109,892	19,536					
PSP 2023 (01/01/2023 – 12/31/2026)	Bert Habets	920.0		111,787						
	Martin Mildner	468.7		56,947						
	Christine Scheffler	800.0	8.23 €	97,206		The performance period of the 2023 tranche ends on December 31, 2026.				
	Wolfgang Link	895.0		108,749	45,308					
	Ralf Peter Gierig[3]	715.0		86,878	86,878					

1 Following the adjustment of compensation during the year, the relevant share price was calculated as of March 31, 2020.
2 Wolfgang Link and Christine Scheffler also have PSUs from work performed before they joined the Executive Board. These were not granted as compensation for their role on the Executive Board and are thus not included in the overview.
3 Due to the departure of Ralf Peter Gierig as of April 27, 2023, and the termination agreement there is no entitlement to the Performance Share Plan 2022 and 2023.

OTHER COMPENSATION COMPONENTS

The Company has granted neither loans nor provided guarantees or warranties to the members of the Executive Board. The Executive Board members received no payments from third parties.

COMPENSATION GRANTED AND OWED TO FORMER EXECUTIVE BOARD MEMBERS

The compensation granted and owed for former members of the Executive Board in the financial year 2023 amounted to EUR 7.4 million (previous year: EUR 10.2 million).

This includes the severance payment of EUR 4.5 million for Wolfgang Link, who left the Executive Board as of July 15, 2023. His employment contract, which had a remaining term until December 31, 2027, was terminated effective July 31, 2023. As agreed upon in the termination agreement, Wolfgang Link's contractual compensation continued to be paid until July 31, 2023. The Performance Bonus for the financial year 2023 is reduced by 5/12 and will be paid out on the basis of performance in the financial year 2024. Upon departure, the performance share units (PSUs) issued under the Performance Share Plan (PSP) in 2020, 2021 and 2022 were vested at 100% (PSP 2020, 2021 and 2022) or pro rata temporis up to July 31, 2023 (PSP 2023) and will be settled after the end of the four-year performance period. All PSUs that were not vested upon departure will expire without compensation. In addition to his above-described compensation up to the termination date, Wolfgang Link will receive a severance payment of EUR 4.5 million, which in line with recommendation G.13 of the GCGC in the version dated April 28, 2022, equals two years' compensation. For the calculation of the annual compensation, 58.4% of the annual target amount was recognized for the Performance Bonus, and the annual grant value was recognized for the Performance Share Plan. It was also agreed that the post-contractual non-competition clause continues to apply for one year starting from July 31, 2023, and that the waiting allowance owed in return is settled in full by the severance payment.

In connection with his departure, it was agreed with Wolfgang Link that his pension entitlements of EUR 0.6 million in total would be paid and therefore that all claims from the pension agreement would be settled.

The former Executive Board member and Group CFO Ralf Peter Gierig left the Executive Board on April 27, 2023. His employment contract, which had a remaining term until December 31, 2024, was terminated effective October 31, 2023. For the period until October 31, 2023, the monthly fixed salary and the fringe benefits of EUR 0.4 million continued to be paid in accordance with the Executive Board employment contract. Due to the departure of Ralf Peter Gierig and the termination agreement, there is no entitlement to variable compensation for the financial years 2022 and 2023. The post-contractual non-competition clause was lifted, so there is no entitlement to compensation for waiting. There is no entitlement to payment of a severance package.

The compensation granted and owed for former members of the Executive Board also includes the payment of 135,426 performance share units from the Performance Share Plan 2020 in the amount of EUR 0.3 million (previous year: EUR 0.7 million), which comprised the following: EUR 0.3 million for Rainer Beaujean and EUR 0.3 million for Conrad Albert.

In addition, pension benefits of EUR 1.6 million (previous year: EUR 0.9 million) were paid to former Executive Board members, of which EUR 0.5 million to Thomas Ebeling. This amount includes pension benefits from deferred compensation of EUR 0.4 million. Another EUR 1.2 million was paid to former Executive Board members who left the Company more than ten years ago and whose information is therefore disclosed not personalized in accordance with Section 162 (5) AktG. This amount includes pension benefits from deferred compensation of EUR 0.2 million. As of December 31, 2023, pension provisions for former members of the Executive Board in accordance with IFRS amounted to EUR 23.6 million before netting with plan assets (previous year: EUR 22.1 million).

COMPENSATION OF THE SUPERVISORY BOARD

Structure and Components of Supervisory Board Compensation

The compensation of the Supervisory Board is governed by Article 14 of the articles of incorporation of ProSiebenSat.1 Media SE, the current version of which was adopted by the Annual General Meeting on May 21, 2015. According to the German Act for the Implementation of the Second Shareholder Rights Directive (ARUG II) and the revised Section 113 (3) AktG, listed companies must pass a new resolution on the compensation of Supervisory Board members at least every four years. The resolution confirming the compensation for the members of the Supervisory Board was passed by a broad majority of around 99% at the Annual General Meeting on June 1, 2021.

In line with the predominant market practice at listed companies in Germany, the compensation of the Supervisory Board members consists purely of fixed compensation plus an attendance fee. There are no performance-based components. The Executive Board and Supervisory Board believe that purely fixed compensation is best suited to strengthening the Supervisory Board's independence and fulfilling the Supervisory Board's advisory and controlling function, which must be performed independently of the Company's success. The level and design of the Supervisory

Board compensation ensures that the Company is able to obtain qualified candidates for membership of the Company's Supervisory Board; the Supervisory Board compensation thus makes an ongoing contribution to the advancement of the business strategy and the long-term development of the Company. The compensation arrangement also follows in particular recommendation G.17 and suggestion G.18 Sentence 1 GCGC in the version dated April 28, 2022, which state, firstly, that the compensation of Supervisory Board members should take appropriate account of the larger time commitment of the chairperson and the deputy chairperson of the Supervisory Board as well as the chairperson and the members of committees and, secondly, that Supervisory Board compensation should be fixed compensation.

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 chairperson of the Supervisory Board, EUR 150,000 for the vice chairperson and EUR 100,000 for all other members of the Supervisory Board. The chairperson of a Supervisory Board committee receives additional annual compensation of EUR 30,000; the additional annual compensation for the chairperson 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. If multiple meetings are held on one day, the meeting honorarium is paid only once. No performance-based variable compensation is granted.

The current members of the Supervisory Board have declared to the Supervisory Board that they voluntarily undertake to each use 20% of their fixed compensation granted on a yearly basis in accordance with Article 14 (1) and (2) of the articles of incorporation (before deduction of taxes) in order to purchase shares in ProSiebenSat.1 Media SE every year, and to hold these for a period of four years which, however, shall not exceed the duration of their membership on the Supervisory Board of ProSiebenSat.1 Media SE; if they are re-elected, the obligation to hold these shares shall apply to their individual terms of office. With this self-commitment to invest in and hold ProSiebenSat.1 shares, the members of the Supervisory Board want to underline their interest in the long-term, sustainable success of the Company.

COMPENSATION GRANTED AND OWED TO THE SUPERVISORY BOARD FOR THE FINANCIAL YEAR 2023 IN ACCORDANCE WITH SECTION 162 (1) AKTG

in EUR k

		Fixed basic compensation	Presiding Committee compensation	Audit and Finance Committee compensation	Compensation Committee compensation	Meeting honorarium for personal attendance	Total
Dr. Andreas Wiele[1] Chairman	**2023**	**250.0**	**30.0**	**1.6**	**30.0**	**87.0**	**398.6**
	2022	186.1	19.6	0.0	19.6	57.0	282.4
Prof. Dr. Rolf Nonnenmacher[2] Deputy Chairman	**2023**	**125.4**	**3.8**	**50.0**	**7.5**	**56.0**	**242.7**
	2022	100.0	0.0	50.0	7.5	44.0	201.5
Katharina Behrends[3]	**2023**	**50.3**	**3.8**	**0.0**	**0.0**	**14.0**	**68.0**
	2022	—	—	—	—	—	—
Klára Brachtlová[4]	**2023**	**20.9**	**1.4**	**1.4**	**0.0**	**12.0**	**35.8**
	2022	—	—	—	—	—	—
Dr. Katrin Burkhardt[3]	**2023**	**50.3**	**0.0**	**3.8**	**3.8**	**24.0**	**81.8**
	2022	—	—	—	—	—	—
Thomas Ingelfinger[3]	**2023**	**50.3**	**0.0**	**0.0**	**0.0**	**14.0**	**64.3**
	2022	—	—	—	—	—	—
Marjorie Kaplan	**2023**	**100.0**	**3.8**	**0.0**	**3.8**	**40.0**	**147.5**
	2022	100.0	7.5	0.0	0.0	38.0	145.5
Ketan Mehta	**2023**	**100.0**	**7.5**	**0.0**	**0.0**	**40.0**	**147.5**
	2022	100.0	7.5	0.0	0.0	40.0	147.5
Prof. Dr. Cai-Nicolas Ziegler[3]	**2023**	**50.3**	**3.8**	**0.0**	**0.0**	**14.0**	**68.0**
	2022	—	—	—	—	—	—
Dr. Werner Brandt[5] Chairman	**2023**	—	—	—	—	—	—
	2022	86.5	10.4	0.0	10.4	24.0	131.3
Dr. Marion Helmes[6] Deputy Chairwoman	**2023**	**75.0**	**3.8**	**3.8**	**3.8**	**34.0**	**120.3**
	2022	150.0	15.3	7.5	7.5	46.0	226.3
Lawrence A. Aidem[7]	**2023**	**50.0**	**3.8**	**0.0**	**3.8**	**26.0**	**83.5**
	2022	100.0	7.5	0.0	7.5	40.0	155.0
Bert Habets[8]	**2023**	—	—	—	—	—	—
	2022	49.1	0.0	0.0	0.0	8.0	57.1
Erik Huggers[7]	**2023**	**50.0**	**0.0**	**0.0**	**0.0**	**20.0**	**70.0**
	2022	100.0	0.0	0.0	0.0	30.0	130.0
Dr. Antonella Mei-Pochtler[7]	**2023**	**50.0**	**3.8**	**3.8**	**0.0**	**36.0**	**93.5**
	2022	100.0	7.5	7.5	0.0	40.0	155.0
Total	**2023**	**1,022.4**	**65.2**	**64.3**	**52.5**	**417.0**	**1,621.5**
		1,071.8	75.3	65.0	52.5	367.0	1,631.5

1 Member of the Supervisory Board since February 13, 2022, Chairman since May 5, 2022.
2 Deputy Chairman since June 30, 2023.
3 Member of the Supervisory Board since June 30, 2023.
4 Member of the Supervisory Board since October 16, 2023.
5 Member of the Supervisory Board an Chairman until May 5, 2022.
6 Member of the Supervisory Board and Deputy Chairwoman until June 30, 2023.
7 Member of the Supervisory Board until June 30, 2023.
8 Member of the Supervisory Board from May 5, 2022 until October 31, 2022.

In addition to this fixed annual compensation and meeting honoraria, the members of the Supervisory Board were reimbursed for all out-of-pocket expenses and value-added tax levied on their compensation and out-of-pocket expenses.

D&O insurance covers the personal liability risk should Board members be made liable for financial losses when exercising their functions. No deductible has been agreed for members of the Supervisory Board.

Compensation or benefits for services rendered in person, in particular for advisory and agency services, were not granted to Supervisory Board members in the financial year 2023. The Company has granted no loans to members of the Supervisory Board.

All compensation components of the Supervisory Board members correspond to the compensation system valid in the financial year 2023.

COMPARISON OF ANNUAL CHANGE IN THE COMPENSATION AND EARNINGS DEVELOPMENT OF THE COMPANY

The following table compares the percentage change in the compensation of the members of the Executive Board and the Supervisory Board with the earnings development of ProSiebenSat.1 Group and with the average compensation of employees on the basis of full-time equivalents versus the previous year. The compensation of Executive Board members included in the table is based on the compensation granted and owed for performance in the respective financial year, regardless of the actual timing of receipt. For the members the Executive Board, the values for the financial year 2023 equal the values stated in the “Compensation Granted and Owed” table in accordance with Section 162 (1) Sentence 1 AktG. If members of the Executive Board and Supervisory Board received only pro rata compensation in individual financial years, for example due to entry or departure during the year, the compensation for this financial year is accordingly presented pro rata. In these cases, the significance of the percentage change is thus very limited, since different periods and thus compensation receipts are being compared.

Pension and severance payments to former members of the Executive Board are not disclosed here because they have no relevance to the development of compensation.

The earnings development is mainly presented on the basis of the performance criteria relevant for the performance-based Executive Board compensation.

The comparison with the development of the average employee compensation is based on the average target compensation of employees, including senior management, employed in Germany, primarily at the Unterföhring site, as of December 31 of the respective financial year. This peer group was also referenced in the last review of the appropriateness of Executive Board member compensation by an external compensation consultant. In order to ensure comparability, the compensation of part-time workers was extrapolated to full-time equivalents.

COMPARISON OF EARNINGS DEVELOPMENT AND CHANGE IN THE COMPENSATION OF EMPLOYEES AND THE EXECUTIVE BOARD

Financial year	**2023**	2022	Change 2023 vs. 2022 in %	2021[4, 5]	Change 2022 vs. 2021 in %	2020	Change 2021 vs. 2020 in %
1. Earnings development (in EUR m)							
EBITDA at Group level	140.5	665.8	−78.9%	803.5	−17.1%	801.0	0.3%
Adjusted EBITDA at Group level	577.8	678.2	−14.8%	841.2	−19.4%	705.7	19.2%
Free cash flow at Group level	104.1	247.4	−57.9%	275.1	−10.1%	235.3	16.9%
Adjusted operating free cash flow at Group level	259.8	491.9	−47.2%	599.3	−17.9%	424.1	41.3%
Adjusted net income at Group level	225.2	301.1	−25.2%	364.5	−17.4%	221.3	64.7%
Return on capital employed (P7S1 ROCE) at Group level	11.0%	12.4%	−11.3%	14.8%	−16.2%	10.5%	40.6%
Net income in accordance with HGB	– 53.9	– 123.4	56.3 %	517.0	−123.9%	118.6	335.9%
2. Average employee compensation (in EUR k)							
Employee average[1]	80.3	75.9	5.9%	76.0	−0.1%	76.7	−0.9%
3a. Executive Board compensation of members in office in the financial year (in EUR k)							
Bert Habets (since November 2022)	1,255.0	213.9	486.6%	—	—	—	—
Martin Mildner (since May 2022)	655.4	—	—	—	—	—	—
Christine Scheffler (since March 2020)	1,153.1	1,034.4	11.5%	1,372.6	−24.6%	769.5	78.4%
Wolfgang Link (until July 2023)[2]	834.8	1,157.7	−27.9%	1,608.8	−28.0%	966.2	66.5%
Ralf Peter Gierig (until April 2023)[3]	242.5	727.6	−66.7%	—	—	—	—
3b. Executive Board compensation of former members (in EUR k)							
Rainer Beaujean (from July 2019 to October 2022)	271.5	1,833.8	−85.2%	2,824.0	−35.1%	2,098.5	34.6%
Max Conze (from June 2018 to March 2020)	—	353.3	—	264.4	33.6%	1,143.2	−76.9%
Conrad Albert (from October 2011 to April 2020)	67.6	264.4	−74.4%	339.2	−22.0%	934.8	−63.7%
Dr. Jan Kemper (from June 2017 to March 2019)	—	—	—	302.2	—	286.2	5.6%
Sabine Eckhardt (from January 2017 to April 2019)	—	—	—	249.8	—	286.2	−12.7%
Jan David Frouman (from March 2016 to February 2019)	—	32.5	—	249.8	−87.0%	190.8	30.9%
Christof Wahl (from May 2016 to July 2018)	—	—	—	—	—	190.8	—

1 The slightly negative change in 2022 versus 2021 is mainly due to the composition of the entities analyzed as of December 31, 2022, and their salary structures. If, for example, only the average compensation of employees who were also included as of the reporting date of December 31, 2021 were analyzed, this would result in a positive increase of 4.2% in 2022 versus 2021.
2 Wolfgang Link resigned from the Executive Board with effect from July 15, 2023; his employment contract ended with effect from July 31, 2023.
3 Ralf Peter Gierig resigned from the Executive Board with effect from April 27, 2023; his employment contract ended with effect from October 31, 2023.
4 Due to the retrospective adjustment of the accounting treatment, the calculation of P7S1 ROCE 2021 for the quarters during the year was partly based on an assumption-based determination of the capital employed, in particular with regard to the liabilities from voucher transactions.
5 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

COMPARISON OF EARNINGS DEVELOPMENT AND CHANGE IN THE COMPENSATION OF EMPLOYEES AND THE SUPERVISORY BOARD

Financial year	**2023**	2022	Change 2023 vs. 2022 in %	2021[2,3]	Change 2022 vs. 2021 in %	2020	Change 2021 vs. 2020 in %
1. Earnings development (in EUR m)							
EBITDA at Group level	140.5	665.8	−78.9%	803.5	−17.1%	801.0	0.3%
Adjusted EBITDA at Group level	577.8	678.2	−14.8%	841.2	−19.4%	705.7	19.2%
Free cash flow at Group level	104.1	247.4	−57.9%	275.1	−10.1%	235.3	16.9%
Adjusted operating free cash flow at Group level	259.8	491.9	−47.2%	599.3	−17.9%	424.1	41.3%
Adjusted net income at Group level	225.2	301.1	−25.2%	364.5	−17.4%	221.3	64.7%
Return on capital employed (P7S1 ROCE) at Group level	11.0 %	12.4 %	−11.3%	14.8 %	−16.2%	10.5 %	40.6%
Net income in accordance with HGB	− 53.9	− 123.4	56.3 %	517.0	−123.9%	118.6	335.9%
2. Average employee compensation (in EUR k)							
Employee average[1]	80.3	75.9	5.9%	76.0	−0.1 %	76.7	−0.9 %
3a. Supervisory Board compensation of members in office in the financial year (in EUR k)							
Dr. Andreas Wiele (since February 2022)	398.6	282.4	41.2%	—	—	—	—
Prof. Dr. Rolf Nonnenmacher (since May 2015)	242.7	201.5	20.4%	195.5	3.1%	203.5	−3.9%
Katharina Behrends (since June 2023)	68.0	—	—	—	—	—	—
Klára Brachtlová (since October 2023)	35.8	—	—	—	—	—	—
Dr. Katrin Burkhardt (since June 2023)	81.8	—	—	—	—	—	—
Thomas Ingelfinger (since June 2023)	64.3	—	—	—	—	—	—
Marjorie Kaplan (since May 2018)	147.5	145.5	1.4%	131.5	10.6%	133.5	−1.5%
Ketan Mehta (since November 2015)	147.5	147.5	0,0%	133.5	10.5%	135.5	−1.5%
Prof. Dr. Cai-Nicolas Ziegler (since June 2023)	68.0	—	—	—	—	—	—
Dr. Marion Helmes (until June 2023)	120.3	226.2	−46.8%	233.0	−2.9%	241.0	−3.3%
Lawrence A. Aidem (until June 2023)	83.5	155.0	−46.1%	143.0	8.4%	145.1	−1.4%
Erik Huggers (until June 2023)	70.0	130.0	−46.2%	124.0	4.8%	126.0	−1.6%
Dr. Antonella Mei-Pochtler (until June 2023)	93.5	155.0	−39.7%	145.0	6.9%	100.0	45.0%
3b. Supervisory Board compensation of former members (in EUR k)							
Bert Habets (until October 2022)	—	57.1	—	—	—	—	—
Dr. Werner Brandt (until May 2022)	—	131.3	—	367.0	−64.2%	379.0	−3.2%
Adam Cahan (until November 2021)	—	—	—	106.7	—	124.0	−14.0%
Angelika Gifford (until January 2020)	—	—	—	—	—	4.1	—

1 The slightly negative change in 2022 versus 2021 is mainly due to the composition of the entities analyzed as of December 31, 2022, and their salary structures. If, for example, only the average compensation of employees who were also included as of the reporting date of December 31, 2021 were analyzed, this would result in a positive increase of 4.2% in 2022 versus 2021.
2 Due to the retrospective adjustment of the accounting treatment, the calculation of P7S1 ROCE 2021 for the quarters during the year was partly based on an assumption-based determination of the capital employed, in particular with regard to the liabilities from voucher transactions.
3 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

OUTLOOK TO COMPENSATION IN THE FINANCIAL YEAR 2024

In accordance with Section 120a AktG, the Company will review the current 2021 compensation system in the financial year 2024 in order to present the compensation system and any adjustments to the 2025 Annual General Meeting for its approval.

In 2024, the existing ESG target (reduction in operating CO_2e emissions) will be joined as a sub-component of the Short-Term Incentive by an additional ESG target to expand the broadcasting group's accessible offerings. The priorities of ProSiebenSat.1 Group's sustainability strategy will thus be more extensively integrated into the Executive Board targets in the future. In addition to the action area of climate & environment, the new ESG target means that the targets also reflect the action areas of public value & corporate citizenship and diversity & inclusion, so that all three pillars of the #OneTomorrow sustainability initiative are accounted for. The new target will support the further accessible expansion of content in order to make ProSiebenSat.1 Group’s content accessible to as many viewers as possible.

Further information on the sustainability strategy and accessible offerings of ProSiebenSat.1 Group can be found in the “Sustainability” section.

→ Sustainability

Unterföhring, March 5, 2024

On behalf of the Executive Board

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)

On behalf of the Supervisory Board

Dr. Andreas Wiele
Chairman of the Supervisory Board

PROSIEBENSAT.1 MEDIA SE SHARE

PROSIEBENSAT.1 MEDIA SE ON THE CAPITAL MARKET

The German stock market made a good start to 2023 and performed largely positively over the course of the year: This was on the one hand due to easing inflation concerns at the start of the year and on the other hand to optimistic economic forecasts for 2023. In contrast, Silicon Valley Bank's difficulties in the US had a negative effect on the entire banking sector and the international financial markets in March, albeit only for a short time. In the further course of the first half of the year, the German stock market's performance was volatile against the backdrop of the growing macroeconomic uncertainty and the development of key interest rates in Germany and abroad. This trend continued with the Hamas attack on Israel on October 7 and concerns over a further escalation of the Middle East crisis in the second half of the year. Nevertheless, the German stock market recovered at the end of the year and achieved a strong year-end rally. The reason for this was the expectation that the US Federal Reserve could initiate a cycle of interest rate cuts in the first half of 2024. Should inflation continue to fall, this would also allow interest rates to be cut in Germany, and many businesses could benefit from the resulting drop in financing costs. At the same time, the attractiveness of equities as an investment compared to fixed-interest securities increases in an environment of falling interest rates.

In the stock market year 2023, the German leading index DAX reached several record highs and all-time highs, most recently on December 11 with an all-time high of 16,794.43 points. On the last trading day , the DAX closed at 16,751.64 points and thus 20.3% above the end of the previous year. The MDAX, which also included the ProSiebenSat.1 Media SE share until December 17, 2023, closed the stock market year up 8.0% at 27,137.30 points. The Stoxx Media, which includes other media stocks in addition to TV companies, closed 2023 up 25.8% compared to the end of 2022. The SDAX likewise performed positively and closed the last trading day at 13,960.4 points, up 17.1% compared to the end of the previous year.

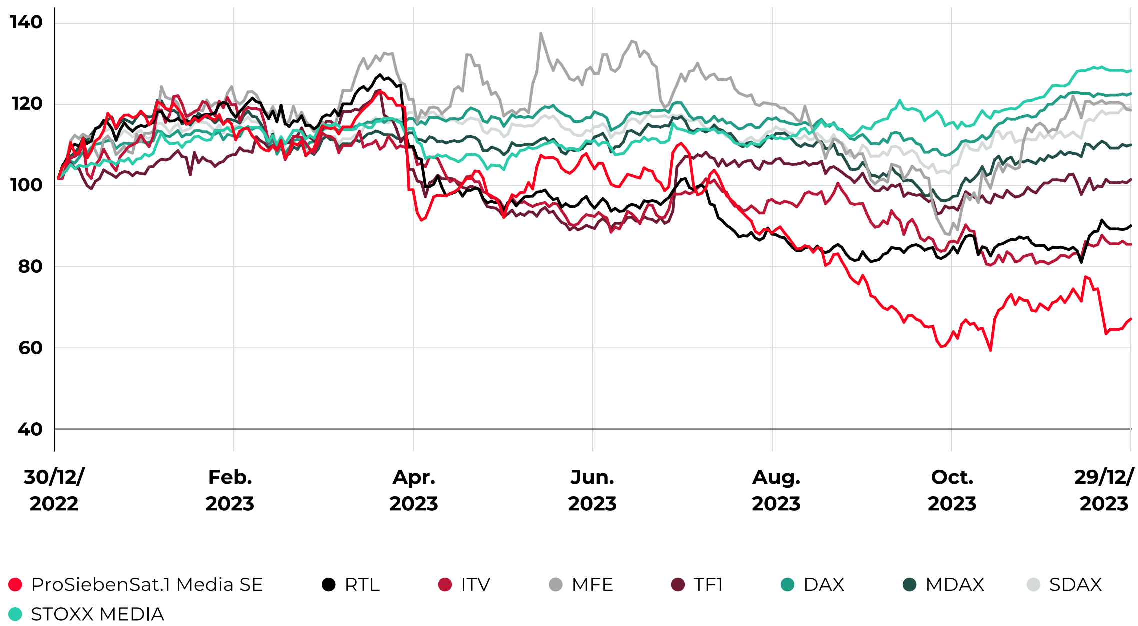
The ProSiebenSat.1 Media SE share has been listed in the SDAX stock index since December 18, 2023. The index change is the result of a regular review by the index provider Qontigo, which is owned by Deutsche Börse AG. The composition of the indices belonging to the DAX family is reviewed on the basis of various criteria, such as the size of the free float.

While the ProSiebenSat.1 share largely outperformed the DAX, MDAX, Stoxx Media and SDAX benchmark indices in the first months of 2023, the announcement of the postponement of the publication of the financial figures in February as well as the announcement of a reduced dividend payment at the end of April and the cautious outlook for the first quarter results in particular had a lasting impact on the share price. After declining share price movements, the recovery of the advertising market forecast by economic experts then had a positive effect on share price performance in the summer. Nevertheless, the German economy did not gain momentum as expected in the second half of the year. Accordingly, the advertising market, which is closely linked to private consumption, also performed below expectations, causing ProSiebenSat.1 shares to fall. In November, however, the figures released for the third quarter exceeded the capital market's expectations and resulted in an upward price correction. This was also driven by the confirmation and specification of the forecast for the full year. The increase in programming investments for the financial year 2024 announced in an ad-hoc announcement on December 19, 2023, only led to a short-term decline from which the share had not yet entirely recovered by the end of the year. On the last trading day of 2023, the ProSiebenSat.1 share closed at EUR 5.53, down 33.8% compared to the end of 2022.

The analysts' average price target (median) at the end of 2023 was EUR 7.25. 14 brokerage houses and financial institutions actively covered the ProSiebenSat.1 share and published research reports. 29% of analysts recommended the ProSiebenSat.1 share as a buy, while 50% were in favor of holding the share and 21% gave a sell recommendation.

→ Strategy and Objectives

PROSIEBENSAT.1 MEDIA SE SHARE PRICE PERFORMANCE



Base: Xetra closing prices, index 100 = December 31, 2022; source: Bloomberg.

KEY FIGURES FOR THE PROSIEBENSAT.1 MEDIA SE SHARE IN A MULTI-YEAR COMPARISON

		2023	2022	2021[1]	2020	2019
Share capital at closing date	EUR	233,000,000	233,000,000	233,000,000	233,000,000	233,000,000
Number of shares as of closing date	Shares	233,000,000	233,000,000	233,000,000	233,000,000	233,000,000
Free float market capitalization at end of financial year (according to Deutsche Börse)	EUR m	775	1,397	2,488	2,421	2,900
Close at end of financial year (XETRA)	EUR	5.53	8.35	14.01	13.76	13.91
High (XETRA)	EUR	10.09	14.61	18.92	14.04	16.58
Low (XETRA)	EUR	4.91	6.57	13.00	5.89	10.76
Dividend per entitled share	EUR	–/–[2]	0.05	0.80	0.49	0,0[3]
Total dividend	EUR m	–/–[2]	11	181	111	0[3]
Adjusted earnings per share	EUR	0.99	1.33	1.61	0.98	1.71
Adjusted net income	EUR m	225	301	365	221	387
Weighted average number of shares issued	Shares	226,501,493	226,318,471	226,234,153	226,147,133	226,088,493
Dividend yield per share on basis of closing price	%	–/–[2]	0.6	5.7	3.6	0,0[3]
Total XETRA trading volume	Million shares	184.4	269.8	286.7	462.3	377.8

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements for financial year 2022, note 3 "Changes in reporting standards and accounting policies".
2 Dividend proposal, please refer to Company Outlook.
3 At the Annual General Meeting on June 10, 2020, the shareholders of ProSiebenSat.1 Media SE agreed to the Executive Board's and Supervisory Board's proposal to carry forward the full amount of the balance sheet profits of financial year 2019 to the new accounting period. This measure was part of stringent financial management in an environment affected by COVID-19. The Group thus secured additional liquidity of EUR 192 million, which was originally earmarked for the dividend distribution.

SHAREHOLDER STRUCTURE OF PROSIEBENSAT.1 MEDIA SE

ProSiebenSat.1 Media SE's shares are largely held by institutional investors from Europe and the US as well as private shareholders. According to the voting rights notification received on September 21, 2023 from Marina Elvira Berlusconi, born on August 10, 1966, and Pier Silvio Berlusconi, born on April 28, 1969, MFE-MEDIAFOREUROPE N.V. ("MFE"), with its registered office in Amsterdam, Netherlands, held 26.58% of the shares in ProSiebenSat.1 Media SE as of June 12, 2023. In addition, according to the aforementioned voting rights notification, instruments within the meaning of section 38 (1) No. 1 WpHG were held in the amount of 2.29%.

PPF Group N.V. ("PPF Group"), Amsterdam, Netherlands, held 11.60% of the shares in ProSiebenSat.1 Media SE via PPF IM LTD (formerly: Acolendo Limited), Nicosia, Cyprus, as of May 31, 2023 according to the voting rights notification we received from Renáta Kellnerová, born July 4, 1967, on June 1, 2023. In addition, according to the aforementioned voting rights notification, instruments within the meaning of section 38 (1) No. 1 WpHG were held in the amount of 3.43%.

A detailed overview of the shareholding structure in relation to MFE and PPF Group as of December 31, 2023 can be found in the Group Management Report in the section "Takeover-Related Disclosures".

→ Takeover-Related Disclosures

In total, 59.1% of the shares in ProSiebenSat.1 Media SE were held in free float on December 31, 2023 (December 31, 2022: 74.5%). This includes 28.7% held by private shareholders (December 31, 2022: 29.9%). 2.7% (6,299,657 shares) were held in treasury (December 31, 2022: 2.8%).

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2022

The Annual General Meeting of ProSiebenSat.1 Media SE for financial year 2022 was held in virtual form on June 30, 2023. This means that shareholders entitled to attend and their proxies were able to follow the Annual General Meeting live and in full length in video and audio via the online shareholder portal. The participants were able to exercise their rights in virtual form in exactly the same way as at a physical event: The shareholders or their proxies who were connected to the meeting were able to register their speech via a virtual registration table and made their contributions and asked questions live. A total of 140 questions were received, which were answered by the Executive Board and Supervisory Board. The attendance rate at the Annual General Meeting was around 58% of the share capital.

The agenda of the Annual General Meeting included new elections to the Supervisory Board: The shareholders elected Katharina Behrends, Dr. Katrin Burkhardt, Thomas Ingelfinger and Prof. Dr. Cai-Nicolas Ziegler to the Supervisory Board of ProSiebenSat.1 Media SE. The Annual General Meeting thus followed the Company's proposals with a clear majority. Following the meeting, the Supervisory Board elected Prof. Dr. Rolf Nonnenmacher as the new Vice Chairman of the Board.

In addition to the election of Supervisory Board members, the shareholders of ProSiebenSat.1 Media SE approved the distribution of a significantly reduced dividend of EUR 0.05 per share to the dividend-entitled shareholders for the financial year 2022 (previous year: EUR 0.80).

→ Significant Events

Following the announcement of the convening of the Annual General Meeting, the Supervisory Board decided to discharge the Supervisory Board members individually for the financial year 2022. In this vote, all Supervisory Board members with the exception of the former Supervisory Board Chairman Dr. Werner Brandt were granted discharge by a majority. In addition, the resolution on the discharge of the members of the Executive Board in the financial year 2022 for their activities in the financial year 2022 was postponed to the Annual General Meeting of the Company in the financial year 2024. All other proposed resolutions requiring approval were adopted by the Annual General Meeting by a clear majority.

CAPITAL MARKET COMMUNICATION

In 2023, we had the opportunity to inform investors and analysts about ProSiebenSat.1 Group's strategy and economic development at 15 conferences in Europe and the US as well as various roadshows. ESG (environment, social, governance) issues are also a regular part of the conversations.

In addition, we regularly inform our shareholders about all important events and developments at ProSiebenSat.1 and thus ensuring transparent communication. All relevant corporate information is published on the ProSiebenSat.1 website in German and English in a timely manner and on an ad hoc basis if necessary.
→ www.prosiebensat1.com/en/investor-relations/publications/results

ESG RATINGS

For ProSiebenSat.1 Group, success does not only mean increasing the economic results of the Group in the long-term. We also believe success means consistently developing the Group's sustainability performance and non-financial performance indicators and thus fulfilling our corporate and social responsibility. This also includes our particular responsibility in the media sector: With our offerings, we make an important contribution to a pluralistic opinion. We want to portray a cosmopolitan and democratic society and promote it through our platforms.

ProSiebenSat.1's non-financial performance in the environmental, social and governance fields is also analyzed by various rating agencies. In 2023, we were assessed by CDP, EcoVadis, ISS, MSCI and Sustainalytics, among others, as part of their ESG ratings. In addition, UHLALA Group carried out the voluntary Pride Champion Audit, and the German Association for Financial Analysis and Asset Management (DVFA) audited our governance performance.

We are continuously working to further develop the Group's sustainability strategy, improve the non-financial key figures and increase transparency towards our stakeholders. Against this background, the Supervisory Board commissioned Ernst & Young to audit the content of the Separate Non-Financial Report and the requirements of the EU Taxonomy Regulation in order to obtain reasonable assurance regarding the legally required disclosures pursuant to sections 315b, 315c in conjunction with 289b to 289e of the German Commercial Code (HGB). The Supervisory Board also engaged Ernst & Young to conduct an audit of the Sustainability Report to obtain limited assurance in accordance with ISAE 3000 (revised). The Sustainability Report includes additional topics in accordance with the definition of materiality of the Global Reporting Initiative (GRI).
→ Sustainability

GROUP MANAGEMENT REPORT

OUR GROUP: BASIC PRINCIPLES 119

Organization and Group Structure 119

Our Employees 123

Strategy and Management System 125

Takeover-Related Disclosures 133

REPORT ON THE ECONOMIC POSITION: THE FINANCIAL YEAR 2023 139

Overall Assessment from the Management's View: Financial Year 2023 139

Group Environment 140

Comparison of Actual and Projected Business Performance for the Group 148

Significant Events 150

Group Earnings 154

Financial Performance of the Group 163

Group Financial Position and Liquidity 166

RISK AND OPPORTUNITY REPORT 170

Overall Assessment from the Management's View: Risk and Opportunity Situation 170

Risk Report 171

Opportunity Report 185

Internal Control and Risk Management System[5] 188

OUTLOOK 191

Overall Assessment from the Management's View: Forecast for 2024 191

Future Business and Industry Environment 192

Company Outlook 194

5 This section is not part of the audited Group Management Report.

ORGANIZATION AND GROUP STRUCTURE

BUSINESS ACTIVITIES AND SEGMENTS

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.

» INFORMATION

The Management Declaration in accordance with Sections 289f, 315d HGB and the Compensation Report in accordance with Section 162 AktG are published in the Annual Report and on the Company's website:

→ www.prosiebensat1.com/en/investor-relations/corporate-governance/management-declaration
→ www.prosiebensat1.com/en/investor-relations/corporate-governance/remuneration-reportable-securities

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.
→ Significant Events

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.
→ Research & Development → Opportunity Report

» INFORMATION

A detailed overview of the shareholding structure in ProSiebenSat.1 Group can be found in the following section of the Annual Report:

→ Notes to Consolidated Financial Statements, note 40 "List of subsidiaries and associated companies of ProSiebenSat.1 Group pursuant to Section 313 (2) of the German Commercial Code (HGB)"

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.
→ Strategy and Objectives → Risk and Opportunity Report

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.
→ Significant Events

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. These Consolidated Financial Statements include ProSiebenSat.1 Media SE and all significant subsidiaries – meaning those entities in which ProSiebenSat.1 Media SE directly or indirectly holds a majority of voting rights, or whose relevant activities it is otherwise able to control.

→ Notes to Consolidated Financial Statements, note 4 "Scope of Consolidation"

OUR EMPLOYEES

Our employees are the key to the successful implementation of our corporate strategy. The diverse skills and commitment of our employees make a significant contribution to the economic success of ProSiebenSat.1 Group. At the same time, the diversity that we practice across segment boundaries helps us to remain innovative and competitive in times of change. ProSiebenSat.1 wants to empower all employees to grow personally and help shape the future of the company. Our values – “Passion,” “Innovation,” “Courage,” “Goal-Orientation” and “Responsibility” – serve as guidance for decisions and our daily cooperation.

→ Sustainability

NUMBER OF EMPLOYEES

As of December 31, 2023, ProSiebenSat.1 Group had 7,188 employees across the Group[6] (previous year: 7,284). This decline by 96 employees or 1% compared to the previous year was influenced by contrasting developments in our three segments: While the number of employees in the **Entertainment** segment was higher than in the previous year, particularly due to fluctuations in the production business of Seven.One Studios, employee numbers in the **Commerce & Ventures** and **Dating & Video** segments declined. This was partly attributable to the reorganization of ParshipMeet Group – especially in the video business in the US.

In 2023, the strategic realignment of the Group necessitated a reduction in the number of jobs. The job cuts were made in a socially responsible manner and largely based on a voluntary program. The Group implemented the cost and efficiency program at the end of October, whereby the related termination of employment contracts and corresponding reduction in the number of employees will largely not take place until 2024 and will lead to corresponding cash outflows.

→ Significant Events

In Germany, Austria, and Switzerland, i.e. our Company’s core market, there were 6,548 employees as of December 31, 2023 (previous year: 6,613). This corresponds to a share of 91.1% (previous year: 90.8%) in ProSiebenSat.1 Group. 420 employees (previous year: 408) worked at ProSiebenSat.1 Media SE.

GROUP EMPLOYEES BY SEGMENT

Full-time equivalents (FTE) as of December 31

Segment	**2023**	2022
Entertainment	4,327	4,211
Commerce & Ventures	1,907	2,038
Dating & Video	535	627
Holding	420	408
Total	**7,188**	**7,284**

6 The number of employees is presented in full-time equivalents (FTE).

GROUP EMPLOYEES BY REGION

Full-time equivalents (FTE) as of December 31

Region	**2023**	2022
Germany	6,043	6,104
Austria/Switzerland	504	509
USA	340	394
UK	143	78
Other	157	199
Total	**7,188**	**7,284**

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.

→ Opportunity Report

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.

→ Significant Events

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.
→ Planning and Management → Company Outlook

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.
→ Sustainability

PLANNING AND MANAGEMENT

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.
→ Risk and Opportunity Report

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[7]

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").
→ Development of ProSiebenSat.1 Group's Relevant Market Environments

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

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.

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.
→ Strategy and Objectives → Definition of Selected Non-IFRS Figures

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, which are also described in more detail in the Compensation Report 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.
→ Compensation Report

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:
→ Group Earnings

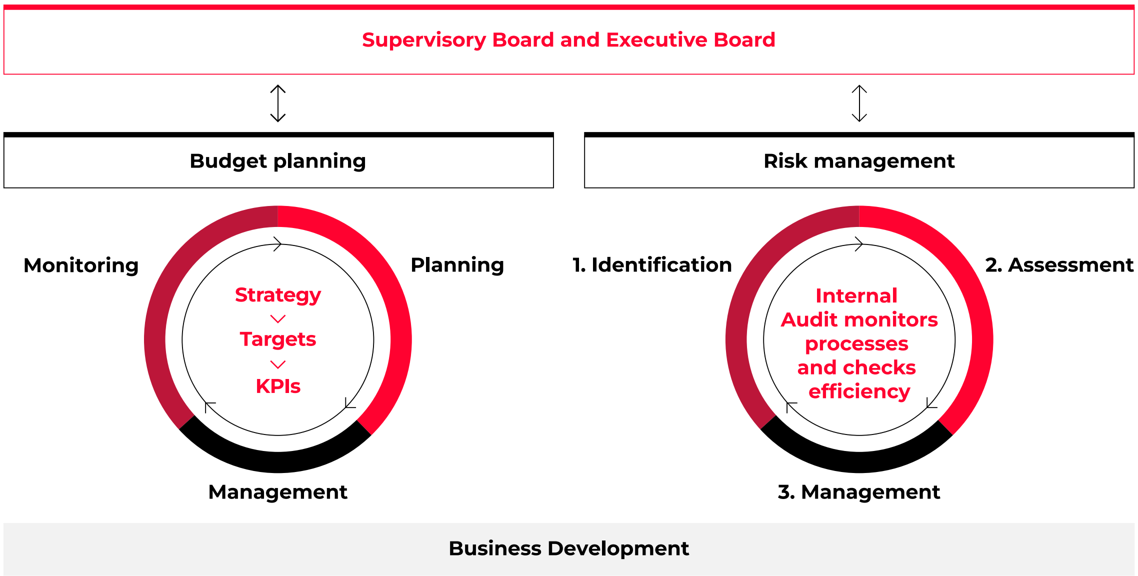
For its financial, strategic and operating decisions, ProSiebenSat.1 Media SE uses primarily non-IFRS figures as the basis of decision-making. These also provide investors with additional information which allow a multi-year performance comparison, as they are adjusted for specific factors. These figures 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%.

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 315a (1) of the German Commercial Code (HGB) in the Group 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.
→ Organization and Group Structure

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.
→ Financial Performance of the Group

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 315A 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.
  → Borrowings and Financing Structure

- 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.
  → Borrowings and Financing Structure → Significant Events

- 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. For more detailed information, please refer to the Compensation Report.

→ Compensation Report

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.

OVERALL ASSESSMENT FROM THE MANAGEMENT'S VIEW: FINANCIAL YEAR 2023

We achieved our most recent financial targets, although the macroeconomic environment did not develop the anticipated growth momentum: After the market environment was characterized by the close correlation between uncertain consumer sentiment and a cautious approach to advertising budgets, particularly in the first half of the year, the Group’s financial performance stabilized in the third quarter. In the fourth quarter, which is important for the advertising business, the Group’s advertising revenues in the German-speaking region (Germany, Austria and Switzerland) were slightly above the previous year’s level, reflecting the continous improvement compared to the previous quarters.

The economic environment is challenging – but we are currently seeing positive trends across large parts of our portfolio. In addition to revenues in the digital & smart advertising business in the German-speaking region – driven in particular by the streaming platform Joyn – the Consumer Advice and Beauty & Lifestyle units of the Commerce & Ventures segment also grew dynamically. At the same time, the Group is focusing on strengthening profitability and a lean cost structure.

GROUP ENVIRONMENT

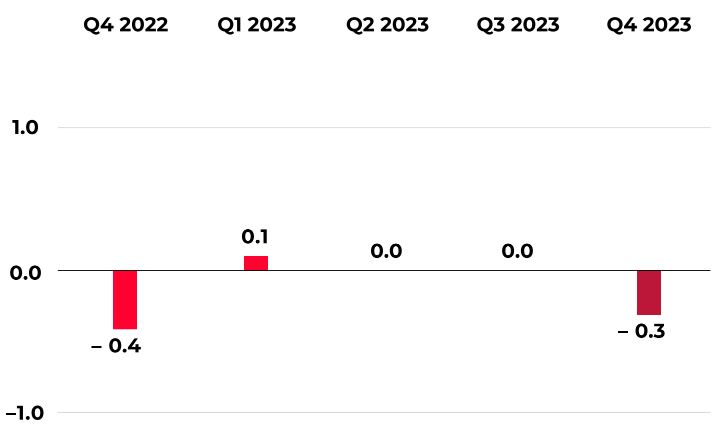
DEVELOPMENT OF ECONOMY AND ADVERTISING MARKET

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%.
→ Future Business and Industry Environment

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	Market shares ProSiebenSat.1 Group	**Market shares ProSiebenSat.1 Group**	Market shares ProSiebenSat.1 Group
	Q4 2023	Q4 2022	**2023**	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.
→ Significant Events

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%).

→ Planning and Management → Company Outlook

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.
→ Opportunity Report

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.
→ Sustainability → Future Business and Industry Environment

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.

→ Opportunity Report

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%).

→ Development of Relevant Market Environments → Planning and Management

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.

→ Strategy and Objectives

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.

→ Company Outlook

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.

→ Company Outlook

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.

→ www.prosiebensat1.com/en/about-prosiebensat1/who-we-are/supervisory-board

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.

→ ProSiebenSat.1 Media SE Share

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 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.
→ **Annual Report 2022, “Significant Events and Changes in the Scope of Consolidation”**

GROUP EARNINGS

REVENUES

As expected, **Group revenues** in 2023 were clearly impacted by the macroeconomic environment: In the financial year 2023, ProSiebenSat.1 recorded Group revenues of EUR 3,852 million, a decline of 7% (previous year: EUR 4,163 million). Adjusted for currency effects and portfolio changes, the decline in revenues was 4% or EUR 163 million. In the fourth quarter, however, which was characterized by Christmas business, Group revenues grew slightly as expected: Revenues developed positively in parts of both the Entertainment as well as in Commerce & Ventures segments.

The Group's revenue figures primarily reflect the close correlation between private consumption and companies' willingness to invest in their advertising budgets. Both factors were characterized by restraint due to the macroeconomic environment. In addition, consolidation effects as well as declining revenues in the Dating & Video segment had a negative impact on Group revenues. By contrast, digital & smart advertising revenues in the German-speaking region (Germany, Austria and Switzerland) grew dynamically, reflecting high advertising demand at Joyn in particular. At the same time, the Digital Platform & Commerce companies, in particular Verivox and flaconi, reported significant growth.
→ Developments Relevant Market Environments

ProSiebenSat.1 generated the majority of its revenues from the sale of advertising time in the German-speaking region, with a share of 48% (previous year: 47%). In detail the revenue breakdown by segment is as follows:

REVENUE SHARE BY SEGMENT

	2023	2022
Entertainment	**67%**	**69%**
Advertising revenues DACH[1]	48%	47%
Other Entertainment revenues	19%	22%
Commerce & Ventures	**22%**	**18%**
Dating & Video	**11%**	**12%**

1 DACH = German-speaking region (Germany, Austria, Switzerland).

EXTERNAL REVENUES

in EUR m

	Entertainment		Commerce & Ventures		Dating & Video		Total Group	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Advertising revenues	**2,116**	**2,253**	**107**	**142**	**—**	**—**	**2,224**	**2,396**
DACH[1]	1,853	1,964	107	142	—	—	1,960	2,106
Rest of the world	264	289	—	—	—	—	264	289
Distribution	**186**	**184**	**—**	**—**	**—**	**—**	**186**	**184**
Content	**158**	**355**	**—**	**—**	**—**	**—**	**158**	**355**
Europe	148	202	—	—	—	—	148	202
Rest of the world	10	153	—	—	—	—	10	153
Digital Platform & Commerce	**—**	**—**	**734**	**611**	**—**	**—**	**734**	**611**
Consumer Advice	—	—	261	173	—	—	261	173
Experiences	—	—	68	89	—	—	68	89
Beauty & Lifestyle	—	—	404	349	—	—	404	349
Dating & Video	**—**	**—**	**—**	**—**	**434**	**518**	**434**	**518**
Dating	—	—	—	—	245	274	245	274
Video	—	—	—	—	188	244	188	244
Other revenues	**114**	**95**	**3**	**4**	**—**	**—**	**117**	**99**
Total	**2,574**	**2,888**	**844**	**757**	**434**	**518**	**3,852**	**4,163**

1 DACH = German-speaking region (Germany, Austria, Switzerland).

External revenues in the **Entertainment** segment amounted to EUR 2,574 million in the financial year 2023 and were thus 11% or EUR 314 million below the previous year's figure. Adjusted for currency and portfolio effects, revenues decreased by 7% or EUR 182 million. This was mainly due to the development of advertising revenues in the German-speaking region, which decreased by 6% and – as recently expected – only stabilized towards the end of the year. After the first two quarters of the year in particular were significantly impacted by the difficult macroeconomic environment, advertising revenues in the German-speaking region were slightly above the previous year's level in the important fourth quarter: While the decline in traditional TV advertising slowed considerably here, revenues in the digital & smart advertising business grew dynamically, driven in particular by the streaming platform Joyn. In addition, the development of advertising revenues from the audio segment and programmatic trade of advertising time continued to develop very positively. Against this backdrop, digital & smart advertising revenues in the German-speaking region grew by 10% overall.

In addition to the development of advertising revenues in the German-speaking region, the disposal of the US production business of Red Arrow Studios as of July 1, 2022, had a significant impact on revenue performance, as the US production business still contributed EUR 136 million to segment revenues in the first half of 2022. As a result, revenues from the content business (program production and sales) decreased by 55% year-on-year.

The **Commerce & Ventures** segment recorded double-digit percentage growth in 2023. The positive revenue performance in the Digital Platform & Commerce portfolio more than offset the decline in revenues from the experience and leisure business of Jochen Schweizer mydays (Experiences) and the media-for-revenue and media-for-equity business of SevenVentures. The online comparison portal Verivox (Consumer Advice) has clearly benefited from the easing of the energy markets since the beginning of the year and has grown significantly since then. The second most important growth driver in the Digital Platform & Commerce portfolio is flaconi (Beauty & Lifestyle): The online beauty provider also performed very positively. Overall, the segment's **external revenues** increased by 12% or EUR 88 million to EUR 844 million.

External revenues in the **Dating & Video** segment amounted to EUR 434 million. This represents a year-on-year decline of 16% or EUR 84 million, or of 15% or EUR 75 million adjusted for currency effects. Revenues in the Video unit declined by 23% or EUR 56 million in a highly competitive environment. Revenues from the Dating unit declined by 10% or EUR 29 million. The Dating unit was affected by the general consumer restraint and the competitive environment. In addition, stricter regulations regarding fair consumer contracts came into force in Germany in 2022, which affected the subscription models of the Parship and ElitePartner platforms in particular and had a negative impact on revenue development in 2023.
→ Developments of Relevant Market Environments

ADJUSTED EBITDA

Adjusted EBITDA in 2023 amounted to EUR 578 million (previous year: EUR 678 million). Adjusted for currency effects and portfolio changes, adjusted EBITDA was down 10% or EUR 62 million on the previous year. The decline in earnings reflects the revenue situation in a very challenging environment: In the first half of the year in particular, the high-margin but also very cyclically sensitive advertising business had a negative impact on earnings. In order to counteract the decline in revenues, the Group has taken targeted cost measures and made its organization leaner and more efficient. The cost program was implemented at the end of October 2023, meaning the new structure came into force in November. The resulting savings effects will be fully realized in 2024. The adjusted EBITDA development at segment level is as follows:

ADJUSTED EBITDA BY SEGMENT
in EUR m

	2023	2022	Absolute change	Change in %
Entertainment	473	563	−90	−15.9
Commerce & Ventures	59	41	18	42.4
Dating & Video	72	99	−27	−27.0
Reconciliation (Holding & other)	−27	−25	−2	6.5
Total adjusted EBITDA	**578**	**678**	**−100**	**−14.8**

The **Entertainment** segment recorded **adjusted EBITDA** of EUR 473 million in the 2023 financial year, and thus a year-on-year decline of 16% (previous year: EUR 563 million). This was due to the cyclical decline in the high-margin advertising business. The Group responded to this in a targeted manner with more efficient management of programming expenses, which, at EUR 948 million, were 8% below the previous year (previous year: EUR 1,029 million). In addition, the full consolidation of Joyn resulted in a negative effect on earnings amounting to EUR 38 million. Moreover, ProSiebenSat.1 Group is investing in the development and expansion of Joyn to strengthen its digital reach and continually improve its monetization.

In the **Commerce & Ventures** segment, **adjusted EBITDA** increased significantly by 42% to EUR 59 million in the financial year 2023 (previous year: EUR 41 million). This positive development reflects the dynamic and profitable growth in the Consumer Advice and Beauty & Lifestyle businesses. In contrast, the earnings contribution from the SevenVentures' advertising business declined.

Adjusted EBITDA in the **Dating & Video** segment amounted to EUR 72 million in the 2023 financial year down 27% on the previous year (previous year: EUR 99 million). This development is mainly due to the decline in revenues. However, the ParshipMeet Group was able to partially offset the decline in revenues through cost adjustments and measures to increase efficiency, particularly in the segment's Video business.

EBITDA

PRESENTATION OF RECONCILING ITEMS WITHIN ADJUSTED EBITDA
in EUR m

	2023	2022
Adjusted EBITDA	**578**	**678**
Income from changes in scope of consolidation	—	23
Fair value adjustments of share-based payments	2	11
Income from other one-time items	0	3
Income adjustments	**2**	**38**
M&A related expenses	−9	−28
Reorganization expenses	−80	−5
Expenses for legal claims	0	−1
Expenses from changes in scope of consolidation	−3	−3
Expenses from other one-time items	−23	−13
Expenses relating to strategic realignments of business units	−324	−1
Expense adjustments	**−440**	**−50**
Reconciling items	**−437**	**−12**
EBITDA	**140**	**666**

EBITDA decreased to EUR 140 million in the financial year 2023 (previous year: EUR 666 million). The main reasons for the significant decline are impairments on existing programming assets and expenses for the recognition of a provision for onerous contracts for the acquisition of future programming assets. This is due to the fact that, as already communicated in December 2023, the Group is further reducing the proportion of US licensed content to the benefit of local formats. The **reconciling items** included in EBITDA totaling minus EUR 437 million (previous year: EUR -12 million) comprise the following:
→ Significant Events

The reconciling items included **expense adjustments** amounting to EUR 440 million (previous year: EUR 50 million). Of this amount, EUR 324 million was attributable to programming assets. This reflects the strategic realignment to further reduce the proportion of US licensed content to the benefit of local formats. As a result, it became necessary for the Group to review its obligations, particularly those arising from existing contracts with US studios. The usability of programming licenses was examined in the view of changing media usage behavior. In the course of the review, the ProSiebenSat.1 Group identified an impairment requirement in programming assets of EUR 198 million and also recognized a provision for onerous contracts for the acquisition of future programming assets of EUR 126 million.

In addition to this effect, the expense adjustments include reorganization expenses of EUR 80 million (previous year: EUR 5 million). These largely relate to the realignment of the organization and – in addition to The Meet Group in the US – were attributable in particular to the Entertainment segment and the holding company.
→ Significant Events

Furthermore, this item includes expenses from other one-time effects of EUR 23 million (previous year: EUR 13 million), primarily in connection with the clarification of the matter regarding the ZAG and the associated processes at Jochen Schweizer and mydays. In addition, expenses from changes in the Group’s Executive Board of EUR 4 million (previous year: EUR 9 million) had an impact. Added to this there were also reconciling items from M&A expenses of EUR 9 million (previous year: EUR 28 million), with the high previous-year figure reflecting the disposal of the US production business of Red Arrow Studios.

The **income adjustments** included in the reconciling items amounted to EUR 2 million (previous year: EUR 38 million). The decrease compared to the previous year is mainly due to income from changes in the scope of consolidation. In the previous year, EUR 18 million of this amount was attributable to the disposal of the US production business of Red Arrow Studios.

Depreciation, amortization, and impairments amounted to EUR 227 million in the 2023 financial year (previous year: EUR 430 million). Impairments on intangible assets and property, plant, and equipment decreased significantly year-on-year and amounted to EUR 37 million (previous year: EUR 229 million). On the one hand, the high previous year's figure includes impairments, which were largely attributable to other non-current assets (EUR 54 million) in the Commerce & Ventures segment and to goodwill of the cash-generating unit Digital Platform & Commerce (previously: NuCom Group) in the amount of EUR 122 million. On the other hand, it is attributable to the disposal of the US production business of Red Arrow Studios: In particular, the adjustment of the net carrying amounts to the selling price had an impact here with an impairment of EUR 49 million. Amortization of other intangible assets amounted to EUR 124 million (previous year: EUR 130 million), while depreciation of property, plant, and equipment amounted to EUR 66 million (previous year: EUR 71 million) and was therefore also below the previous year's level.

The developments described above resulted in **EBIT** of minus EUR 87 million (previous year: EUR 236 million).

FINANCIAL RESULT

The **financial result** in 2023 amounted to minus EUR 78 million compared to minus EUR 139 million in the previous year. The main reason for the improvement was non-cash valuation effects, which are included in the other financial result. The various items in the financial result developed as follows:

The **interest result** in the financial year 2023 amounted to minus EUR 62 million (previous year: EUR -27 million). The higher interest expenses were mainly due to the increase in money market interest rates. Interest income from existing interest rate hedges developed in the opposite direction.

The **result from investments accounted for using the equity method** improved significantly to EUR 2 million (previous year: EUR -24 million), which is attributable to the full consolidation of the streaming platform Joyn since October 2022. Previously, the 50% share of the net profit or loss was recognized in the financial result as income from investments accounted for using the equity method.

The **other financial result** amounted to minus EUR 18 million (previous year: EUR -87 million). Due to the improved market environment, the valuation effects from other financial instruments at minus EUR 18 million were significantly lower than in the previous year (EUR -85 million). The largest change here resulted from non-current investments of EUR 10 million (previous year: EUR -127 million). The valuation of interest rate options had an opposing effect amounting to minus EUR 29 million (previous year: EUR 42 million).

INCOME TAXES

In the financial year 2023, ProSiebenSat.1 Group recorded income from **income taxes** of EUR 30 million (previous year: EUR 147 million expenses from income taxes). The income from income taxes in the financial year 2023 mainly resulted from the negative earnings before taxes. The lack of opportunity to recognize deferred tax assets on losses reduced income from income taxes, as did non-deductible operating expenses. In the financial year 2022, tax expenses were also significantly influenced by non-tax-deductible valuation and disposal effects as well as the result from investments accounted for using the equity method. The Group's effective tax rate (ratio of reported tax income to earnings before taxes) was 18.4% (previous year: 150.9%). The adjusted tax rate was slightly above the previous year's level and amounted to 34.1% (previous year: 33.1%).

NET INCOME AND ADJUSTED NET INCOME

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME

in EUR m

	2023	2022	Absolute change	Change in %
Adjusted EBITDA	578	678	–100	–14.8
Reconciling items	–437	–12	–425	~
EBITDA	**140**	**666**	**–525**	**–78.9**
Depreciation, amortization and impairment	–227	–430	203	–47.2
thereof from purchase price allocations	–49	–54	4	–7.7
Operating result (EBIT)	**–87**	**236**	**–322**	~
Financial result	–78	–139	61	–43.8
Income taxes	30	–147	177	~
Net income	**–134**	**–49**	**–85**	~
Attributable to shareholders of ProSiebenSat.1 Media SE	**–124**	**5**	**–128**	~
Attributable to non-controlling interests	–10	–54	44	–80.7

The developments described above resulted in **net income** of minus EUR 134 million (previous year: EUR -49 million). The decline reflects in particular the reduction in EBITDA due to the high reconciling items. The reconciling items include impairments on programming assets resulting from the realignment of the program strategy. This impact is partially offset by lower impairments on intangible assets and the development of income taxes.

→ Significant Events

Adjusted net income was also significantly below the previous year's level and amounted to EUR 225 million (previous year: EUR 301 million). The reconciliation of net income to adjusted net income is as follows:

RECONCILIATION OF ADJUSTED NET INCOME
in EUR m

	2023	2022	Absolute change	Change in %
Net income	**–134**	**–49**	**–85**	**~**
Reconciling items within EBITDA	437	12	425	~
Depreciation, amortization and impairments from purchase price allocations[1]	50	55	–4	–7.7
Valuation effects in other financial result	20	86	–66	–77.1
Valuation effects of put-option liabilities[2]	–4	–3	–1	44.1
Impairments of Goodwill	2	171	–169	–98.9
Other effects[3]	1	25	–23	–93.9
Tax effects on adjustments	–147	0	–147	~
Subtotal	**225**	**296**	**–70**	**–23.8**
Net income attributable to non-controlling interests	10	54	–44	–80.7
Adjustments attributable to non-controlling interests	–10	–49	38	–78.4
Adjusted net income attributable to non-controlling interests	**0**	**5**	**–5**	**~**
Adjusted net income	**225**	**301**	**–76**	**–25.2**
Adjusted earnings per share (in EUR)	**0.99**	**1.33**		

1 Including impacts on associates consolidated using the equity method in the amount of EUR 1 million (previous year: EUR 1 million).
2 Including compounding and foreign currency effects of EUR 2 million (previous year: EUR 1 million).
3 Including impairments and reversals of impairment losses of other intangible assets in the amount of EUR 0 million (previous year: EUR 22 million) and impairments and reversals of impairment losses of property, plant and equipment in the amount of EUR -1 million (previous year: EUR 13 million).

FUNCTIONAL COSTS

The Group has responded to market challenges with measures to increase efficiency. As part of this strategic realignment of the Group necessitated a reduction in the number of jobs. The Group implemented the cost and efficiency program at the end of October, whereby the related termination of employment contracts and corresponding reduction in the number of employees will largely not take place until 2024 and will lead to corresponding cash outflows. The savings effects will be fully realized from 2024 onwards.

TOTAL COSTS
in EUR m

	2023	2022	Absolute change	Change in %
Total costs	3,959	3,978	–18	–0.5
Cost of sales	2,812	2,617	195	7.4
Selling expenses	707	682	25	3.7
Administrative expenses	435	497	–61	–12.4
Other operating expenses	5	181	–176	–97.4

Total costs at ProSiebenSat.1 Group for the full year amounted to EUR 3,959 million and were thus almost at the previous year's level of EUR 3,978 million. In this context, the individual cost items developed as follows:

Personnel expenses reported under cost of sales, selling expenses and administrative expenses amounted to EUR 780 million (previous year: EUR 757 million). As part of the realignment taken in 2023 job cuts were necessary in the Entertainment segment and the holding company, which led to severance expenses of EUR 67 million; of this amount EUR 33 million is included in cost of sales, EUR 22 million in selling expenses and EUR 13 million in administrative expenses. The job cuts are being carried out in a socially responsible manner via a voluntary program, to avoid compulsory redundancies as far as possible.
→ Our Employees

The **cost of sales** at the Group increased by 7% year-on-year to reach EUR 2,812 million (previous year: EUR 2,617 million). The main reason for this was the consumption of programming assets, which amounted to EUR 1,181 million (previous year: EUR 958 million). While depreciation and amortization reduced to EUR 833 million (previous year: EUR 884 million), impairments increased to EUR 218 million (previous year: EUR 89 million) and the change in provisions for onerous contracts increased to EUR 130 million (previous year: EUR -15 million). This includes additions to provisions for onerous contracts amounting to EUR 126 million as well as impairments of EUR 198 million resulting from the strategic decision to invest more heavily in exclusive local content. In total, programming expenses amounted to EUR 1,276 million (previous year: EUR 1,031 million). By contrast, there was a consolidation-related decline in the cost of sales due to the disposal of the US production business of Red Arrow Studios with effect from July 1, 2022.
→ Significant Events

The Group's **selling expenses** in 2023 financial year increased by 4% to EUR 707 million (previous year: EUR 682 million), mainly due to higher severance expenses as part of the Group's realignment and higher marketing activities at Joyn and Verivox as a result of growth. This was offset by lower depreciation, amortization, and impairments.

By contrast, **administrative expenses** at the Group declined to EUR 435 million (previous year: EUR 497 million), representing a decrease of 12%. This is due in particular to lower depreciation, amortization, and impairments of EUR 63 million (previous year: EUR 106 million).

Other operating expenses decreased significantly to EUR 5 million (previous year: EUR 181 million), mainly due to the impairment on goodwill of the cash-generating unit Digital Platform & Commerce (previously: NuCom Group; EUR 122 million) during the previous year and an impairment due to the disposal of the US production business of Red Arrow Studios (EUR 49 million).

INCOME STATEMENT

in EUR m

	2023	2022
Revenues	3,852	4,163
Cost of sales	−2,812	−2,617
Selling expenses	−707	−682
Administrative expenses	−435	−497
Other operating income/expenses	16	−131
Operating result (EBIT)	**−87**	**236**
Financial result	−78	−139
Income taxes	30	−147
Net income	**−134**	**−49**
Attributable to shareholders of ProSiebenSat.1 Media SE	**−124**	**5**
Attributable to non-controlling interests	−10	−54

ALLOCATION OF PROFITS

Taking into account the assessment criteria described in the company outlook and the expected business development at the Group, the Executive Board and Supervisory Board propose to the Annual General Meeting 2024 to pay out a **dividend** of EUR 0.05 per share to the holders entitled to dividends for the financial year 2023 (previous year: EUR 0.05). This corresponds to an expected **total distribution** of around EUR 11 million and a pay-out ratio of 5%.

→ Company Outlook

RETURN ON CAPITAL EMPLOYED (ROCE)

ProSiebenSat.1 Group measures the Company's mid-term financial success using the key figure **P7S1 ROCE** (Return on Capital Employed). Against the backdrop of the continued challenging macroeconomic environment in 2023, P7S1 ROCE decreased to 11.0% (previous year: 12.4%). P7S1 ROCE is calculated as follows:

CALCULATION OF P7S1 ROCE

in EUR m

	2023	2022
Adjusted EBIT[1]	401	508
Pension expenses	2	1
Result from investments accounted for using the equity method	3	−23
Adjusted EBIT after corrections	**406**	**486**
Capital employed (average)[2]	**3,703**	**3,926**
P7S1 ROCE (in %)	**11.0**	**12.4**

1 Adjusted EBIT stands for adjusted earnings before interest and taxes. Besides adjusted EBITDA, depreciation, amortization and impairments of EUR 176 million (previous year: EUR 171 million) are included. 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.
2 Capital employed is the difference between intangible assets (incl. goodwill and purchase price allocation), property, plant and equipment, investments accounted for using the equity method, media-for-equity investments, program assets, inventories, account receivables and other current assets less other provisions, trade and other payables, liabilities to at equity investments and other liabilities.
The figure relates to the average of the reporting dates of the last five quarters.

FINANCIAL PERFORMANCE OF THE GROUP

Total assets amounted to EUR 5,904 million as of December 31, 2023 (December 31, 2022: EUR 6,005 million), representing a decrease of 2%. Significant changes compared with the reporting date in the previous year are described below:

FINANCIAL PERFORMANCE

in EUR m

	12/31/2023	12/31/2022	Absolute change	Change in %
ASSETS				
Goodwill	2,008	1,997	11	1
Programming assets	686	912	−226	−25
Other intangible assets	785	809	−24	−3
Property, plant and equipment	540	490	50	10
Other	381	345	35	10
Non-current assets	**4,400**	**4,555**	**−154**	**−3**
Programming assets	178	174	4	2
Trade receivables	471	471	0	0
Other	282	302	−20	−7
Cash and cash equivalents	573	504	69	14
Current assets	**1,504**	**1,451**	**53**	**4**
Total assets	**5,904**	**6,005**	**−102**	**−2**
LIABILITIES				
Equity	**1,580**	**1,774**	**−194**	**−11**
Non-current financial debt	2,119	2,117	2	0
Other	634	653	−19	−3
Non-current liabilities	**2,753**	**2,770**	**−17**	**−1**
Other	1,571	1,461	110	8
Current liabilities	**1,571**	**1,461**	**110**	**8**
Total equity and liabilities	**5,904**	**6,005**	**−102**	**−2**

Goodwill of EUR 2,008 million was at the previous year's level (previous year: EUR 1,997 million).

Programming assets amounted to EUR 864 million and were thus down by 20% or EUR 222 million year-on-year. The development of programming assets is characterized by different impacts:

Due to impairments on programming assets resulting from the change of program strategy, the consumption for the full-year increased to EUR 1,051 million (previous year: EUR 973 million).
→ Group Earnings

In this context, additions to programming assets have also declined, since the Group is now investing more selectively in US licenses. In detail, the carrying amounts as of December 31 were as follows:

STATEMENT OF CHANGES IN PROGRAMMING ASSETS

in EUR m

	2023	2022
Carrying amount 01/01	**1,086**	**1,145**
Additions	835	908
Disposals	−6	−11
Consumption	−1,051	−973
Change in scope of consolidation	—	16
Carrying amount 12/31	**864**	**1,086**

ProSiebenSat.1 Group generally settles the financial obligations from programming rights purchases in US dollars. To hedge against market-related exchange rate fluctuations, the Group applies a range of derivative and non-derivative financial instruments in the form of currency forwards, foreign currency swaps, foreign currency options, and foreign currency cash positions. As of December 31, 2023, the hedge ratio was 77% (December 31, 2022: 57%) based on the total volume of all future US dollar payments resulting from existing license agreements that will fall due within a strategic hedge horizon of seven years.

EARNINGS EFFECTS OF PROGRAMMING ASSETS

in EUR m

	2023	2022
Consumption	1,051	973
Change in provision for onerous contracts	130	−15
Consumption incl. change in provision for onerous contracts	**1,181**	**958**

Other intangible assets declined by 3% to EUR 785 million (December 31, 2022: EUR 809 million). The amortization and impairments recognized in the financial year 2023 were higher than the investments. The amortization and impairments were driven, among others things, by impairments of the Stylight trademark in the amount of EUR 19 million due to the contract signing regarding the divestment of the operating business of Stylight GmbH (“Stylight”) in December 2023.

Property, plant and equipment as of December 31, 2023 increased by 10% and amounted to EUR 540 million (December 31, 2022: EUR 490 million). This was mainly due to advance payments in connection with the new campus building in Unterföhring.

Other non-current assets increased by 10% to EUR 381 million (December 31, 2022: EUR 345 million). This change is based mainly on the increase in deferred income tax assets and the positive valuation effects on non-current investments. The value performance of long-term interest rate hedging transactions as well as foreign currency hedges in US dollars had an opposing effect.

Other current assets amounted to EUR 282 million. This corresponds to a decline of 7% or EUR 20 million compared to December 31, 2022, and was also due to the value performance of short-term foreign currency hedges in US dollars.

Current trade receivables were at the previous year’s level and amounted to EUR 471 million (December 31, 2022: EUR 471 million).

Cash and cash equivalents increased compared with the previous year's reporting date and amounted to EUR 573 million (December 31, 2022: EUR 504 million). This represents an increase of 14% and is mainly due to the free cash flow, which amounted to EUR 116 million in the financial year 2023 (December 31, 2022: EUR 388 million).

→ Borrowings and Financing Structure

Equity decreased by 11% to EUR 1,580 million as of the end of 2023 (December 31, 2022: EUR 1,774 million). This development can be attributed on the one hand to the decline in net income. On the other hand, the value performance of long-term foreign currency hedging transactions in US dollars and the currency translation of financial statements of foreign subsidiaries also had an impact. As a result, the equity ratio declined to 26.8% (December 31, 2022: 29.5%).

Non-current financial debt was stable year-on-year and amounted to EUR 2,119 million as of the end of 2023 (December 31, 2022: EUR 2,117 million).

The reduction in **other non-current liabilities** by 3% to EUR 634 million (December 31, 2022: EUR 653 million) is primarily attributable to deferred tax liabilities. Provisions for onerous contracts for the acquisition of future programming assets had an opposing effect. **Other current liabilities** increased by EUR 110 million to reach EUR 1,571 million by the end of 2023 (December 31, 2022: EUR 1,461 million). Here, too, the performance is mainly due to the increase in provisions for onerous contracts for the acquisition of future programming assets. By contrast, the included current and non-current trade and other payables decreased by 4% to EUR 939 million (previous year: EUR 982 million); this is attributable to lower programming liabilities.

NET WORKING CAPITAL

NET WORKING CAPITAL

in EUR m

	12/31/2023	12/31/2022
Inventories	45	41
Receivables	476	479
Trade and other payables	939	982
Net working capital	**−419**	**−462**

Net working capital at ProSiebenSat.1 Group amounted to minus EUR 419 million as of December 31, 2023 (December 31, 2022: EUR -462 million). The ratio of net working capital to revenues of the past twelve months was minus 10.9% as of December 31, 2023 (December 31, 2022: -11.1%).

GROUP FINANCIAL POSITION AND LIQUIDITY

BORROWINGS AND FINANCIAL STRUCTURE

ProSiebenSat.1 Group uses various financing instruments: As of December 31, 2023, debt accounted for 73% of total equity and liabilities (December 31, 2022: 70%). Financial debt accounted for the majority of debt at EUR 2,119 million or 49% (December 31, 2022: EUR 2,117 million or 50%).
→ Financial Performance of the Group

The Group practices 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 – both maturing in April 2027. A second term loan tranche of EUR 400 million was extended in May 2023 by one year to April 2026. It can be extended by a further year under certain conditions.

– As of December 31, 2023, ProSiebenSat.1 Media SE also had promissory notes amounting to EUR 925 million with remaining terms of between two and eight years.

The Group's financing instruments are not subject to financial covenants.

DEBT FINANCING INSTRUMENTS AND DURATIONS AS OF DECEMBER 31, 2023

Debt financing instruments	in EUR m	Maturity
Promissory notes 2021	226	October 2025
Term loan	400	April 2026
Promissory notes 2016	225	December 2026
Term loan	800	April 2027
Promissory notes 2021	346	October 2027
Promissory notes 2021	80	October 2029
Promissory notes 2021	48	October 2031

Excluding syndicated revolving credit facility (undrawn at reporting date) of EUR 500 million (term until April 2027).

Interest payable on variable financing instruments is based on Euribor money market rates plus a credit margin, whereby the agreement provides for a floor of 0% for the base rate. The Group uses derivative financial instruments in the form of interest rate swaps and interest rate options to hedge against market-related interest rate changes caused by the market. As of December 31, 2023, the proportion of fixed interest was 86% of the entire non-current financing portfolio (December 31, 2022: 86%).
→ Financial Performance of the Group

FINANCING ANALYSIS

NET FINANCIAL DEBT

in EUR m

	12/31/2023	12/31/2022
Financial debt		
Term loan	1,195	1,194
Promissory notes	924	923
Financial debt	**2,119**	**2,117**
Cash and cash equivalents	573	504
Net financial debt	**1,546**	**1,613**

The Group's **net financial debt** decreased compared to the end of 2022 as previously communicated: They declined by 4% to EUR 1,546 million (previous year: EUR 1,613 million). Against this background, the **leverage ratio** of 2.7x at the end of the year – despite declining adjusted EBITDA – was also within the anticipated target range of 2.5x to 3x (December 31, 2022: 2.4x).

» INFORMATION

The leverage ratio is the ratio of net financial debt to adjusted EBITDA in the last twelve months (LTM adjusted EBITDA). As of December 31, 2023, the definition of ProSiebenSat.1 Group's net financial debt did not include lease liabilities of EUR 165 million (December 31, 2022: EUR 178 million) and real estate liabilities of EUR 167 million (December 31, 2022: EUR 133 million).

ANALYSIS OF LIQUIDITY AND CAPITAL EXPENDITURE

ADJUSTED OPERATING FREE CASH FLOW

in EUR m

	2023	2022
Adjusted EBITDA	578	678
Consumption of programming assets incl. change in provision for onerous contracts	1,181	958
Change in provisions	−9	8
Change in working capital	44	−62
Investments	−1,148	−1,112
Program investments	−928	−895
Other investments	−219	−217
Other[1]	−386	22
Adjusted operating free cash flow	**260**	**492**

1 Comprises adjustments from reconciling items within EBITDA, included in the cash flow positions consumption of programming assets incl. change in provision for onerous contracts, change in provisions, change in working capital and investments. In 2023, this item includes additions to provisions for onerous contracts for the acquisition of future programming assets in the fourth quarter of 2023 in the amount of EUR 126 million and impairments on programming assets in the amount of EUR 198 million.

Adjusted operating free cash flow reflects the decline in earnings: It decreased to EUR 260 million (previous year: EUR 492 million). Accordingly, **cash flow from operating activities** was also below the previous year, declining by 8% to EUR 1,240 million (previous year: EUR 1,354 million).

CASH FLOW STATEMENT
in EUR m

	2023	2022
Cash flow from operating activities	**1,240**	**1,354**
Cash flow from investing activities	**−1,124**	**−966**
Free cash flow	**116**	**388**
Cash flow from financing activities	**−44**	**−519**
Effect of foreign exchange rate changes on cash and cash equivalents	−3	41
Change in cash and cash equivalents	**69**	**−91**
Cash and cash equivalents at beginning of reporting period	504	594
Cash and cash equivalents at end of reporting period	**573**	**504**

Cash flow from investing activities amounted to minus EUR 1,124 million (previous year: EUR -966 million). The individual, partly offsetting cash flows were as follows:

– The cash outflow for the acquisition of programming assets amounted to EUR 928 million in the past financial year after EUR 895 million in the previous year. Programming investments are subject to temporary fluctuations.

– EUR 135 million were spent on other intangible assets (previous year: EUR 126 million). These primarily comprise internally generated intangible assets, licenses for sales of digital offerings, software, and industrial property rights. Investments in property, plant, and equipment were almost at the previous year's level, amounting to EUR 85 million (previous year: EUR 90 million). These relate primarily to the new campus building at the Unterföhring site.

– Proceeds from the disposal of non-current assets amounted to EUR 26 million in the financial year 2023, compared to EUR 23 million in the previous year. Cash inflow over the past financial year mainly related to media-for-equity investments as opposed to fund investments during the previous year.

The developments described resulted in a decrease in **free cash flow** to EUR 116 million (previous year: EUR 388 million).

Cash flow from financing activities amounted to minus EUR 44 million in 2023 (previous year: EUR -519 million). Cash flow from financing activities during the reporting period includes the dividend payment of EUR 11 million (previous year: 181 EUR million). In the previous year, cash flow from financing activities was also mainly characterized by the early repayment of promissory notes of EUR 275 million.

The cash flows described above resulted in **cash and cash equivalents** increasing to EUR 573 million as of December 31, 2023 (December 31, 2022: EUR 504 million).

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.

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

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.

→ Intragroup Management System

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.

→ Opportunity Report

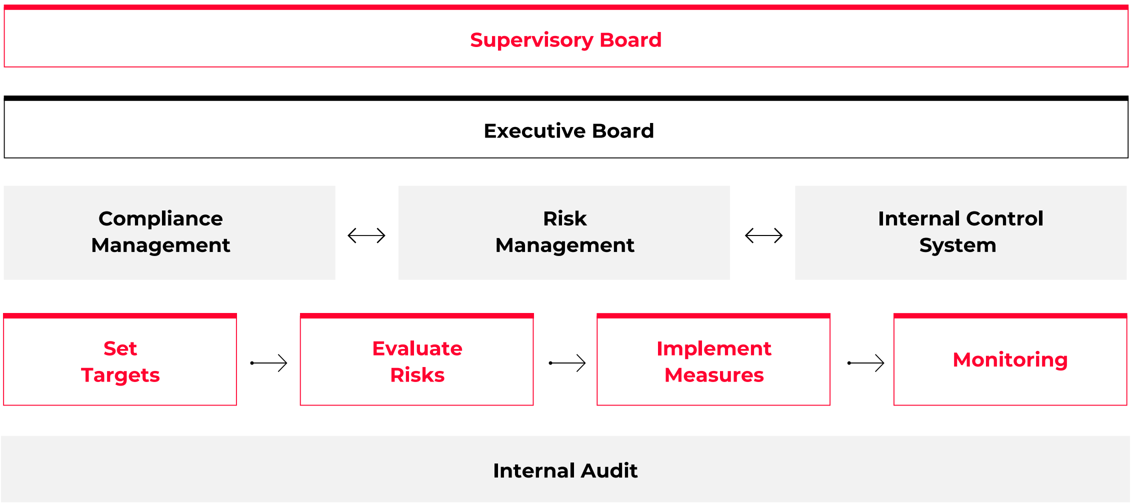
3. Management: Using appropriate measures, ProSiebenSat.1 Group can reduce the likelihood of occurrence of potential losses and limit or reduce possible damage. In order to handle risks safely, it is therefore very important to take adequate countermeasures as soon as an indicator exceeds a certain tolerance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

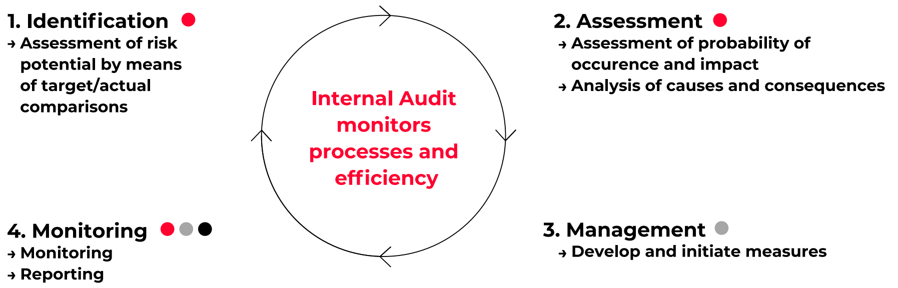
– **Group Risk Management** supports the various corporate units in identifying risks at an early stage. It ensures the efficacy and timeliness of the system by training the decentralized risk managers and continually monitoring the scope of risk consolidation. Moreover, the Internal Audit unit regularly 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.
→ Internal Control and Risk Management System

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



● Decentralized risk manager ● Group Risk Officer ● Executive Board/Supervisory Board

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.
→ Group Environment

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.

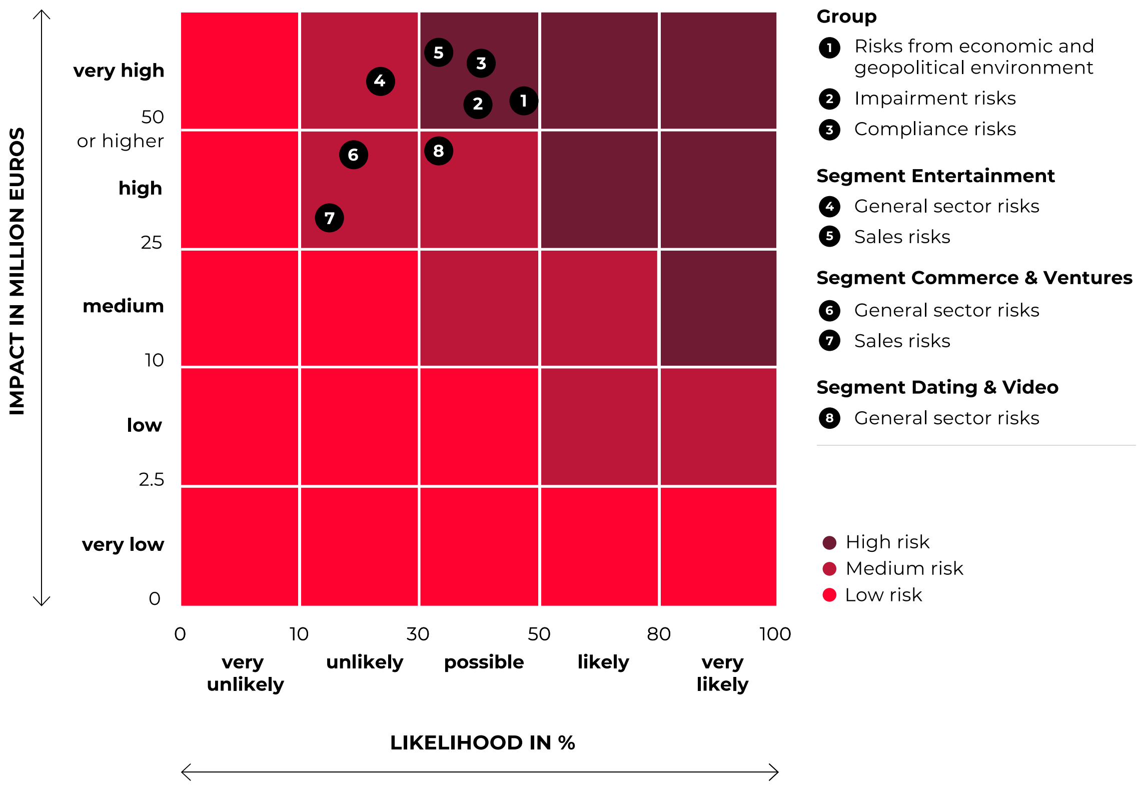
We monitor all risks covered by the risk management process continuously and systematically. These are not necessarily the only risks that the Group faces. However, we are currently not aware of any additional risks that could affect our business activities, or we do not consider them relevant in the 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.

GROUP

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.
→ Development of Economy and Advertising Market → Future Business and Industry Environment

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.

→ Sustainability → www.prosiebensat1.com/en/sustainability/action-areas/human-rights

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.[8]

8 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.
→ Group Environment

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.
→ Future Business and Industry Environment

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).
→ Development of Economy and Advertising Market → Future Business and Industry Environment

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 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. 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 "Group Accounting & Reporting" department is the central point 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.

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.

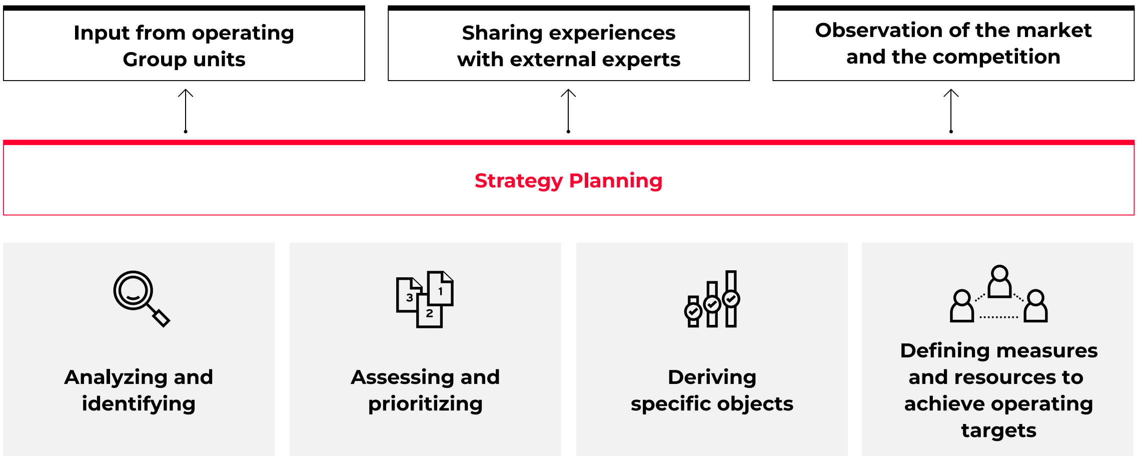
→ Strategy and Management System

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.
→ Future Business and Industry Environment

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.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM[9]

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.
→ Risk 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.

9 This section is not part of the audited Group Management Report.

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 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.
→ Significant Events

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.

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.
→ Opportunity Report

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.
→ Group Environment

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.
→ Group Environment

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.
→ Future Business and Industry Environment

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[10]:

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[11]. 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[12] 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.

10 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
11 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).
12 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).

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.
→ Strategy and Management System

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 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.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT 198

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 199

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 200

CONSOLIDATED CASH FLOW STATEMENT 202

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 203

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS 205

CONSOLIDATED INCOME STATEMENT

in EUR m		**2023**	2022
Revenues	[6]	3,852	4,163
Cost of sales	[7]	−2,812	−2,617
Gross profit		**1,041**	**1,546**
Selling expenses	[8]	−707	−682
Administrative expenses	[9]	−435	−497
Other operating expenses	[10]	−5	−181
Other operating income	[11]	21	50
Operating result		**−87**	**236**
Interest and similar income		15	14
Interest and similar expenses		−77	−42
Interest result	[12]	−62	−27
Result from investments accounted for using the equity method	[13]	2	−24
Other financial result	[13]	−18	−87
Financial result		**−78**	**−139**
Result before income taxes		**−164**	**97**
Income taxes	[14]	30	−147
Net income		**−134**	**−49**
Attributable to shareholders of ProSiebenSat.1 Media SE		**−124**	**5**
Attributable to non-controlling interests		−10	−54
Earnings per share in EUR			
Basic earnings per share	[15]	−0.55	0.02
Diluted earnings per share	[15]	−0.55	0.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	2023	2022
Net income	**−134**	**−49**
Foreign currency translation adjustment	−20	27
Measurement of cash flow hedges	−37	10
Income taxes	10	−3
Items that may be reclassified subsequently to profit or loss	**−47**	**34**
Remeasurement of defined benefit obligations	−1	5
Income taxes	0	−1
Items that will not be reclassified subsequently to profit or loss	**−1**	**4**
Other comprehensive income	**−48**	**38**
Total comprehensive income	**−182**	**−12**
Attributable to shareholders of ProSiebenSat.1 Media SE	**−164**	**32**
Attributable to non-controlling interests	−18	−43

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in EUR m		12/31/2023	12/31/2022
ASSETS			
Goodwill	[17]	2,008	1,997
Programming assets	[18]	686	912
Other intangible assets	[19]	785	809
Property, plant and equipment	[20]	540	490
Investments accounted for using the equity method	[22]	11	29
Other financial assets	[23]	300	294
Other receivables and non-current assets	[24]	2	3
Deferred tax assets	[14]	68	20
Non-current assets		**4,400**	**4,555**
Programming assets	[18]	178	174
Inventories	[6]	45	41
Other financial assets	[23]	60	93
Trade receivables	[23]	471	471
Current tax assets		110	87
Other receivables and current assets	[24]	67	81
Cash and cash equivalents	[25]	573	504
Current assets		**1,504**	**1,451**
Total assets		**5,904**	**6,005**

in EUR m		12/31/2023	12/31/2022
EQUITY AND LIABILITIES			
Subscribed capital		233	233
Capital reserves		1,045	1,046
Consolidated equity generated		222	358
Treasury shares		−58	−60
Accumulated other comprehensive income		32	72
Other equity		−214	−141
Total equity attributable to shareholders of ProSiebenSat.1 Media SE		1,260	1,508
Non-controlling interests		320	266
Equity	**[26]**	**1,580**	**1,774**
Non-current financial debt	[29]	2,119	2,117
Other non-current financial liabilities	[29]	303	287
Trade and other payables	[29]	59	73
Other non-current liabilities	[30]	9	6
Provisions for pensions	[27]	2	2
Other non-current provisions	[28]	30	9
Deferred tax liabilities	[14]	232	277
Non-current liabilities		**2,753**	**2,770**
Other current financial liabilities	[29]	106	124
Trade and other payables	[29]	881	909
Other current liabilities	[30]	305	258
Current tax liabilities		91	78
Other current provisions	[28]	188	92
Current liabilities		**1,571**	**1,461**
Total equity and liabilities		**5,904**	**6,005**

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	**2023**	2022
Net income	−134	−49
Income taxes	−30	147
Financial result	78	139
Depreciation, amortization and impairments of goodwill, other intangible assets and property, plant and equipment	227	430
Consumption of programming assets incl. change in provisions for onerous contracts	1,181	958
Change in provisions	−9	8
Gain/loss on the sale of assets	3	−19
Change in working capital	44	−62
Dividends received	6	7
Income tax paid	−62	−162
Interest paid	−78	−51
Interest received	15	11
Cash flow from operating activities	**1,240**	**1,354**
Proceeds from disposal of non-current assets	26	23
Payments for the acquisition of other intangible assets and property, plant and equipment	−219	−217
Payments for investments including investments accounted for using the equity method	−7	−21
Payments for the acquisition of programming assets	−928	−895
Payments for the issuance of loan receivables	—	−2
Proceeds from the repayment of loan receivables	1	2
Payments for obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	0	23
Proceeds from losing control of subsidiaries or other businesses (net of cash and cash equivalents disposed of)	5	122
Cash flow from investing activities	**−1,124**	**−966**
Dividend paid	−11	−181
Repayment of financial liabilities	−1	−326
Proceeds from issuance of financial liabilities	36	37
Repayment of lease liabilities	−45	−45
Payments for transactions with non-controlling interests	−20	0
Dividend payments to non-controlling interests	−2	0
Payments in connection with refinancing measures	−1	−7
Proceeds from premiums relating to the early repayment of financial liabilities	—	3
Cash flow from financing activities	**−44**	**−519**
Effect of foreign exchange rate changes on cash and cash equivalents	−3	41
Change in cash and cash equivalents	**69**	**−91**
Cash and cash equivalents at beginning of reporting period	504	594
Cash and cash equivalents at end of reporting period	**573**	**504**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

					Accumulated other comprehensive income							
in EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Foreign currency translation adjustment	Measurement of cash flow hedges	Remeasurement of defined benefit obligations	Deferred taxes	Other equity	Attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Equity
January 1, 2022	233	1,046	534	−62	22	47	−15	−9	−140	1,657	310	1,968
Net income	—	—	5	—	—	—	—	—	—	5	−54	−49
Other comprehensive income	—	—	—	—	16	10	5	−4	—	27	11	38
Total comprehensive income	**—**	**—**	**5**	**—**	**16**	**10**	**5**	**−4**	**—**	**32**	**−43**	**−12**
Dividends	—	—	−181	—	—	—	—	—	—	−181	0	−181
Other changes	—	0	0	2	—	—	—	—	−1	0	−1	−1
December 31, 2022	**233**	**1,046**	**358**	**−60**	**38**	**57**	**−10**	**−13**	**−141**	**1,508**	**266**	**1,774**

					Accumulated other comprehensive income							
in EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Foreign currency translation adjustment	Measurement of cash flow hedges	Remeasurement of defined benefit obligations	Deferred taxes	Other equity	Attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Equity
January 1, 2023	233	1,046	358	−60	38	57	−10	−13	−141	1,508	266	1,774
Net income	—	—	−124	—	—	—	—	—	—	−124	−10	−134
Other comprehensive income	—	—	—	—	−13	−37	−1	11	—	−40	−8	−48
Total comprehensive income	**—**	**—**	**−124**	**—**	**−13**	**−37**	**−1**	**11**	**—**	**−164**	**−18**	**−182**
Dividends	—	—	−11	—	—	—	—	—	—	−11	−2	−14
Other changes	—	−1	0	2	—	—	—	—	−74	−73	75	2
December 31, 2023	**233**	**1,045**	**222**	**−58**	**26**	**19**	**−10**	**−2**	**−214**	**1,260**	**320**	**1,580**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION 205

General information 205

Accounting principles 205

Changes in reporting standards 220

Scope of consolidation 221

Acquisitions and disposals affecting the scope of consolidation 221

NOTES TO THE CONSOLIDATED INCOME STATEMENT 222

Revenues 222

Cost of sales 223

Selling expenses 224

Administrative expenses 225

Other operating expenses 226

Other operating income 226

Interest result 226

Result from investments accounted for using the equity method and other financial result 227

Income taxes 227

Earnings per share 231

Other disclosures 231

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION 232

Goodwill 232

Programming assets 234

Other intangible assets 236

Property, plant and equipment and rights-of-use to property, plant and equipment 238

Leases 239

Investments accounted for using the equity method 240

Receivables and other financial assets 240

Other receivables and asset 241

Cash and cash equivalents 241

Shareholders' equity 242

Provisions for pensions 246

Other provisions 248

Financial liabilities 249

Other liabilities 250

ADDITIONAL NOTES 251

Contingent liabilities 251

Other financial obligations 253

Notes on financial risk management and financial instruments 253

Segment reporting 267

Share- and performance-based payment 271

Related parties 275

Professional fees of the independent auditor 278

Corporate governance 278

Events after the reporting date 278

List of subsidiaries and associated companies of ProSiebenSat.1 Group 279

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

1 / General information

The Consolidated Financial Statements as of December 31, 2023, present the assets, liabilities, financial position, profit or loss and the cash flows of ProSiebenSat.1 Media SE and its subsidiaries (together "the Company", "the Group" or "ProSiebenSat.1 Group").

ProSiebenSat.1 Media SE is based in Unterföhring and is a listed stock corporation under European law ("Societas Europaea" or "SE"). It is registered under the name ProSiebenSat.1 Media SE with the Munich District Court in Germany (HRB 219 439). It is the parent company of ProSiebenSat.1 Group and, with its subsidiaries, combines entertainment brands with a Commerce & Ventures and Dating & Video portfolio under one roof as a digital media group.

The Consolidated Financial Statements of ProSiebenSat.1 Group for the financial year ending December 31, 2023, were prepared in accordance with the International Financial Reporting Standards ("IFRS") in force at the reporting date, as adopted by the European Union, and in accordance with the additional requirements of German commercial law pursuant to section 315e (1) of the German Commercial Code ("HGB") and were authorized for issue by the Executive Board on March 5, 2024.

ProSiebenSat.1 Media SE prepares and publishes its Consolidated Financial Statements in euro. Due to rounding, numbers may not add exactly to the totals provided and percentages presented may not precisely reflect the absolute figures to which they relate.

2 / Accounting principles

A) ASSUMPTIONS, ESTIMATES AND JUDGMENTS

Preparing the Consolidated Financial Statements requires assumptions, estimates and judgments, which are subject to continuing review and may affect the measurement of assets and liabilities as well as the amounts of expenses and income. They take into account the circumstances at the reporting date, the knowledge acquired before the financial statements are authorized for issue, and expectations regarding the development of the company-specific as well as the global and macroeconomic industry-specific environment. If the actual development deviates from the forecasts, the carrying amounts of assets and liabilities may have to be adjusted and additional expenses and income recognized. The effects of changes in estimates are recognized immediately in profit or loss or in certain cases directly in equity; prior-year figures remain unchanged.

In the 2023 financial year, the global economy is slowly recovering after a year of major challenges, even if the upturn has so far been less dynamic and the overall economic situation is being determined by the effects of the Russia/Ukraine war and other geopolitical uncertainties as well as high inflation and - albeit to an ever lesser extent - the consequences of the COVID-19 pandemic. The restrictive monetary policy of many central banks has contributed to the slowdown in the pace of global recovery. The individual regions developed differently: While the US economy proved robust, the Chinese economy did not recover as strongly as expected and the economy in Europe remained weak. The German economy in particular remained heavily influenced by weak global demand over the course of the year. The propensity to invest remained correspondingly low and private consumption in particular fell short of expectations. In view of the continuing economic uncertainties, future macroeconomic developments in the Group's core markets and their impact on the Group's assets, liabilities, earnings and cash flows remain uncertain.

In the preparation of the Consolidated Financial Statements as of December 31, 2023, the current macroeconomic environment and the material associated uncertainties, if relevant, were taken into account in assumptions, estimates and judgments. The assumptions, estimates and judgments are based on the knowledge and information available at the reporting date, taking into account any additional information up to the date on which the Consolidated Financial Statements were authorized for issue (March 5, 2024).

Particularly when making impairment assessments for assets (especially goodwill, other intangible assets, programming assets, equity instruments and trade receivables) and in measuring put option liabilities, possible effects of the current macroeconomic conditions have been taken into consideration.

Additional disclosures on the impact of the macroeconomic environment and the accompanying assumptions made by management can be found in the:
→ Group Management Report

As a digital media group, ProSiebenSat.1 Group does not operate in an industry sector with high resource consumption and energy intensity. As a result, the effects of climate change on the Group tend to be indirect; they are felt, for example, in the form of changes in overall economic conditions. Potential effects on assets, liabilities, earnings or cash flows are assessed for materiality and taken into account appropriately in the assumptions, estimates and judgments used in the preparation of the Consolidated Financial Statements. However, as in the previous year, climate-related issues had no impact on the Consolidated Financial Statements in the reporting period.

Material assumptions, estimates and judgments are specifically required for the following issues and are explained in more detail below and in the relevant individual notes:

- Recognition and measurement of assets, particularly goodwill and other intangible assets as well as liabilities arising in the context of business combinations,
  → Note 17 “Goodwill” → Note 19 “Other intangible assets”
  → Note 33 “Notes on financial risk management and financial instruments”
- Impairment testing of goodwill and other intangible assets with indefinite useful lives, in particular trademarks, and of property, plant and equipment and rights-of-use to property, plant and equipment,
  → Note 17 “Goodwill” → Note 19 “Other intangible assets”
  → Note 20 “Property, plant and equipment and rights-of-use to property, plant and equipment”
- Assessment of the existence of control of other entities in determining the scope of consolidation,
  → Note 4 “Scope of consolidation
- Revenue recognition,
  → Note 6 “Revenues”
- Recognition and measurement of programming assets,
  → Note 18 “Programming assets”
- Measurement of financial instruments and lease liabilities,
  → Note 23 “Receivables and other financial assets” → Note 29 “Financial liabilities”
  → Note 33 “Notes on financial risk management and financial instruments”

– Recognition and measurement of provisions, including provisions for share- and performance-based payments, and valuation of contingent liabilities,
→ Note 28 "Other provisions" → Note 31 "Contingent liabilities"
→ Note 35 "Share- and performance-based payment"

Assessment of the recoverability of deferred tax assets and measurement of uncertain tax positions.
→ Note 14 "Income taxes"

B) GENERAL PRINCIPLES

With the exception of the adjustments described in note 3 "Changes in reporting standards", the accounting policies applied in the Consolidated Financial Statements for the financial year 2023 are the same as those of the previous year.

The consolidated income statement is prepared using the cost-of-sales method.

The table below shows the significant methods of recognition and measurement used in the Consolidated Financial Statements:

SUMMARY OF SIGNIFICANT RECOGNITION AND MEASUREMENT METHODS

Item	Recognition and measurement method
ASSETS	
Goodwill	At cost (subsequent measurement: impairment test)
Programming assets	At (amortized) cost
Other intangible assets with indefinite useful lives	At cost (subsequent measurement: impairment test)
Other intangible assets with finite useful lives	At (amortized) cost
Property, plant and equipment	At (amortized) cost
Investments accounted for using the equity method	Equity method
Financial assets	
Loans and receivables	At (amortized) cost or fair value through profit or loss
Securities and other equity investments	At fair value through profit or loss
Derivatives	At fair value through profit or loss
Cash and cash equivalents	At cost
LIABILITIES	
Finance liabilities	At (amortized) cost
Other financial liabilities	At (amortized) cost or fair value
Provision for pensions	Projected unit credit method
Other provisions	At settlement value (discounted if non-current)
Other liabilities	At settlement value (discounted if non-current)

C) FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are translated into the functional currency of the relevant Group entity at the exchange rates in effect at the transaction date or using average exchange rates.

In the case of fully consolidated subsidiaries whose functional currency is not the euro, assets and liabilities are translated at the exchange rates on the reporting date, equity is translated at historical rates, and expenses and income are translated at the annual average rate. Initially, the Group recognizes the resulting differences directly in equity. In the event of a later loss of control, they are reclassified to profit or loss and recognized as part of the gain or loss on disposal.

The following exchange rates were applied in the translation of the most significant currencies into the reporting currency:

EXCHANGE RATES

		Spot rate		Average rate	
1 EUR	Currency	**12/31/2023**	12/31/2022	**2023**	2022
Great Britain	GBP	0.8691	0.8868	0.8700	0.8529
Switzerland	CHF	0.9266	0.9851	0.9718	1.0049
United States of America	USD	1.1077	1.0676	1.0814	1.0533

D) CONSOLIDATION

The Consolidated Financial Statements include ProSiebenSat.1 Media SE and all material subsidiaries it controls. The Group controls an entity if it has existing rights that give it the current ability to direct the relevant activities of that entity, is exposed or has rights to the variable returns from its involvement with the entity and is able to influence the amount of the entity's returns on the basis of its power over the entity. In connection with film and series co-productions that are realized with the help of project entities and the involvement of independent third parties, judgement is required in individual cases with respect to identifying the control-related activities.

Intragroup balances, expenses and income are eliminated, taking into account deferred taxes where necessary.

When subsidiaries are initially consolidated, the assets acquired and liabilities assumed are in principle recognized at their fair values at the acquisition date. The Group usually engages external, independent appraisers to determine these fair values. If the sum of the consideration paid, the fair value of any shares already held and any non-controlling interests exceeds the fair value of the net assets acquired, the difference is recognized as goodwill. Non-controlling interests are measured at the acquisition date generally at their share in the acquired entity's identifiable net assets.

If the Group grants non-controlling shareholders put options for their remaining shares in the context of a business combination, this is accounted for under the so-called anticipated acquisition method as an immediate acquisition of these shares. Accordingly, no non-controlling interests are recognized within equity. Instead, the present value of the consideration payable for the shares on exercise of the option is recognized as a liability and subsequently remeasured through profit or loss.

Share transactions with non-controlling shareholders that do not result in a loss of control are recognized outside profit or loss as equity transactions.

Investments in entities over whose business policies the Group exercises or is able to exercise significant influence without exercising or being able to exercise control ("associates") or which are jointly controlled with other investors ("joint ventures") are accounted for using the equity method.

If the Group obtains control over such associates or joint ventures through the acquisition of further shares or voting rights, they are fully consolidated as subsidiaries from that date. The fair value of shares previously held are treated as part of the consideration paid for the shares in the subsidiary. If the fair value differs from the carrying amount of the investment, the Group recognizes the difference in profit or loss.

The financial year of ProSiebenSat.1 Media SE and all subsidiaries included in the Consolidated Financial Statements corresponds to the calendar year.

E) RECOGNITION AND MEASUREMENT

Revenues

The table below provides information about the main revenue categories or business models of ProSiebenSat.1 Group and about the way revenues are recognized:

REVENUE RECOGNITION

Revenue category	Business model	Recognition of revenues
Advertising revenues	Sale of classic advertising spots, sponsorings, special creations and audience-tailored advertising offerings on free TV and streaming as well as the distribution and sale of online advertising (revenues from the sale of advertising time)	Broadcasting of advertising spot (point in time)
	Broadcasting of advertising spots on residual time slots on free TV or placement of online advertising in exchange for fixed consideration plus variable component based on the contract partners' revenues (media-for-revenue)	Broadcasting of advertising spot; variable component recognized when target achievement documentation is received from customer (point in time)
	Broadcasting of advertising spots on residual time slots on free TV or placement of online advertising in exchange for equity or equity-like interests in the contract partners' business (media-for-equity)	Broadcasting of advertising spot (point in time)
	Multi-channel network marketing of web videos and/or social media artists (Studio71)	Provision of marketing service (point in time)
Distribution	Distribution of free and pay TV content via cable, satellite, IPTV and DVBT	Provision of the TV signal (over time)
Content	Production of programming content such as TV formats and serial programs (production)	In accordance with stage of completion of the service (over time)
	Sale/licensing of programming assets within license territories (global sales and other program sales)	Start of license and delivery of material ready for broadcast (point in time)
Consumer Advice	Brokerage of contracts between primary service providers and end customers in household, real estate sales, vehicle rentals, insurance, energy supply, mobile communication and financial services via online portals	Transmission of customer data or start of service being provided by partner (point in time)
Experiences	Sale of value vouchers and event vouchers	Agency commission upon event voucher redemption (point in time); payments for unredeemed value vouchers or event vouchers upon voucher expiry or expiry of the statute of limitations (point in time)
Beauty & Lifestyle	Sale of fashion and interior design products predominantly via online portals as well as the operation of ad-financed search engines for those products	Handover of goods to the end customer taking account of return rights (point in time) and access-based using the "cost-per-click" method (point in time)
Dating	Sale of subscription and individual purchases on own dating platforms to end customers (B2C); sale of online marketing services to advertising partners (B2B)	One-time services when service is performed (point in time); ongoing services (subscriptions/consumption of credits) over the contract term/period of use (over time)
Video	Monetization of video and live entertainment offerings on so-called owned-and-operated-online platform businesses (B2C) as well as their monetization on third-party platforms via Livebox (B2B); sale of online marketing services to advertising partners (B2B)	One-time services when service is performed (point in time); ongoing services (consumption of credits) over the term/useful life (over time)

In the Group's entertainment business, revenues are generated in particular in the form of advertising revenues, i.e. from the sale of advertising time. Advertising revenues are generated in the form of classic commercials, but also via advertising formats that allow a closer link between advertising and the underlying program, such as sponsorships and special creations (customized advertising campaigns in line with individual customer requirements) as well as target-audience-specific TV advertising tailored to the relevant viewers. Advertising revenues are net revenues after the deduction of discounts, agency commissions and cash rebates, and of value-added tax. The Group recognizes TV advertising revenues when the underlying commercials are broadcast by the Group's own stations. Advertising services provided free of charge are treated as separate performance obligations and the pro-rata revenue attributable to this performance obligation is recognized when the advertising service is rendered. Moreover, the Group generates online advertising revenues. These comprise revenues from the sale of digital offerings of the Group or external third parties. Online revenues are recognized when the advertising service is rendered, which generally means when the ad impressions are delivered on the digital channels.

If the consideration agreed for advertising services depends on the revenues or other key performance indicators of the contract partner ("media-for-revenue"), variable consideration components based on the contract partners' achievement or overachievement of contractual revenue or earnings targets are recognized as revenues by the Group if the amount can be reliably estimated and a future reversal of revenues to be recognized is unlikely. This is the case if the required target achievement documentation is received from the contract partner.

If the Group and the contract partners agree the rendering of advertising services in exchange for equity or equity-like interests ("media-for-equity"), the related obligation to broadcast or stream the promised linear or digital advertising content is recognized as a liability upon initial recognition of the instruments and recognized as revenues when the contracted advertising content is aired or streamed. The financial instruments received constitute financial assets, which are accounted for at fair value through profit or loss. Because media-for-equity transactions are non-cash barter transactions, they do not affect the statement of cash flows.

In addition, advertising revenues also include revenues from the digital media and entertainment company Studio71 ("Studio71"). Here, online video concepts are developed for content creators and their digital presences are marketed and distributed on platforms such as YouTube, Tik Toc, Facebook and Instagram. Revenues are mainly recognized at the point in time the service is rendered.

In the Distribution revenue category, the Group transmits TV signals (free TV and pay TV) to satellite, cable and internet providers, who in turn make them available to their end customers, generally for monthly fees. The Group predominantly recognizes related revenues based on the number of end customers reached by the providers in each billing month. As the signals are broadcast to the contract partners who re-transmit them to their customers at the same time, the Group recognizes the revenues over time.

In the Production business model of the Content revenue category, revenues are recognized over time because contractual provisions are such that the content produced over a longer period of time does not have an alternative use to ProSiebenSat.1 Group and the Group has enforceable rights to payment for production services rendered to date. Revenues for commissioned productions are recognized using the percentage of completion method if the expected contract revenues and related contract costs can be reliably estimated. The percentage of completion is calculated as the ratio of the contract costs incurred to date to the estimated total contract costs. Revenues to be recognized in the period are determined by applying this ratio to the respective estimated total revenues. If the expected total contract revenues or total costs cannot be reliably estimated, revenues are only recognized in the amount of the contract costs incurred. Contract costs are recognized as expenses in the period in which they are incurred. If it is foreseeable that the total contract costs will exceed the expected revenues, the Group recognizes the expected loss immediately as an expense. In the Global sales and other program sales business model of the Content revenue category, program broadcasting rights are sold for specific license territories and periods. Revenues are recognized at a point in time, when the license term commences, and the material is delivered and ready for broadcast.

Revenue in the Consumer Advice category, specifically concerning household goods or services, real estate sales, vehicle rentals, insurance, energy supply, mobile communications and lending is generally recognized in the amount of the fee agreed with the contract partners, i.e. the providers of the primary services to the end customers, and only in the campervan rental business in the amount of the full fee from the vehicle rental. The contracts with the campervan provider and with the vehicle user are short-term operating leases for accounting purposes and the revenue generated from them is therefore revenue from leases. Revenue in the Consumer Advice category is recognized taking cancellation rates into account provided they can be determined reliably.

Depending on the contract terms, revenue is recognized when the customer data is transferred to the providers of the primary services, on receipt of proof of the conclusion of the contract or the start of the provision of services by the contract partners, or when the leased vehicle is made available to the user.

In the business model concerned with the sale of value vouchers and event vouchers (Experiences), the payments received from voucher purchasers include both the agency commission and the event price. The payment received is initially recognized in full as a financial liability. The exchange of value vouchers for experience vouchers has no effect on the balance sheet or earnings. It is only when the event voucher is redeemed that ProSiebenSat.1 Group recognizes the agency commission as revenue and passes on the remaining portion of the voucher price to the event organizer. Payments received for unredeemed value vouchers or event vouchers are recognized in full as revenue after expiry of the voucher period or any longer statute of limitations period.

In the Beauty & Lifestyle category, ProSiebenSat.1 Group primarily sells goods via online portals. The Group recognizes the resulting revenues at the time the goods are handed over to the customers, taking into account return rates if these can be reliably determined. The Group recognizes a refund liability as a reduction of revenues, measured on the basis of historic experience, for the expected refund payments to be made as a result of customers exercising their legal or voluntarily granted return rights. Simultaneously, an asset for the right to receive back the goods returned is recognized in the amount of their previous carrying amounts less any expected loss in value and less the expected cost of returning the goods. The asset is recognized as a reduction to cost of sales and is reported under inventories. The Beauty & Lifestyle revenue category also includes revenues from advertising-financed search engines, which are recognized access-based at a point in time using the “cost-per-click” method.

In the revenue category Dating, performance obligations of a delivery nature (personality assessments and profile reports) are recognized at a point in time and performance obligations of a subscription nature (access to the online platform) are recognized over the term of the contract. The total transaction price is allocated to the individual performance obligations on the basis of relative stand-alone selling prices.

In both revenue categories, Dating and Video, customers also have the option of purchasing value units on the company’s own online portals. These are so-called “credits,” “points,” “gold,” or “icebreakers” (referred to simply as “credits” below), which can be used to gain access to premium features or to acquire virtual gifts to give away to other users via the platform. In each case revenue recognition is based on the average consumption of purchased credits over time. Furthermore, revenues from online marketing services are recognized in both the Dating and the Video category.

In the Video category, the Group's own live streaming technology Livebox is also made available on third-party platforms. Revenue recognition is based on the consumption of credits on the respective third-party platform.

In all revenue categories, the transaction price is derived from the contractually agreed terms. In some cases, variable consideration is agreed in addition to fixed payments. This is recognized as revenues only at an amount that makes a later reversal seem unlikely.

The payment terms of the business models are largely short-term (generally up to between 30 and 60 days). In the case of the sale of programming rights, Studio71 revenues and in the Dating & Video segment, longer payment terms of up to 90 days are agreed in some cases. In the case of commissioned productions and the licensing of programming rights, payments are generally due shortly after contractually agreed milestones are reached, the number of agreed installments varies depending on the individual contract. In the Dating & Video segment, monthly installments are also agreed. There are no significant financing components as defined by IFRS 15.

Operating expenses

The Group recognizes operating expenses by function. Amortization, depreciation and impairment losses on intangible assets and property, plant and equipment are included in functional costs according to the use of the assets. Impairment losses on trademarks with indefinite useful lives and on goodwill are recognized in other operating expenses.

Operating expenses also include expenses from research and development activities. As a media group, ProSiebenSat.1 Group does not conduct research and development in the sense of a manufacturing industrial company. Research and development activities mainly relate to the area of market research, in which the Group maintains various research departments, and to numerous product research and development activities in the areas of advertising technology, Streaming, live streaming and digital platform technology and increasingly in the area of artificial intelligence. Research and development activities outside of market research are usually part of the ongoing operating business and cannot be separated from it.

Income taxes

Income taxes include the taxes levied in the individual countries on taxable income and changes in deferred taxes. They are recognized based on tax laws enacted or substantively enacted as of the reporting date. Deferred taxes are recognized for deductible or taxable temporary differences between the carrying amounts of assets and liabilities under IFRS and their tax bases. In addition, the Group recognizes deferred tax assets for tax benefits from tax loss carryforwards that are likely to be usable.

Deferred taxes arising from temporary differences are recognized in the nominal amount of the expected tax charge or benefit that will arise when the temporary difference reverses. Deferred tax assets are only recognized to the extent that sufficient taxable income will be available in the future to utilize them.

When assessing the recoverability of deferred tax assets, the effects on earnings of the reversal of taxable temporary differences, the planned results from operations and intended tax structuring measures are taken into account. The planned results are based on internal forecasts regarding the future earnings situation of the respective Group entity, with a planning horizon of up to five years. The Group reviews the assumptions underlying tax deferral on an ongoing basis. Changed assumptions or circumstances may require adjustments that can affect the amount of the deferred tax assets and liabilities as well as deferred tax expenses. Deferred tax assets and liabilities are offset to the extent that they relate to the same tax authority and the right to offset is legally enforceable.

The Group recognizes current and deferred taxes in profit or loss unless the matters triggering the tax effects were recognized outside profit or loss.

Deferred tax effects resulting from the introduction of global minimum taxation as part of the so-called Pillar 2 rules are not taken into account when calculating deferred taxes. Details on the Pillar 2 rules can be found in
→ Note 14 “Income taxes”

Uncertain tax positions are analyzed on an ongoing basis. If it is probable that the fiscal authorities will not accept an uncertain tax treatment, the Group reflects this generally by using either the most likely amount or the expected amount in the financial statements. If the estimates change over time, for example as a result of tax audit findings or current court rulings, such changes may affect the level of risk provisioning considered necessary. Uncertainties arise, inter alia, in connection with matters that are the subject of ongoing tax audits but have not yet led to final findings or are under discussion due to controversial legal positions or new court rulings.

Earnings per share

Earnings per share correspond to the ratio of net income attributable to the shareholders of ProSiebenSat.1 Media SE and the weighted average number of shares outstanding during the financial year.

For purposes of calculating diluted earnings per share, the average number of shares outstanding is adjusted by the number of all potentially dilutive shares. At ProSiebenSat.1 Group, these dilutive effects result from issues of Performance Share Units under share-based payment plans.

Goodwill and other intangible assets

Goodwill is recognized at cost less accumulated impairment losses. At the acquisition date, it is allocated to the cash-generating unit or group of cash-generating units that is expected to benefit from the synergies of the business combination, which in each case represents the lowest level at which goodwill is monitored. ProSiebenSat.1 Group's cash-generating units are structured by business areas.

On disposal of cash-generating units or parts thereof, or on internal reorganization, any goodwill existing at the date of disposal or at the date of transfer is allocated between the units to be disposed of or transferred and the remaining units on a relative-value basis. Goodwill is reported in the functional currency of the acquired entity.

Intangible assets not acquired in the context of business combinations are initially recognized at cost.

The Group recognizes intangible assets identified in the context of business combinations at their fair values as of the acquisition date. The fair values are mainly measured using the following methods:

FAIR VALUE MEASUREMENTS IN THE CONTEXT OF THE PURCHASE PRICE ALLOCATION

Intangible asset	Measurement method
Trademarks	Relief from royalty method
Customer and other contractual relationships	Multi-period excess earnings method
Technologies	Reproduction cost method and relief from royalty method

For purposes of subsequent measurement, a distinction is made between intangible assets with definite and those with indefinite useful lives. Intangible assets with indefinite useful lives at ProSiebenSat.1 Group exclusively comprise established trademarks that have consistently been market leaders or held similar positions. They are not amortized and are subject to an annual impairment test.

In addition to trademarks, software and customer relationships, intangible assets with finite useful lives mainly comprise assets from software-as-a-service contracts and rights to use advertising licenses acquired for a limited period to market digital offerings from external providers.

After initial recognition, the cost of intangible assets with definite useful lives not acquired in a business combination is adjusted for amortization and, if necessary, impairment losses.

Furthermore, ProSiebenSat.1 Group holds acquired intangible assets with no fixed limit to their useful lives and whose use is not currently subject to economic or legal restrictions. If their useful life can be reliably determined, they are amortized over the expected useful life as intangible assets with a finite useful life or impaired, if necessary.

Identifiable internally generated intangible assets are capitalized if they are expected to generate future economic benefits and their cost can be measured reliably. In determining the cost of production, a distinction is made between research and development expenses, the former always being recognized as an expense when incurred. Development costs are only capitalized as production cost if the product or process is technically and commercially feasible. For this to be the case, the completion of development and subsequent use or sale must be both technically and financially assured and intended. The marketability of the product or process must also be demonstrated.

In the case of program formats developed in-house, this is only the case at a very late stage in the process, when the format can be placed successfully with a buyer. Expenditure on format development therefore generally does not qualify for capitalization.

Amortization reflects the pattern of usage and is recognized on a straight-line basis, predominantly based on the following economic useful lives:

USEFUL LIVES OF INTANGIBLE ASSETS

	Years
Trademarks with finite useful lives	10-17
Customer relationships	3-10
Software	2-10
Licenses and other property rights	2-10

The useful lives and amortization methods of intangible assets are reviewed annually and adjusted if expectations have changed.

Property, plant and equipment

Property, plant and equipment are measured at cost less depreciation and impairments. The Group recognizes depreciation of property, plant and equipment using the straight-line method. Depreciation is based on the following expected useful lives:

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

	Years
Real estate	3-50
Technical facilities	2-10
Office furniture and equipment	1-23

The useful lives and depreciation methods of property, plant and equipment are reviewed annually and adjusted if expectations have changed.

Leases

The Group recognizes assets from rights-of-use to leased property, plant and equipment as property, plant and equipment and measures them at cost less depreciation and impairments. Lease liabilities are recognized according to the effective interest method and using the incremental borrowing rate.

Expenses for leases with a term of not more than one year or for a leased asset that, when new, is worth not more than EUR 5,000 or the equivalent in foreign currency are recognized as incurred by the Group as current expenses in functional costs. The same applies to sales- or usage-based lease payments. In some cases, numerous similar leased assets of low value and with the same lease term are combined into portfolios. A right-of-use asset and a lease liability are recognized for these portfolios. As described above, the right-of-use asset is subsequently recognized at amortized cost and the lease liability accounted for using the effective interest method.

Investments accounted for using the equity method

These include investments in associates and joint ventures. Associates are investments in which ProSiebenSat.1 Group has the ability to exercise significant influence over the operating and financial policies of the investee. In joint ventures, the Group exercises joint control together with other investors.

Investments accounted for using the equity method are initially recognized at cost. Any goodwill identified on initial recognition is included in the carrying amount of the investment and is neither amortized nor separately tested for impairment. Instead, if there is objective evidence of impairment, the entire carrying amount of the investment is tested for impairment and, if necessary, written down to the lower recoverable amount.

Under the equity method, the Group recognizes its share of the net profit or loss of the investee in the result from investments accounted for using the equity method after initial recognition of the investment. This includes effects attributable to the Group from the amortization of hidden reserves and hidden liabilities that were recognized on acquisition of the investment.

If the carrying amount of an investment is zero, further losses from an investment accounted for using the equity method are only recognized if the Group has entered into a legal or constructive obligation to absorb or fund the losses. Distributions received reduce the carrying amount of the investment without affecting profit or loss.

Programming assets

Programming content is recognized at acquisition and production cost, less amortization and impairment losses. Feature films and series are capitalized at the beginning of the contractual license period, while commissioned productions are capitalized upon acceptance. Advance payments made for live content, such as sports rights in particular, as well as news formats and some shows, are reported as current programming assets until they are broadcast. At that point, they are fully expensed as consumption in cost of sales.

The Group recognizes amortization on a declining-balance basis over the number of contractual or planned broadcasts in accordance with the expected audience reach potential associated with the respective broadcast.

Programming assets that no longer meet the criteria for capitalization due to lack of usability are individually impaired in full. Reasons for a lack of usability can be the expiry of the license period, the discontinuation of commissioned productions, poor coverage of past broadcasts or changes in viewing habits.

Otherwise, programming assets are bundled into similar programs and combined into programming groups for the purpose of impairment testing. An impairment loss is recognized to reflect the lower value in use, if the carrying amount of a program group is not covered by the expected proceeds from its exploitation. The value in use corresponds to the present value of the future cash flows expected from the exploitation of the programs in the program group. Indications for an impairment can be, among other things, poorer exploitation opportunities, changed requirements from the advertising environment, adaptation of programs to the preferences of the target groups or media law restrictions on the usability of films. In addition, changes to the program strategy can impair the exploitation possibilities of existing programs and thus provide an indication of impairment.

Impairments of other non-financial assets

In addition to programming assets, goodwill, other intangible assets, property, plant and equipment, and other non-financial assets are tested for impairment if there are indications that the carrying amount does not at least equal the recoverable amount. The recoverable amount is the higher of value in use and fair value less costs to sell. The value in use is the present value of future cash flows expected to arise from the continuing use of the asset. In addition, intangible assets with an indefinite useful life, other intangible assets that are not yet ready for use or advance payments made for such assets, as well as acquired goodwill have to undergo an impairment test at least once a year.

Impairment losses are allocated to the relevant functional costs. However, impairment losses on goodwill and trademarks with indefinite useful lives are recognized in other operating expenses. The recoverable amount is determined for each individual asset, unless an asset generates cash inflows that are not largely independent of those from other assets or cash-generating units. In these cases, the impairment test is performed at the smallest level of the cash-generating unit to which an asset is attributable.

The Group generally determines the recoverable amount using valuation methods based on discounted cash flows. For cash-generating units, ProSiebenSat.1 Group determines the respective recoverable amount as the higher of value in use and fair value less costs to sell and compares this with the carrying amount of the measurement object, including any attributable goodwill. ProSiebenSat.1 Group derives the discounted cash flows from the financial budgets approved by management, which have a planning horizon of five years. Cash flows beyond the planning period are extrapolated using individual growth rates based on externally published sources. The main assumptions on which the derivation of the recoverable amount is based relate to future cash flows, estimated growth rates, and weighted average cost of capital.

If the reasons for impairment no longer apply, the Group recognizes a reversal of the impairment loss for the assets concerned which, however, may not exceed amortized cost. As an exception, impairment losses recognized on goodwill may not be reversed.

Financial instruments

Financial instruments are contracts that give rise to financial assets for one party and financial liabilities or equity instruments for the other party. Regular way purchases and sales of non-derivative financial assets are recognized by the Group on the settlement date, and derivative transactions on the trade date.

Financial assets are derecognized once the contractual rights to the cash flows from the asset expire or the Group transfers the rights to receipt of the cash flows in a transaction where substantially all the risks and rewards associated with ownership of such financial assets are transferred as well. Any differences arising on derecognition are recognized in profit or loss.

Financial liabilities are derecognized once the obligations specified in the contract are discharged, canceled or expired. When contract terms are changed or when maturities are extended, the Group examines whether these are substantial modifications to the contract terms. If this is the case, the adjustments or maturity extensions result in the original liability being derecognized and a new liability being recognized. Any difference between the carrying amount of the original liability and the fair value of the new liability as well as any processing and other transaction costs are recognized immediately in profit or loss.

If amendments to the terms of the contract do not result in the derecognition of a financial instrument measured at amortized cost (whether a financial asset or financial liability), the new carrying amount is determined as the present value of the renegotiated or modified cash flows discounted at the original effective interest rate, and any difference to the original carrying amount is recognized in profit or loss. Processing or other transaction costs result in an adjustment to the carrying amount and are amortized using the effective interest method.

Measurement of financial instruments

Financial assets are initially recognized at fair value, with the exception of trade receivables and contract assets (hereafter jointly referred to as assets from revenue contracts with customers), which are recognized at the transaction price in accordance with IFRS 15.

ProSiebenSat.1 Group subsequently measures financial assets and liabilities either at fair value through profit or loss or at amortized cost.

Instruments accounted for at fair value through profit or loss after initial recognition mainly include (i) investments in entities over which the Group does not exercise control, joint control or significant influence, (ii) fund investments, (iii) derivative financial instruments not designated as hedging instruments in a qualifying hedge accounting relationship and (iv) contingent considerations arising from business combinations, in particular payment obligations assumed under put option agreements.

The fair value corresponds to the market or stock exchange value, provided there is an active market for the respective instrument. Otherwise, the fair value is determined using valuation techniques (for example, by discounting the future cash flows at the market interest rate). The fair value of a liability that is callable at any time (ie a liability with a demand feature) is not less than the amount payable on demand. On initial recognition, the fair value usually corresponds to the transaction price.

Loss allowances for loans and receivables

For financial assets measured at amortized cost, ProSiebenSat.1 Group recognizes loss allowances in the amount of the expected credit losses. This primarily relates to assets from revenue contracts with customers.

The loss allowances for these assets cover the lifetime expected credit losses and are recognized on the basis of historical and forward-looking information using provision matrices ("simplified approach").

Expected credit losses on assets from revenue contracts with customers are recognized in separate allowance accounts.

For all other financial assets measured at amortized cost – i.e. mainly cash and cash equivalents – an impairment loss in the amount of the twelve-months expected credit losses is generally recognized when the assets are initially recognized. Due to the high liquidity and low default probability, however, the expected credit losses for cash and cash equivalents are usually negligible.

If there is a significant deterioration in credit quality after initial recognition, the impairment loss is adjusted and the credit losses expected over the entire contractual term are recognized. To the extent that financial assets exist with counterparties that have an external credit rating in the investment grade range, the Group makes use of the practical expedient of assuming that the credit risk has not increased significantly if the financial asset has a low risk of default at the reporting date.

Otherwise, an increased default risk is assumed if any amount is past due by more than 30 days or if ProSiebenSat.1 Group has any other indications that creditworthiness has declined significantly. This includes information about a significant downgrade of the credit rating or signs of a significant increase in debt or a sharp decline in operating results.

If relevant market prices are currently available for the respective counterparty, maturity-matched credit default swap spreads are used to assess creditworthiness.

If a default event occurs, individual receivables are impaired. ProSiebenSat.1 Group considers a default event to have occurred, if receipt of full payment becomes unlikely due to the contracting party's limited ability to pay, or if a receivable is more than 90 days overdue. The principle of considering a default to have occurred if a receivable is more than 90 days overdue may be deviated from in justified individual cases. In these cases, no individual credit loss is recognized.

The Group recognizes impairment losses in profit or loss and reviews them on a regular basis. If the reasons for impairments no longer apply, credit losses are reversed accordingly. If there are indications of a final non-recoverability, the receivable is derecognized, possibly against previously recognized loss allowances.

Derivative financial instruments and hedge accounting

ProSiebenSat.1 Group uses derivative financial instruments in the form of interest rate swaps and interest rate options, as well as forward exchange transactions, currency swaps and currency options, to hedge against interest rate and currency risks. The fair values of interest rate swaps and forward exchange transactions or currency swaps are generally zero on initial recognition, while for interest rate and currency options they correspond to the option premiums paid or to be paid. Occasionally, purchased and written interest rate options are combined into a synthetic interest rate swap as part of an interest rate hedging strategy. In this case, the fair value of the written option at initial recognition corresponds to the option premium received or to be received.

If a hedging relationship meets the relevant criteria, the Group accounts for it using the hedge accounting requirements of IAS 39 "Financial Instruments: Recognition and Measurement".

ProSiebenSat.1 Group currently uses hedging derivatives exclusively as part of cash flow hedges for hedging future cash flows. If options are included in cash flow hedge accounting, only their intrinsic value is usually designated as a hedging instrument. For a cash flow hedge, changes in the fair value of the effective portion of the derivative are initially recognized separately in other comprehensive income in equity and only in profit or loss when the hedged item affects profit or loss. Any ineffective part is recognized immediately in profit or loss.

In the case of hedges of future license payments against currency risks, the gains or losses on the hedging instrument recognized in equity increase or decrease the cost of the license at the commencement of the license, i.e., when the hedged item is capitalized, with a corresponding effect on subsequent license consumption.

At ProSiebenSat.1 Group, identified hedged items and hedging transactions are combined and managed in so-called hedge books. The effectiveness of the hedging relationship is measured at regular intervals, and the hedging relationship is adjusted if necessary. If a hedging relationship does not meet or no longer meets the requirements of the standard, hedge accounting is terminated. After termination of a hedging relationship, the amounts still recognized in other comprehensive income or as an adjustment to cost are recognized in profit or loss when the hedged item affects profit or loss. If a hedging relationship is terminated because it is no longer probable that the hedged item will occur, the amounts recognized in other comprehensive income are recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are measured at cost; foreign currency balances are translated at the respective closing rate. Cash and cash equivalents consist of cash and cash balances at banks and of short-term, highly liquid financial investments with a remaining term of up to three months at the time of acquisition, provided they are subject to only insignificant risks of fluctuation in value. They are not subject to any restrictions on disposal.

Equity attributable to controlling and non-controlling shareholders

The carrying amount of the shares of controlling and non-controlling shareholders recognized in equity reflects their respective share of the Group's net assets. The pro rata allocation of net assets to controlling and non-controlling shareholders is carried out after deducting the net assets attributable to existing preferred shares. Accordingly, the profit for the period is only allocated proportionately to the controlling and non-controlling shareholders after deduction of acquired preferential interest claims. If the claims from preferred shares grow stronger than the net assets, the share of net assets attributable to the remaining shares is reduced accordingly. If the total net assets are not sufficient to cover the preferential claims, the newly acquired preferential interest claims are not recognized in the statement of financial position. Recognition will be made up for in subsequent periods as soon as sufficient net assets are available to cover accrued interest claims.

Provisions for pensions

Provisions for pensions are measured using the actuarial projected unit credit method. Deviations between assumptions made and actual developments as well as changes in actuarial assumptions regarding the measurement of defined benefit pension plans are taken into account through an adjustment of the obligations and any plan assets, the adjustment being recognized outside profit or loss in the statement of other comprehensive income. These adjustments are not reclassified to profit or loss in subsequent periods.

Assets available to cover pension entitlements that meet the criteria for recognition as plan assets are measured at fair value and offset against the corresponding obligations.

Share- and performance-based payments

The share-based payments of ProSiebenSat.1 Group (primarily rights to shares or to future payments based on share values) partly relate to compensation plans which the Group can settle either in shares or in cash. The applicable accounting depends on whether the Group has a present legal or constructive obligation to settle in cash.

Where plans are settled in shares or do not contain such a cash settlement obligation, they are measured once at the grant-date fair value. The Group recognizes personnel expenses for these plans in functional costs over the vesting period. The counter-entry is to capital reserves.

Where plans with a cash settlement option create a legal or constructive obligation for the Group to settle in cash, ProSiebenSat.1 Group recognizes such plans in accordance with the requirements for cash-settled plans. The corresponding personnel expense is recognized against liabilities, which are remeasured through profit or loss in personnel expenses at each reporting date as well as on the settlement date. In addition, there are share-based compensation plans under which settlement is agreed solely in cash; these are also recognized in accordance with the requirement for cash-settled plans.

Performance-based compensation plans that depend on earnings measures and other non-share-based parameters are measured as other long-term employee benefits in accordance with actuarial principles and are generally recognized in profit or loss.

Other provisions

Provisions are recognized if a present legal or constructive obligation to third parties exists as a result of a past event, if outflows of economic resources are expected, and if the amount can be determined reliably. They are recognized in the amount of costs that are directly attributable to fulfilling a contract and reflect the most probable outcome of the obligation, taking into account experiential values. Non-current provisions are recognized at the present value of expected settlement amounts as of the reporting date, taking estimated increases in prices or costs into account. The discount rates used are regularly adjusted to current market interest rates.

The Company measures net obligations under onerous contracts at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract, less any revenue expected from the contract. When recognizing and measuring provisions for onerous contracts for the purchase of programming assets, contracts are aggregated to program groups.

Recognition and measurement of provisions require estimates of the amount and probability of the future outflow of resources, which are based on experiential values and the circumstances known as of the reporting date. To assess the amount of the provisions, in addition to the evaluation of the facts and of the asserted claims, the results of comparable fact patterns are also considered on a case-by-case basis, as are assumptions regarding probabilities of occurrence and the range of possible utilizations.

Statement of cash flows

The statement of cash flows shows the origin and use of the cash flows. It distinguishes between cash flows from operating activities, from investing activities and from financing activities.

The funds covered by the statement of cash flows comprise the cash and cash equivalents presented in the statement of financial position.

Cash flows from investing and financing activities are determined on the basis of actual payments. Cash flows from operating activities, on the other hand, are derived indirectly from net income. The changes of items in the statement of financial position taken into account in the indirect derivation are adjusted for the effects of currency translation and changes in the scope of consolidation. As a result, the changes of items in the statement of financial position reported in the statement of cash flows cannot be reconciled with the corresponding figures in the consolidated statement of financial position and the segment metrics.

Interest paid and received, dividends received and all cash flows arising from taxes are reported as cash flows from operating activities.

3 / Changes in reporting standards

The following amendments to existing standards published by the International Accounting Standards Board (IASB) and transposed into European law were required to be applied for the first time in the financial year 2023:

– IAS 1 "Disclosure of Accounting Policies“

– IAS 8 "Definition of Accounting Estimates"

– IAS 12 "Deferred Taxes related to Assets and Liabilities Arising from a Single Transaction".

– IAS 12 “International Tax Reform – Pillar II Model Rules”

– IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"

– IFRS 17 "Insurance Contracts (including amendments)"

The initial application had no material effect on the assets, liabilities, financial position and profit or loss of ProSiebenSat.1 Group.

The IASB also published the following pronouncements as of the reporting date, which are not yet mandatory or have not yet been endorsed by the European Union in some cases, and which have therefore not been applied by the Group:

PUBLISHED FINANCIAL REPORTING PRONOUNCEMENTS NOT YET APPLIED OR NOT YET ENDORSED BY THE EUROPEAN UNION

Standard	Pronouncement	Mandatory application for financial years commencing on	Anticipated effect
IAS 1	Classification of Liabilities as Current or Non-Current	January 1, 2024	none
IAS 1	Non-current Liabilities with Covenants	January 1, 2024	none
IAS 7 / IFRS 7	Supplier Finance Arrangements	January 1, 2024	immaterial
IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024	none
IAS 21	Lack of Exchangeability of Currencies	January 1, 2025	none

4 / Scope of consolidation

The number of subsidiaries included in the Consolidated Financial Statements changed as follows in the financial year 2023:

SUBSIDIARIES

	Germany	Other countries	Total
Included as of January 1, 2023	72	74	146
Additions	1	2	3
Disposals	−5	−4	−9
Included as of December 31, 2023	**68**	**72**	**140**

The additions include two newly established entities and one spin-off, whereas the disposals contain four mergers, two sales and three liquidations.

In addition to the controlled entities, there are nine (previous year: 10) associates and four (previous year: 4) joint ventures included in the Consolidated Financial Statements that are accounted for using the equity method.

5 / Acquisitions and disposals affecting the scope of consolidation

A) ACQUISITIONS

In the financial year 2023, ProSiebenSat.1 Group did not carry out any material acquisition transactions.

In the previous year, the Group gained control over the following companies in particular:

OVERVIEW OF ACQUISITIONS IN 2022

Company	Purpose of the company	Voting equity interest acquired	Acquisition of control
Buzzbird Beteiligungsgesellschaft mbH	Operate an online platform for advertising companies and social media creators	58.3%	31.05.2022
Joyn GmbH	Operate a streaming platform	50.0%	31.10.2022

As a result of this acquisition transaction, the Group holds 100% of the shares in each case. For further information on these transactions, please refer to the published Annual Report as of December 31, 2022.

B) DISPOSALS OF INVESTMENTS IN SUBSIDIARIES

ProSiebenSat.1 Group did not initiate or conclude any material disposals of investments in subsidiaries in the financial year 2023.

As a transaction of minor importance, the Group sold the business operations of Stylight GmbH, Munich ("Stylight") and all shares in Stylight Inc, Lewes, Delaware, USA, for a purchase price of EUR 2 million in a contract dated December 15, 2023, with economic effect from February 1, 2024. The transfer to the buyer has not yet taken place at the end of the financial year. As a result of the signing of the contract, the Stylight brand was impaired by EUR 19 million in December 2023 and the goodwill of the Digital Platform & Commerce cash-generating unit (formerly: NuCom Group) was impaired by EUR 2 million.

The assets and liabilities of the Stylight disposal group remaining after the impairment losses are not material, and these assets and liabilities have therefore not been reported separately in the consolidated balance sheet.

In the previous year, ProSiebenSat.1 Group sold its 100% stake in Red Arrow Studios GmbH, Unterföhring, with economic effect from July 1, 2022, and thus disposed of the US production business of Red Arrow Studios. Before the transaction was completed, the goodwill of the cash-generating unit Red Arrow Studios was impaired by EUR 49 million. The disposal gain of EUR 18 million recognized at the time of disposal was mainly attributable to currency gains from the translation of US financial statements previously recognized directly in equity.

For further information on this disposal transaction, please refer to the published Annual Report as of December 31, 2022.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

6 / Revenues

in EUR m

	Entertainment		Commerce & Ventures		Dating & Video		**Total Group**	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Advertising revenues	**2,116**	**2,253**	**107**	**142**	**—**	**—**	**2,224**	**2,396**
DACH[1]	1,853	1,964	107	142	—	—	1,960	2,106
Rest of the world	264	289	—	—	—	—	264	289
Distribution	**186**	**184**	**—**	**—**	**—**	**—**	**186**	**184**
Content	**158**	**355**	**—**	**—**	**—**	**—**	**158**	**355**
Europe	148	202	—	—	—	—	148	202
Rest of the world	10	153	—	—	—	—	10	153
Digital Platform & Commerce	**—**	**—**	**734**	**611**	**—**	**—**	**734**	**611**
Consumer Advice	—	—	261	173	—	—	261	173
Experiences	—	—	68	89	—	—	68	89
Beauty & Lifestyle	—	—	404	349	—	—	404	349
Dating & Video	**—**	**—**	**—**	**—**	**434**	**518**	**434**	**518**
Dating	—	—	—	—	245	274	245	274
Video	—	—	—	—	188	244	188	244
Other revenues	**114**	**95**	**3**	**4**	**—**	**—**	**117**	**99**
Total	**2,574**	**2,888**	**844**	**757**	**434**	**518**	**3,852**	**4,163**

1 DACH = German-speaking area (Germany, Austria and Switzerland).

The table shows the breakdown of revenues by category. The categories Advertising revenues and Content are subdivided into geographical regions. The allocation is based on the country of domicile of the subsidiary that recognizes the revenues. The regions presented are either Germany (D), Austria (A) and Switzerland (CH) (together DACH), Europe and Rest of the world. The DACH Advertising revenue category in the Entertainment segment includes advertising revenues from the sale of advertising time, including the advertising revenues of the German Studio71 entity. The same category in the Commerce & Ventures segment includes revenues from media-for-equity and media-for-revenue transactions amounting to EUR 54 million (previous year: EUR 98 million). The category Advertising revenues Rest of the world mainly includes revenues from the Studio71 entities in the United States (USA). The category Experiences almost exclusively includes proceeds from the derecognition of liabilities from voucher transactions, which are accounted for as financial liabilities in accordance with IFRS 9. For more detailed information, please refer to the

→ "Group Earnings" section in the Group Management Report

CONTRACT ASSETS AND LIABILITIES
in EUR m

	12/31/2023	12/31/2022
Contract assets	31	32
Contract liabilities	93	97

Contract assets, i.e. positive balances from contracts with customers, primarily relate to claims for consideration resulting from work performed under commissioned productions still to be invoiced as of the reporting date. These contract assets will be reclassified as trade receivables upon invoicing. Furthermore, the contract assets mainly include services already rendered but not yet billable in the Dating & Video segment.

Contract liabilities mainly relate to advance payments received for service productions, advance services from customers in the Dating & Video segment as well as media services not yet rendered.

Of the contract liabilities existing as of January 1, 2023, EUR 86 million (previous year: EUR 93 million) were recognized as revenues in 2023.

As permitted by IFRS 15, no information is provided on the remaining performance obligations as of December 31, 2023 that have an expected original term of one year or less. Performance obligations with an expected original term beyond the period of more than one year after December 31, 2023 exist only to an immaterial extent.

Inventories of EUR 45 million (previous year: EUR 41 million) primarily comprise merchandise. Impairment losses on inventories amounting to EUR 1 million (previous year: EUR 7 million) were recognized in the financial year 2023. The Beauty & Lifestyle revenue category includes revenues from the sale of goods of EUR 347 million (previous year: EUR 291 million).

KEY ASSUMPTIONS AND ESTIMATES

The assumptions underlying revenue recognition can have a significant impact on the amount and timing of revenues. In particular, the determination of cancellation and return rates is based on historical rates, which may change over time. The determination of relative stand-alone selling prices is subject to significant judgment.

7 / Cost of sales

in EUR m

	2023	2022
Consumption of programming assets	1,181	958
Operating expenses	914	1,012
Personnel expenses	385	374
Depreciation of property, plant and equipment and rights-of-use to property, plant and equipment and amortization of other intangible assets (incl. impairments)	147	117
IT operations	86	74
Other	99	82
Total	**2,812**	**2,617**

The consumption of programming assets comprises scheduled amortization in the amount of EUR 833 million (previous year: EUR 884 million) and impairments in the amount of EUR 218 million (previous year: EUR 89 million), and expenses from the creation of provisions for onerous contracts in the amount of EUR 130 million (previous year: income from reduction of provisions of

EUR 15 million). Impairment losses of EUR 198 million and additions to provisions for onerous contracts in the amount of EUR 126 million are the result of a realignment of the program content strategy, which was implemented in December 2023 as part of the refocusing of the Entertainment division on significantly more high-reach live & local formats. As part of the realignment, program formats that are no longer suitable for broadcasting following the implementation of the new Live & Local strategy and considering the associated stronger focus on local program content, were impaired.

→ Note 18 “Programming assets” → Note 28 “Other provisions”

Operating expenses mainly include cost of materials, expenses for transfers of revenue shares and production-related third-party services. The decline is mainly due to lower sales revenue.

Personnel expenses include wages and salaries of employees in production, including performance-based bonus entitlements, severance payments and social security contributions.

On July 18, 2023, ProSiebenSat.1 Group announced a realignment of the Group's growth strategy in the Entertainment segment and in the holding company. The aim is to achieve a more efficient organizational structure, a more competitive cost base and processes clearly aligned with digital transformation. The job reduction was carried out in a socially responsible manner in the form of a volunteer program. Personnel expenses total EUR 67 million, of which EUR 33 million is included in cost of sales.

The increase in depreciation, amortization and impairments of property, plant and equipment, right-of-use to property, plant and equiptment, and other intangible assets is mainly due to the impairment of the Stylight brand in connection with the signing of the Stylight contract. For further information, please refer to

→ Note 5 “Acquisitions and disposals affecting the scope of consolidation”

Other cost of sales include, for example, expenses for payment service providers or expenses from the disposal of programming assets as well as a number of other small amounts that are immaterial in themselves.

For further information, please refer to

→ Group Management Report, Section „Group Earnings“

8 / Selling expenses

in EUR m

	2023	2022
Marketing and marketing-related expenses	373	360
Personnel expenses	178	150
Distribution	63	63
Satellite usage fees	35	35
Distribution fees	28	27
Operating expenses	27	29
Sales commissions	27	26
Depreciation of property, plant and equipment and rights-of-use to property, plant and equipment and amortization of other intangible assets (incl. impairments)	15	30
IT operations	15	13
Other	10	12
Total	**707**	**682**

Marketing and marketing-related expenses are primarily attributable to costs for advertising, market research and public relations.

Personnel expenses include wages and salaries of employees in the sales area, including performance-related bonus entitlements, severance payments, and social security contributions. Of these, EUR 22 million relate to severance payments under the voluntary redundancy program as part of the strategic realignment. For further information, please refer to

→ **Note 7 “Cost of sales”**

Operating expenses mainly include packaging and shipping expenses as well as sales-related third-party services. Sales commissions largely comprise costs and commissions for marketing services.

Depreciation, amortization and impairments relate mainly to other and internally generated intangible assets and property, plant and equipment in the sales area. For further information, please refer to

→ **Note 19 “Other intangible assets”**

→ **Note 20 “Property, plant and equipment and rights-of-use to property, plant and equipment”**

For further information, please refer to

→ **Group Management Report, Section „Group Earnings“**

9 / Administrative expenses

in EUR m

	2023	2022
Personnel expenses	217	232
Depreciation of property, plant and equipment and rights-of-use to property, plant and equipment and amortization of other intangible assets (incl. impairments)	63	106
Consultancy fees	41	36
IT operations	35	33
Infrastructure expenses	21	21
Marketing and marketing-related expenses	15	15
Other	43	54
Total	**435**	**497**

Personnel expenses include wages and salaries of employees in administration, including performance-based bonus entitlements, severance payments, and social security contributions. Of these, EUR 13 million relate to severance payments under the voluntary redundancy program as part of the strategic realignment. For further information, please refer to

→ **Note 7 “Cost of sales”**

Depreciation, amortization and impairments of property, plant and equipment, rights-of-use to property, plant and equipment, and other intangible assets mainly relate to rights-of-use to administrative buildings, and to internally generated intangible assets. For further information, please refer to

→ **Note 19 “Other intangible assets”**

→ **Note 20 “Property, plant and equipment and rights-of-use to property, plant and equipment”**

The consulting fees primarily relate to management services, legal services and M&A-related consulting services.

For further information, please refer to

→ **Section “Group Earnings” in the Group Management Report**

10 / Other operating expenses

Other operating expenses of EUR 5 million (previous year: EUR 181 million) in 2023 mainly include disposal losses from the sale of the subsidiary Regiondo GmbH in the amount of EUR 2 million and impairments of goodwill in the amount of EUR 2 million (previous year: EUR 171 million). In the previous year, the impairment of a brand with an indefinite useful life in the Commerce & Ventures segment (EUR 7 million) was also included.

11 / Other operating income

Other operating income amounts to EUR 21 million (previous year: EUR 50 million). The amounts for both the financial year 2023 and the previous year include multiple other small amounts that are individually immaterial. In addition, the prior year amount includes income of EUR 18 million from the sale of the US production business of Red Arrow Studios and the associated subsidiaries.

12 / Interest result

in EUR m

	2023	2022
Interest and similar income	15	14
Interest and similar expenses	–77	–42
from financial liabilities at amortized cost	–83	–37
from interest rate hedging instruments	13	–2
from other liabilities	–7	–3
Interest result	**–62**	**–27**

Interest and similar income from financial assets at amortized cost in the amount of EUR 10 million (previous year: EUR 4 million) mainly derive from money market investments and bank deposits. Otherwise, interest and similar income result from tax matters.

Interest and similar expenses from financial liabilities at amortized cost mainly include interest on borrowings. This item also includes EUR 3 million (previous year: EUR 3 million) in interest expense from lease liabilities.

Interest and similar expenses from interest rate hedging instruments relate to interest income and interest expenses from interest rate swaps and interest rate options used for hedging purposes. As the interest rate swaps and interest rate options are exclusively used as hedging instruments to convert variable interest payments from the loans into fixed interest payments, both income and expenses from the hedging instruments are recognised in interest expenses.
→ **Note 33 “Notes on financial risk management and financial instruments”**

The interest and similar expenses from other liabilities mainly include interest expenses arising from tax-related matters and compounding effects for put option liabilities.

13 / Result from investments accounted for using the equity method and other financial result

in EUR m

	2023	2022
Share of profit or loss of joint ventures	0	−23
Share of profit or loss of associates	2	−1
Result from investments accounted for using the equity method	**2**	**−24**
Changes in put option liabilities	6	4
Measurement and disposal result from other financial instruments	−18	−85
from financial assets at fair value through profit or loss	−42	−69
from financial assets accounted for using the equity method	23	−18
from financial assets at amortized cost	1	2
Foreign currency translation gains/losses	1	4
from cash and cash equivalents	−1	31
from other financial assets at amortised cost	−2	−1
from financial liabilities at amortized cost	10	−13
from financial assets and financial liabilities at fair value through profit or loss	−4	−13
from other items	−1	1
Financing costs	−6	−9
Other	0	−2
Other financial result	**−18**	**−87**

In the prior year, the share of profit or loss of joint ventures still contained the Group's share in the profit or loss generated by Joyn before control was acquired on October 31, 2022, amounting to minus EUR 23 million.

The changes in put option liabilities result from measurement adjustments to the put option agreements relating to non-controlling interests in subsidiaries concluded in connection with business combinations.
→ Note 33 "Notes on financial risk management and financial instruments"

The improved measurement and disposal result from other financial instruments particularly results from the valuation effects on investments accounted for using the equity method. The significantly negative prior-year figure was mainly due to the revaluation of fund investments and listed minority interests.

The currency translation effects mainly relate to U.S. dollar denominated financial liabilities at amortized cost for programming assets and the overall opposing exchange rate effects from currency derivatives recognized at fair value through profit or loss and from cash in US dollar.

14 / Income taxes

INCOME TAX INCOME/-EXPENSES

in EUR m

	2023	2022
Current income tax expenses – Germany	38	45
Current income tax expenses – other countries	14	22
Current income tax expenses	**52**	**67**
Deferred tax income (-)/expenses (+) – Germany	−81	83
Deferred tax income – other countries	−2	−3
Deferred tax income (-)/expenses (+)	**−82**	**79**
Total income tax income (-)/expenses (+)	**−30**	**147**

The income tax rate of the German companies comprises the corporation tax rate of 15.0% (previous year: 15.0%) plus the solidarity surcharge of 5.5% (previous year: 5.5%) and an average trade tax rate of 12.2% (previous year: 12.2%). Overall, this results in a nominal total tax rate of 28.0% (previous year: 28.0%) applicable to the Group. The foreign income tax rates are based on the laws and regulations applicable in the individual countries and vary between 15.0% and 35.0% (previous year: 15.0% and 35.0%).

Current income tax expenses include domestic and foreign taxes based on taxable income in 2023 amounting to EUR 57 million (previous year: EUR 116 million) as well as income tax income for previous years amounting to EUR 5 million (previous year: EUR 49 million). The income tax expense includes tax losses or temporary differences of EUR 1 million (previous year: EUR 4 million) that were not recognized in a previous period.

Deferred tax income of EUR 82 million (previous year: deferred tax expense of EUR 79 million) includes deferred tax income of EUR 78 million (previous year: deferred tax expense of EUR 29 million) from the ongoing change in temporary differences. Deferred tax expenses from the reversal of temporary differences recognized in a previous period only arose to a minor extent in the financial year (previous year: EUR 38 million). Also included is deferred tax income of EUR 2 million (previous year: EUR 8 million) resulting from current tax losses in individual companies and deferred tax income of EUR 2 million (previous year: EUR 1 million) attributable to loss carryforwards not recognized in a previous period.

Deferred tax assets of EUR 4 million (previous year: EUR 2 million) in excess of deferred tax liabilities were capitalized for companies that incurred losses in the current financial year or in the previous year. Based on current tax planning, it is likely that these deferred tax assets can be utilized in the next five years.

Deferred tax assets on temporary differences were written down in the amount of 2 million euros (previous year: 1 million euros). Write-downs on loss carryforwards were only made to a minor extent in the financial year (previous year: EUR 23 million). Reversals of impairment losses on deferred tax assets were carried out both for previously unrecognized loss carryforwards in the amount of EUR 2 million (previous year: EUR 1 million) and for deferred tax assets on temporary differences in the amount of EUR 1 million (previous year: EUR 2 million).

The Group's effective tax rate (ratio of reported tax expense to result before taxes) is 18.4 % (previous year: 150.9%).

The tax expenses calculated by applying the nominal total tax rate to the result before income taxes can be reconciled to the tax expenses recognized in the income statement as follows:

RECONCILIATION OF TAX INCOME/-EXPENSES

in EUR m

	2023	2022
Result before income taxes	**−164**	**97**
Applicable group tax rate (in percent)	28	28
Expected income tax income (-)/income tax expense (+)	−46	27
Increase (+)/decrease (-) of income taxes caused by:		
Tax rate deviations		
Effects due to foreign tax rate differences	−1	−1
Effects due to domestic tax rate differences	0	−3
Effects from deviation in taxable base		
Non-deductible interest expenses (+)/interest income (-)	4	−1
Other non-deductible operating expenses	15	52
Tax-free income	−12	−4
Non-taxable disposal effects	1	−6
Impairment goodwill	1	41
Investments accounted for using the equity method	−1	7
Recognition and measurement of deferred tax assets		
Changes and non-recognition of deferred tax assets	14	48
Other effects		
Taxes from previous years	−6	−13
Total income tax income (-)/expenses (+)	**−30**	**147**
Effective group tax rate (in percent)	**18**	**151**

No deferred tax assets were recognized in the financial year (previous year: Euro 2,023 million) on tax loss and interest carryforwards amounting to Euro 1,473 million (of which Euro 689 million relates to German corporation tax and Euro 665 million to German trade tax). Of the loss carryforwards arising outside Germany, Euro 19 million (previous year: EUR 15 million) will expire within the next nine years and Euro 8 million (previous year: EUR 11 million) within the next 10 to 20 years, provided they are not utilized. The remaining loss carryforwards can be used indefinitely. The reduction compared to the previous year is mainly due to a restructuring within the Group.

The unrecognized deferred tax assets for tax loss and interest carryforwards amount to EUR 221 million (previous year: EUR 338 million). No deferred tax assets were recognized in the balance sheet for deductible differences of EUR 12 million (previous year: EUR 8 million).

Deferred tax assets and liabilities are allocated to the following line items in the statement of financial position:

DEFERRED TAXES

in EUR m

	Deferred tax assets	Deferred tax liabilities	Balance net 12/31/2022	Deferred taxes recognized in profit or loss	Deferred taxes recognized in other comprehensive income arising from cash flow hedges and pension obligations	Deferred taxes recognized in other comprehensive in-come arising from foreign currency translation of tax positions recognized by foreign entities and other comprehensive income	**Balance net 12/31/2023**	Deferred tax assets	Deferred tax liabilities
Goodwill	1	−60	−59	−2	—	0	−61	1	−62
Programming assets	2	−12	−10	31	—	—	21	21	0
Other intangible assets	4	−208	−204	13	—	1	−189	2	−192
Property, plant and equipment	2	−96	−94	−9	—	—	−102	2	−104
Equity Investments	8	−2	6	3	—	—	9	10	−1
Inventories, receivables and other assets	9	−30	−20	−4	9	—	−16	8	−23
Pension provisions	1	—	1	0	0	—	1	1	—
Other provisions	7	−1	6	39	—	—	46	49	−4
Liabilities	99	−5	94	5	2	0	101	108	−7
Tax loss carryforwards	20	—	20	5	—	0	25	25	—
Tax credits	4	—	4	0	—	0	4	4	—
Deferred tax assets/liabilities before netting	**157**	**−414**	**−257**	**82**	**11**	**1**	**−164**	**231**	**−394**
Netting	−138	138						−162	162
Deferred tax assets/liabilities after netting	**20**	**−277**						**68**	**−232**

For information on netting deferred tax assets and liabilities and the use of assumptions and estimates for uncertain tax positions, please refer to

→ **“Income taxes” section in note 2 “Accounting principles”**

For deferred taxes recognized directly in equity in accumulated other comprehensive income, please refer to

→ **Note 26 “Shareholders’ equity”**

Deferred tax liabilities of EUR 1 million were recognized for planned future distributions from subsidiaries (previous year: EUR 2 million). No deferred tax liabilities were recognized on temporary differences on investments in subsidiaries in the amount of EUR 26 million (previous year: EUR 21 million), as ProSiebenSat.1 Group is able to control the timing of their reversal, and as it is probable that these temporary differences will not reverse in the foreseeable future.

In December 2022, the EU member states agreed to implement the OECD model rules for global minimum taxation (Pillar Two). The implementation into German law was decided in December 2023 and is to be applied for the first time for financial years beginning after December 30, 2023. ProSiebenSat.1 Group has made an assessment of the Group´s potential exposure to Pillar Two income taxes which was based on current tax returns, country-by-country reporting and the 2023 financial statements of the constituent entities in the Group. Based on this assessment, the effective Pillar Two tax rates in most of the jurisdictions in which the Group operates are above the effective tax rate of 15 percent. In a limited number of jurisdictions for which the transitional safe harbour relief cannot be applied, the Pillar Two tax rate is close to 15%, so that ProSiebenSat.1 Group does not expect a material tax exposure to Pillar Two income taxes.

15 / Earnings per share

	2023	2022
in EUR m		
Net income attributable to the shareholders of ProSiebenSat.1 Media SE (basic)	−124	5
Valuation effects of share-based payments after taxes	−1	−4
Net income attributable to the shareholders of ProSiebenSat.1 Media SE (diluted)	−125	0
in shares		
Weighted average number of shares outstanding (basic)	226,501,493	226,318,471
Dilution effect from share-based payments	571,908	654,961
Weighted average number of shares outstanding (diluted)	227,073,401	226,973,432
in EUR		
Basic earnings per share	**−0.55**	**0.02**
Diluted earnings per share	**−0.55**	**0.00**

As of the reporting date, current and former members of the Executive Board and selected executives of ProSiebenSat.1 Group were entitled to 571,908 (previous year: 654,961) virtual shares, called Performance Share Units, under the Performance Share Plan. The Performance Share Units contain an option for ProSiebenSat.1 Media SE to settle the claims acquired with the units by means of shares or cash.

→ **Note 35 "Share- and performance-based payment"**

This plan is treated as if it were settled in common shares of the Company for the calculation of earnings per share due to the potential dilutive effect. In the reporting period, the potential conversion of these Performance Share Units into common shares had no dilutive effect (previous year: dilutive effect of EUR -0.02 per share).

16 / Other disclosures

PERSONNEL EXPENSES AND NUMBER OF EMPLOYEES

Cost of sales, selling expenses and administrative expenses include the following personnel expenses:

PERSONNEL EXPENSES
in EUR m

	2023	2022
Wages and salaries	681	661
Social security contributions and expenses for pensions and other employee benefits	99	96
Total	**780**	**757**

Wages and salaries include performance-related bonus entitlements, severance payments, and social security contributions. Of these, EUR 67 million relate to severance payments under the voluntary redundancy program as part of the strategic realignment. For further information, please refer to

→ **Note 7 "Cost of sales"**

Social security contributions and expenses for pensions and other employee benefits include employer contributions to defined contribution plans amounting to EUR 40 million (previous year: EUR 40 million).

In the financial year 2023, ProSiebenSat.1 Group had an average of 7,310 permanent employees (previous year: 7,501). In addition, the Group also employed 486 apprentices, trainees, interns and working students (previous year: 511).

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

Depreciation, amortization and impairments of other intangible assets, property, plant and equipment, and rights-of-use to property, plant and equipment that are included in cost of sales, selling expenses and administrative expenses comprise the following:

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS
in EUR m

	2023	2022
Amortization of other intangible assets	124	130
Impairments of other intangible assets	34	37
Depreciation of property, plant and equipment and rights-of-use of property, plant and equipment	66	71
Impairments of property, plant and equipment and rights-of-use of property, plant and equipment	1	14
Total	**225**	**252**

Offsetting this, depreciation, amortization and impairment losses include reversals of impairment losses. For further information, please refer to

→ **Note 19 "Other intangible assets"**

→ **Note 20 "Property, plant and equipment and rights-of-use to property, plant and equipment"**

Scheduled amortization and impairments of programming assets in the amount of EUR 1,051 million (previous year: EUR 973 million) are presented as cost of sales.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

17 / Goodwill

DEVELOPMENT OF GOODWILL
in EUR m

	2023	2022
COST		
Balance as of January 1	**2,216**	**2,335**
Exchange rate differences / others	−15	36
Additions	—	2
Disposals	—	−158
Balance as of December 31	**2,201**	**2,216**
IMPAIRMENTS		
Balance as of January 1	**218**	**93**
Exchange rate differences / others	−28	4
Additions	2	171
Disposals	—	−49
Balance as of December 31	**193**	**218**
Carrying amount as of December 31	**2,008**	**1,997**

As a result of the signing of the contract in connection with the sale of the business operations of Stylight, goodwill was impaired by EUR 2 million in December 2023. The closing of the transaction and the transfer to the buyer occurred on February 1, 2024.

→ **Note 5 "Acquisitions and disposals affecting the scope of consolidation"**

Otherwise, the impairment tests carried out for goodwill as at the valuation date of December 31, 2023 confirmed the recoverability of the carrying amounts. Accordingly, no impairment losses were recognized. The impairment losses recognized in the previous year related to the cash generating unit Digital Platform & Commerce (previously: NuCom Group) and the US production studios, which was sold in the previous year.

As of the reporting date, the goodwill is allocated to the cash-generating units as follows:

ALLOCATION OF GOODWILL TO CASH-GENERATING UNITS

in EUR m

Cash-generating unit	Entertainment	Digital Platform & Commerce[1]	SevenVentures/ SevenGrowth	Dating	Video	**Total**
Carrying amount of goodwill 12/31/2023	974	349	78	412	196	2,008
Carrying amount of goodwill 12/31/2022	978	323	78	414	203	1,997

1 Renamed, in previous year: Nucom Group.

The following table provides an overview of the assumptions used in the respective goodwill impairment test as of the reporting date:

ASSUMPTIONS FOR GOODWILL IMPAIRMENT TESTING

Cash-generating unit	Entertainment	Digital Platform & Commerce[1]	SevenVentures/ SevenGrowth	Dating	Video
Revenue growth p.a. after the end of the planning period[2]	1.0% (1.0%)	1.5% (1.5%)	1.5% (1.5%)	1.5% (1.5%)	1.5% (1.5%)
Discount rate (pre-tax)[2]	11.0% (11.4%)	13.0% (13.0%)	14.4% (14.4%)	12.5% (12.2%)	12.0% (11.4%)

1 Renamed, in previous year: NuCom Group.
2 Previous year’s figures in parentheses.

The revenue growth rates of the cash-generating units used after the end of the five-year planning period are based on published external sources. The forecast EBITDA margins of the cash-generating units for the period after the end of the planning period range from 8.4% to 31.2% (previous year: 11.3% to 29.5%). The average annual revenue growth rates during the planning period are based on the existing corporate planning as of the impairment test date and range from 0.8% to 10% (previous year: 3.3% to 13.2%). The weighted average cost of capital (WACC) used for discounting purposes reflects the risk-adjusted pre-tax interest rate derived from the capital market. The discount rate is based on the maturity-equivalent risk-free interest rate of 2.75% (previous year: 2.0%) and a market risk premium of 7.0% (previous year: 7.0%). Furthermore, separately for each cash-generating unit, a beta factor, the cost of debt and a debt-to-equity ratio, all derived from the respective peer group, are taken into account. In addition, country-specific risk premiums are applied depending on the individual composition of the respective cash-generating unit. The increase in the general interest rate level was largely offset, and in some cases even more than offset, by a decrease in the beta factors, as a result of which the discount rates used were roughly at the previous year's level. The recoverable amount is determined in the form of a value in use.

The estimated recoverable amount of the cash-generating unit Digital Platform & Commerce (previously: NuCom Group) exceeds its carrying amount by EUR 21 million. If the EBITDA margin of this unit declined by 0.3 percentage points or 3.9% after the end of the projection period or the pre-tax discount rate increased by 0.6 percentage points the recoverable amount would equal the carrying amount of the cash-generating unit.

The estimated recoverable amounts of the cash-generating units Dating and Video exceed their carrying amounts by EUR 76 million and EUR 30 million, respectively. If the EBITDA margin of these units declined by 3.7 percentage points or 14.4% or by 2.6 percentage points or 12.6% after the end of the projection period or the pre-tax discount rate increased by 1.4 percentage points or 1.1

percentage points the recoverable amounts would equal the carrying amounts of these cash-generating units.

As the recoverable amounts of the cash-generating units Entertainment and SevenVentures / SevenGrowth are well above their carrying amounts, no sensitivity analyses are provided for these with regard to the key assumptions for calculating the respective recoverable amount.

KEY ASSUMPTIONS AND ESTIMATES

The assumptions and the underlying methodology used in impairment testing can have a significant impact on the respective values and ultimately on the amount of any recognized or potential impairment on goodwill. In particular, the determination of discounted cash flows is to a large extent subject to planning assumptions, which are particularly sensitive to changes in the macroeconomic market environment and can therefore significantly affect the impairment test results.

18 / Programming assets

Programming assets include rights to feature films, series, commissioned productions, digital content, advance payments for such rights and sports rights.

DEVELOPMENT OF PROGRAMMING ASSETS
in EUR m

	Capitalized rights	Advances paid	**Total**
Balance as of January 1, 2022	**1,029**	**116**	**1,145**
Changes in scope of consolidation	11	5	16
Additions	817	91	908
Disposals	−11	—	−11
Reclassifications	86	−86	—
Amortization	−884	—	−884
Impairments	−89	—	−89
Other	0	0	0
Balance as of December 31, 2022 / January 1, 2023	**959**	**127**	**1,086**
non-current programming assets			912
current programming assets			174
Additions	754	81	835
Disposals	−6	0	−6
Reclassifications	74	−74	—
Amortization	−833	—	−833
Impairments	−218	—	−218
Balance as of December 31, 2023	**730**	**134**	**864**
non-current programming assets			686
current programming assets			178

The impairment losses mainly include the effects of the realignment of the programming strategy. They were identified during a review of the existing program portfolio as part of the refocusing of the Entertainment division on high-reach local program content and relate primarily to US program formats and, to a lesser extent, local program content.

KEY ASSUMPTIONS AND ESTIMATES

Major components of programming assets are acquired from large film studios in the form of film packages. Among other things, the individual licenses of such film packages are initially measured in relation to the expected audience reach of the individual license broadcasts. The Group recognizes amortization of programming assets using a declining-balance method over the number of runs according to standardized matrixes, which reflect the expected audience reach potential or audience viewing duration relating to the respective broadcast. Impairments are recognized at the level of cash-generating units (programming groups) in the event that the estimated revenues of the respective cash-generating unit can no longer cover the respective carrying amount. The estimated revenues are subject to a wide range of planning assumptions that are sensitive to change and therefore may have a significant impact on the recoverability.

19 / Other intangible assets

DEVELOPMENT OF OTHER INTANGIBLE ASSETS

in EUR m

	Trademarks	Customer relationships	Internally generated intangible assets	Miscellaneous other	Advances paid	Total
COST						
Balance as of January 1, 2022	**603**	**199**	**256**	**483**	**44**	**1,586**
Exchange rate differences	11	7	0	5	0	23
Changes in scope of consolidation	−2	−71	−3	−34	−1	−111
Additions	—	—	18	51	58	127
Reclassifications	—	—	29	6	−35	—
Disposals	−4	−8	−14	−35	−3	−65
Balance as of December 31, 2022 / January 1, 2023	**608**	**127**	**286**	**476**	**63**	**1,559**
Exchange rate differences	−7	0	0	−2	0	−9
Changes in scope of consolidation	0	—	−8	0	−3	−12
Additions	—	—	41	64	36	141
Reclassifications	—	—	44	6	−50	—
Disposals	−2	−96	−49	−24	−3	−174
Balance as of December 31, 2023	**599**	**30**	**313**	**520**	**42**	**1,504**
AMORTIZATION AND IMPAIRMENTS						
Balance as of January 1, 2022	**50**	**147**	**139**	**376**	**6**	**719**
Exchange rate differences	1	6	0	3	—	9
Changes in scope of consolidation	−1	−53	−1	−32	—	−87
Additions[1]	25	21	59	59	9	174
Disposals	−4	−8	−14	−35	−3	−65
Balance as of December 31, 2022 / January 1, 2023	**71**	**112**	**183**	**372**	**12**	**749**
Exchange rate differences	−1	0	0	−1	—	−2
Changes in scope of consolidation	0	—	−8	0	−3	−12
Additions	35	11	49	58	5	158
Reclassifications	—	—	5	0	−6	0
Disposals	−2	−96	−49	−24	−3	−175
Balance as of December 31, 2023	**103**	**27**	**180**	**405**	**4**	**719**
Carrying amount as of December 31, 2022	**536**	**15**	**103**	**104**	**51**	**809**
Carrying amount as of December 31, 2023	**495**	**4**	**133**	**115**	**38**	**785**

The trademarks comprise assets with finite and indefinite useful lives. The carrying amount of the trademarks with indefinite useful lives at the reporting date is EUR 352 million (previous year: EUR 354 million).

The miscellaneous other category mainly includes software, licenses from marketing digital offerings of external providers and industrial property rights.

Additions to amortization and impairments include impairments in the amount of EUR 37 million (previous year: EUR 44 million). They cover all asset classes and relate to the Commerce & Ventures and Entertainment segments. In particular, the signing of the contract in connection with the Stylight transaction resulted in an impairment of the Stylight brand in the amount of EUR 19 million.

→ Note 5 „Acquisitions and disposals affecting the scope of consolidation“

In contrast, depreciation, amortization and impairment losses include reversals of impairment losses for customer relationships and own work capitalized in the Commerce & Ventures segment in the amount of EUR 3 million.

The following table provides an overview of the allocation of significant trademarks with indefinite useful lives to the cash-generating units for the purposes of the obligatory annual impairment test as well as the assumptions applied to the respective impairment tests as of December 31, 2023:

ASSUMPTIONS FOR IMPAIRMENT TESTING OF SIGNIFICANT TRADEMARKS WITH INDEFINITE USEFUL LIVES

Cash-generating unit	Verivox	Parship/ElitePartner
Revenue growth p.a. after the end of the planning period[1]	1.5% (1.5%)	1.5% (1.5%)
Discount rate (pre-tax)[1]	13.9% (13.8%)	12.6% (12.3%)
Carrying amount of trademarks with indefinite useful lives (in EUR m)[1]	**107 (107)**	**141 (141)**

1 Previous year's figures in parentheses.

The average annual revenue growth rates for the cash-generating units presented above during the five-year planning period are based on the corporate planning adopted by management as of the impairment test date and range from 4.7% to 9.7% (previous year: 5.3% to 22.5%).

The impairment tests for the trademarks with indefinite useful lives performed as of December 31, 2023, confirmed the carrying amounts.

KEY ASSUMPTIONS AND ESTIMATES

The assumptions and the underlying methodology used in impairment testing can have a significant impact on the respective values and ultimately on the amount of any potential impairment on other intangible assets. In particular, the determination of discounted cash flows is to a large extent subject to planning assumptions, which are particularly sensitive to changes in the macroeconomic market environment and can therefore significantly affect the impairment test results. Moreover, the determination of fair values less costs to sell, which are used as the lower limit for the carrying amount in the event of impairment, is subject to assumptions that can have a significant impact on the amount of any potential impairment on other intangible assets.

20 / Property, plant and equipment and rights-of-use to property, plant and equipment

The development of property, plant and equipment and rights-of-use to property, plant and equipment is presented in the following table:

in EUR m

	Real estate	Technical facilities	Office furniture and equipment	Advances paid	Total
COST					
Balance as of January 1, 2022	**475**	**209**	**97**	**132**	**912**
Exchange rate differences	5	3	0	0	8
Changes in scope of consolidation	−35	−37	−2	0	−74
Additions	21	16	8	70	116
Reclassifications	4	1	1	−5	—
Disposals	−33	−8	−15	0	−56
Balance as of December 31, 2022 / January 1, 2023	**436**	**184**	**88**	**197**	**905**
Exchange rate differences	−1	0	0	—	−1
Changes in scope of consolidation	−1	—	0	—	−1
Additions	28	15	7	70	119
Reclassifications	3	2	0	−4	—
Disposals	−23	−6	−10	0	−38
Balance as of December 31, 2023	**442**	**195**	**86**	**262**	**984**
DEPRECIATION AND IMPAIRMENTS					
Balance as of January 1, 2022	**191**	**161**	**65**	**0**	**417**
Exchange rate differences	2	2	0	—	4
Changes in scope of consolidation	−20	−20	−2	—	−41
Additions	47	19	19	0	85
Disposals	−29	−6	−15	0	−50
Balance as of December 31, 2022 / January 1, 2023	**191**	**156**	**68**	**0**	**415**
Exchange rate differences	0	0	0	—	−1
Changes in scope of consolidation	−1	—	0	—	−1
Additions	40	18	8	—	67
Disposals	−21	−6	−9	0	−36
Balance as of December 31, 2023	**209**	**167**	**67**	**0**	**444**
Carrying amount as of December 31, 2022	**245**	**29**	**20**	**197**	**490**
Carrying amount as of December 31, 2023	**233**	**27**	**18**	**262**	**540**

Additions to depreciation and impairments include impairments of EUR 3 million (previous year: EUR 14 million), which are mainly attributable to right-of-use assets in the Entertainment segment. They also include reversals of impairments for rental properties used in the Commerce & Ventures segment in the amount of EUR 2 million. In the previous year, impairments recognised related to the Commerce & Ventures segment.

The real estate and advances paid items include land and buildings that belong to the real estate leasing entity with which ProSiebenSat.1 Media SE entered into a lease contract for the construction of a new corporate campus in Unterföhring in the financial year 2018. As ProSiebenSat.1 Group can determine the relevant activities of the real estate leasing entity, that entity is fully consolidated. The real estate leasing entity's liabilities to the financing banks are recognized in other financial liabilities as real estate liabilities. The land and buildings are secured by way of a land charge in the amount of the financing already drawn.
→ Note 29 “Financial liabilities”

The borrowing costs capitalized in the financial year 2023 amount to EUR 7 million (previous year: EUR 3 million).

21 / Leases

The lease agreements of ProSiebenSat.1 Group relate to the renting of real estate, in particular office, studio and storage space, as well as the lease of other property, plant and equipment, mainly information technology, office furniture and equipment, and vehicles for employees.

The following table shows the development of the carrying amounts of right-of-use assets from leases:

in EUR m

	Real estate	Other property, plant and equipment	Total
Balance as of January 1, 2022	**214**	**12**	**226**
Exchange rate differences	3	0	3
Changes in scope of consolidation	−17	0	−17
Additions	16	9	26
Disposals	−4	−1	−5
Depreciation and impairments[1]	−38	−9	−47
Balance as of December 31, 2022 / January 1, 2023	**174**	**11**	**184**
Exchange rate differences	0	0	0
Additions	23	12	34
Disposals	−2	0	−2
Depreciation and impairments[1]	−32	−10	−42
Balance as of December 31, 2023	**162**	**12**	**174**

1 Including impairments of EUR 3 million (previous year: EUR 5 million) which primarily relate to right-of-use assets for real estate. This is offset by reversals of impairments on right-of-use assets amounting to EUR 2 million.

The additions to right-of-use assets from real estate leases of EUR 23 million (previous year: EUR 16 million) mainly result from the renting of office space.

The changes in the scope of consolidation in the previous year primarily relate to disposals in connection with the sale of the US production companies.

The following table contains the amounts recognized in profit or loss attributable to leases in which ProSiebenSat.1 Group acts as lessee:

LEASING ITEMS IN PROFIT OR LOSS

in EUR m

	2023	2022
Depreciation and impairments	42	47
Interest expenses	3	3
Off-balance short-term and low-value leases[1]	26	17
Total expenses for leases	**72**	**68**

1 Adjusted previous year's figure.

Expenses for short-term leases and leases for low-value assets almost exclusively include expenses in connection with short-term rental agreements in the motorhome rental business.

The total cash outflow from leases in which ProSiebenSat.1 Group acts as lessee, including off-balance short-term or low-value leases, amounted to EUR 74 million in the financial year 2023 (previous year: EUR 65 million). EUR 3 million (previous year: EUR 3 million) of this amount related to interest payments.

22 / Investments accounted for using the equity method

In financial year 2023, ProSiebenSat.1 Group held investments in associates and joint ventures, which are, however, of minor importance to the Group. The carrying amount of these investments at the reporting date is EUR 11 million (previous year: EUR 29 million), whereas the decrease in the carrying amount is mainly due to the loss of significant influence over Urban Sports Club GmbH, Berlin ("Urban Sports Club"). The investment in Urban Sports Club has since been reported under equity instruments in other financial assets.

23 / Receivables and other financial assets

in EUR m

	12/31/2023			12/31/2022		
	current	non-current	**Total**	current	non-current	Total
Contract assets	31	—	31	32	—	32
Trade receivables	440	5	445	439	8	447
Total receivables	**471**	**5**	**476**	**471**	**8**	**479**
Equity investments	—	253	253	16	206	222
Derivatives	15	40	55	29	77	106
Other financial assets	46	2	47	48	3	51
Total other financial assets	**60**	**295**	**355**	**93**	**286**	**379**
Total	**531**	**300**	**831**	**564**	**294**	**858**

Trade receivables also include receivables from related parties.
→ Note 36 "Related parties"

Equity investments notably include fund investments and non-controlling interests acquired by the Group as part of its media-for-equity strategy.

The derivatives are mainly interest rate instruments and currency forwards to hedge interest rate and currency risks.
→ Note 33 "Notes on financial risk management and financial instruments"

Other financial assets mainly include refund receivables from suppliers, purchase price receivables from sale of companies, and receivables from the provision of collateral.

The following table shows the changes in loss allowances for gross trade receivables and for contract assets from contracts with customers:

CHANGES IN LOSS ALLOWANCES

in EUR m

	2023	**thereof individually credit-impaired receivables**	2022	thereof individually credit-impaired receivables
Balance as of January 1	**30**	**27**	**33**	**27**
Additions	14	12	12	12
Releases	−2	−2	−7	−5
Usage	−9	−6	−8	−6
Balance as of December 31	**33**	**31**	**30**	**27**

For further information on credit loss allowances, please refer to
→ Note 33 "Notes on financial risk management and financial instruments"

24 / Other receivables and assets

in EUR m

	12/31/2023			12/31/2022		
	current	non-current	**Total**	current	non-current	Total
Accrued items	27	—	27	37	—	37
Receivables from value added tax	19	—	19	28	—	28
Advance payments	7	—	7	4	—	4
Other	14	2	15	12	3	14
Total other receivables and assets	**67**	**2**	**68**	**81**	**3**	**83**

The item "Other" includes many minor individual items.

25 / Cash and cash equivalents

Cash and cash equivalents comprise bank balances and term deposits. They have maturities of three months or less as of the date of initial recognition and break down as follows:

in EUR m

	12/31/2023	12/31/2022
Bank balances	302	411
Term deposits	270	92
Total cash and cash equivalents	**573**	**504**

The following table shows the cash and non-cash changes in financial liabilities:

CHANGES IN FINANCIAL LIABILITIES

in EUR m

	01/01/2023	Cash changes	Non-cash changes			**12/31/2023**
			Changes in scope of consolidation	Exchange rate changes	Additions/Other	
Non-current financial liabilities	2,117	−1	—	—	2	2,119
Lease liabilities	178	−45	0	0	32	165
Real estate liabilities	133	35	—	—	—	167
Total	**2,427**	**−11**	**0**	**0**	**34**	**2,451**

in EUR m

	01/01/2022	Cash changes	Non-cash changes			12/31/2022
			Changes in scope of consolidation	Exchange rate changes	Additions/Other	
Non-current financial liabilities	2,395	−277	—	—	−1	2,117
Current financial liabilities	51	−50	—	0	−1	0
Lease liabilities	220	−45	−21	4	20	178
Real estate liabilities	97	36	—	—	—	133
Total	**2,763**	**−336**	**−21**	**4**	**18**	**2,427**

26 / Shareholders' equity

As of December 31, 2023, the subscribed capital of ProSiebenSat.1 Media SE amounts to EUR 233 million (previous year: EUR 233 million), with a nominal value of EUR 1.00 per share. Accordingly, as of December 31, 2023, the number of shares issued amounts to 233,000,000 (previous year: 233,000,000 shares), of which the Company holds EUR 6,299,657 million shares (previous year: EUR 6,514,679 million shares) as treasury shares.

→ Subsection "Treasury shares"

The capital reserve amounts to EUR 1,045 million(previous year: EUR 1,046 million). It mainly consists of equity contributed by shareholders in excess of the subscribed capital.

The accumulated other comprehensive income of EUR 32 million (previous year: EUR 72 million) in ProSiebenSat.1 Group's equity includes the effects of currency translation of the financial statements of foreign subsidiaries amounting to EUR 26 million (previous year: EUR 38 million), the cash flow hedge reserve after taxes of EUR 14 million (previous year: EUR 41 million), and the effect arising from remeasuring defined benefit plans amounting to minus EUR 8 million after taxes (previous year: EUR -7 million).

The expenses and income recognized in other comprehensive income throughout the financial year 2023 can be broken down as follows:

OTHER COMPREHENSIVE INCOME
in EUR m

	2023			2022		
	before taxes	Income taxes	after taxes	before taxes	Income taxes	after taxes
Currency translation[1]	**−20**	**—**	**−20**	**27**	**—**	**27**
Tranlations effects of the period	−20	—	−20	48	—	48
Reclassificatation to profit or loss	0	—	0	−21	—	−21
Cash flow hedges	**−37**	**10**	**−27**	**10**	**−3**	**7**
Changes of the period	−10	3	−7	36	−10	26
Reclassification to hegded item or profit or loss	−27	8	−19	−26	7	−19
Remeasurement of defined benefit pension plans	**−1**	**0**	**−1**	**5**	**−1**	**4**
Total other comprehensive income[1]	**−58**	**11**	**−48**	**42**	**−4**	**38**

1 In the financial year 2023, minus EUR 8 million (previous year: EUR 11 million) of the pre- and post-tax amounts are attributable to non-controlling interests.

NON-CONTROLLING INTERESTS

With the exception of General Atlantic PD B.V., Amsterdam, Netherlands ("General Atlantic"), a direct subsidiary of General Atlantic Coöperatief U.A., Amsterdam, Netherlands, no other shareholders have significant interests in subsidiaries. General Atlantic holds a non-controlling share and voting interest of 28.4% in NCG – NUCOM GROUP SE, Unterföhring ("NuCom Group") and a non-controlling share and voting interest of 45.0% in ParshipMeet Holding GmbH, Hamburg ("ParshipMeet Group").

→ Note 34 "Segment reporting"

As ProSiebenSat.1 Group holds a preferred share in each of NuCom Group and ParshipMeet Group, net assets and net result for the period are allocated disproportionately to the respective capital shares. Each of the preferred shares grant a fixed return of 8% per annum on the preferred share amount and a liquidation preference. If the Annual General Meeting or the Advisory Board resolves to distribute a dividend, the interest is paid in the form of an advance dividend. Otherwise, the interest claim increases the preferred amount. The pro rata distribution of net assets is made accordingly after deducting the preferred shares, and that of net income for the period after deducting the acquired preferred interest claims. For further details regarding the accounting treatment of preferred shares, refer to

→ Note 2 "Accounting principles", Subsection "Equity attributable to controlling and non-controlling shareholders"

As of December 31, 2023, the claims from the two preferred shares recognized in equity amounted to EUR 637 million (previous year: EUR 633 million).

The following table contains financial information of the respective groups of entities and a reconciliation between the groups' net assets and General Atlantic's pro rata share as non-controlling shareholder. The presentation is based on figures before intra-group eliminations.

FINANCIAL INFORMATION FOR NUCOM GROUP AND PARSHIPMEET GROUP

in EUR m

	12/31/2023		12/31/2022	
	NuCom Group	**ParshipMeet Group**	NuCom Group	ParshipMeet Group
Non-current assets	516	983	651	1,016
Current assets	194	188	158	265
Non-current liabilities	112	111	162	120
Current liabilities	135	106	455	159
Net assets	**463**	**953**	**193**	**1,003**
Preferred share	250	387	214	419
Net assets attributable to other shareholders (excl. General Atlantic)	−2	—	−2	—
Share of General Atlantic	28.4 %	45.0 %	28.4%	45.0%
Net assets attributable to General Atlantic - calculated	61	255	−6	263
Result adjustment in case of negative non-controlling interests	—	—	6	—
Net assets attributable to General Atlantic	**61**	**255**	**0**	**263**

in EUR m

	2023		2022	
	NuCom Group	**ParshipMeet Group**	NuCom Group	ParshipMeet Group
Revenues	666	434	611	518
Result before income taxes	−27	45	−258	71
Net result for the period	**−26**	**32**	**−253**	**48**
Net result for the period attributable to shareholders of ProSiebenSat.1 Media SE	−13	32	−186	40
Net result for the period attributable to General Atlantic	−13	—	−65	8
Net result for the period attributable to other shareholders	0	—	−2	—
Other comprehensive income	**0**	**−17**	**0**	**28**
Ohter comprehensive income attributable to shareholders of ProSiebenSat.1 Media SE	0	−9	0	16
Other comprehensive income attributable to General Atlantic	0	−8	0	12
Total comprehensive income	**−26**	**16**	**−253**	**76**
Total comprehensive income attributable to shareholders of ProSiebenSat.1 Media SE	−13	23	−186	56
Total comprehensive income attributable to General Atlantic	−13	−8	−65	20
Total comprehensive income attributable to other shareholders	0	—	−2	—
Return on preferred share	**36**	**33**	**—**	**31**
Change in cash and cash equivalents	**−4**	**−5**	**−9**	**−54**

In the previous year, interest on the preferred shares was suspended at NuCom Group due to preferential interest claims not covered by the available net assets. As a result of the increase in net assets, this was made up for in the 2023 financial year and EUR 17 million is included in the interest amount of EUR 36 million. The increase in net assets is mainly due to the carve-out of Jochen Schweizer mydays Holding and its subsidiaries from the NuCom Group on March 13, 2023. General Atlantic no longer holds an interest in these companies. As a result of the carve-out, General Atlantic's non-controlling interest in the NuCom Group increased by EUR 67 million.

General Atlantic, as a non-controlling shareholder, has certain protective rights (e.g. with respect to the sale of major assets) at both NuCom Group and ParshipMeet Group, which may significantly restrict ProSiebenSat.1 Group's ability to gain access to or use assets of its subsidiaries.

An amount of EUR 6 million (previous year: EUR 5 million) in ProSiebenSat.1 Group's net assets and an amount of EUR 2 million (previous year: EUR 6 million) in total comprehensive income are attributable to several other non-controlling interests.

ALLOCATION OF PROFITS

In the past financial year, a dividend of EUR 0.05 (previous year: EUR 0.80) per share was distributed. The dividend payment amounted to EUR 11 million (previous year: EUR 181 million).

For the financial year 2023, the Executive Board and the Supervisory Board propose to the Annual General Meeting the distribution of a dividend of EUR 0.05 per share to holders entitled to dividends. This corresponds to an expected total distribution of around EUR 11 million. Payment of the proposed dividend is subject to approval by the ordinary Annual General Meeting.

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 in total up to 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 800,000,000, in return for contributions in cash and/or 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 ProSiebenSat.1 Media SE (Authorization 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 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 (AktG), the Annual General Meeting by resolution of June 12, 2019, authorized the Company, subject to the consent by the Supervisory Board and in accordance with the more detailed conditions of the authorization, to acquire treasury shares of the Company on or before June 11, 2024, in the total amount of up to 10.0% of the Company's share capital that existed at the time the authorization was granted or – if this value is lower – of up to 10.0% of the Company's share capital existing at the time the authorization is exercised, and to use these shares, potentially excluding pre-emptive rights, in the cases specified in more detail in the authorization (Authorization 2019). Treasury shares may also be acquired using derivatives in an amount of up to 5.0% of the share capital existing at the time the authorization was granted or – if this figure is lower – existing at the time the authorization is exercised in accordance with the more detailed conditions of the authorization.

No treasury shares were acquired in the financial years 2023 and 2022.

The “myShares” employee share program is regularly serviced by issuing treasury shares. In the financial year 2023, 215,022 (previous year: 180,059) treasury shares were issued to employees under the program. In total, the number of treasury shares decreased from 6,514,679 as of December 31, 2022, to 6,299,657 as of December 31, 2023.

CAPITAL MANAGEMENT INFORMATION

Capital management instruments used at ProSiebenSat.1 Group include equity measures, dividend payments to shareholders, share buy-backs and debt financing measures.

ProSiebenSat.1 Group’s capital management is aimed at securing the Group’s long-term ability to continue as a going concern and generating appropriate returns for the shareholders. Management takes into account changes in the macroeconomic environment and risks arising from the underlying business activities. It is furthermore important to ProSiebenSat.1 Group to ensure unrestricted capital market access to various debt financing instruments and the servicing of financial liabilities.

As part of active debt management, the leverage ratio in particular i.e.,the ratio of net financial debt to adjusted EBITDA is monitored over the past twelve months, and capital and liquidity requirements as well as the timing of refinancing measures are managed.

For information on the calculation of adjusted EBITDA, please refer to
→ Note 34 “Segment reporting”

ProSiebenSat.1 Group’s capital structure was as follows as of the reporting date:

CAPITAL STRUCTURE
in EUR m

	12/31/2023	12/31/2022
Shareholders’ equity	**1,580**	**1,774**
Share of total capital	26.8%	29.5%
Financial debt	**2,119**	**2,117**
Share of total capital	36.0%	35.3%
Leverage[1]	**2.7**	**2.4**
Total capital (total equity and liabilities)	**5,904**	**6,005**

1 Leverage reflects the ratio of net financial debt to adusted EBITDA in the last twelve months.

For further information on the financial management of ProSiebenSat.1 Group, please refer to
→ “Group Financial Position and Liquidity” section in the Group Management Report

27 / Provisions for pensions

The provisions for pensions were recognized for defined benefit plan obligations to active and former members of the ProSiebenSat.1 Media SE Executive Board and their surviving dependents. The biometric data is derived from the Heubeck 2018G mortality tables. The pension agreements provide for benefits after the contractual age limit is reached, in the event of permanent incapacity for work or in the event of the death of the beneficiary. The beneficiaries have a contractual right to choose between a lifelong pension, several annual installments or a one-off payment.

The assets held as plan assets on the basis of a dual trust structure ("Contractual Trust Agreement" or "CTA") are listed investment fund units with an investment focus on US and European fixed-income investments and equities as well as cash and cash equivalents. In addition, the listed investment fund units include smaller positions of Asian equities as well as emerging market equities. The investment strategy of the CTA reflects the life cycle of the underlying liability. Plan assets are measured at fair value and offset with the pension obligation. The fair value of the plan assets was EUR 23 million as of the reporting date (previous year: EUR 23 million). As of December 31, 2023, the offsetting of the present value of the obligations and the plan assets therefore resulted in a net liability of EUR 2 million (previous year: EUR 2 million).

The following table shows the development of the present value of the pension obligation and of the fair value of the plan assets in the financial year2023:

PRESENT VALUE OF OBLIGATIONS 2023

in EUR m

	Fair value of plan assets	Present value of pension obligation
Balance as of January 1	**23**	**24**
Amounts recognized in profit or loss		
Current service cost	—	1
Past service cost	—	0
Interest income (plan assets)/interest expense (pension obligation)	1	1
Income from early plan settlement	—	−1
Total amount recognized in profit or loss	**1**	**1**
Remeasurements		
Changes in financial assumptions	—	1
Income (+)/Expense (-) from remeasurement of plan assets	0	—
Total amount recognized in other comprehensive income	**0**	**1**
Funding of plan assets	—	—
Pension payments	−1	−2
Balance as of December 31	**23**	**25**

In the previous year, the present value of the pension obligation and the fair value of the plan assets developed as follows:

NET PENSION OBLIGATIONS 2022

in EUR m

	Fair value of plan assets	Present value of pension obligation
Balance as of January 1	**1**	**32**
Amounts recognized in profit or loss		
Current service cost	—	1
Past service cost	—	0
Interest income (plan assets)/Interest expense (pension obligation)	0	0
Total amount recognized in profit or loss	**0**	**2**
Remeasurements		
Changes in financial assumptions	—	−8
Income (+)/Expenses (-) from remeasurement of plan assets	−3	—
Total amount recognized in other comprehensive income	**−3**	**−8**
Funding of plan assets	24	—
Pension payments	—	−1
Balance as of December 31	**23**	**24**

The following parameters were used for this calculation:

PENSION OBLIGATIONS MEASUREMENT PARAMETERS

	2023	2022
Discount rate	3.5 %	4.2%
Salary growth rate	0.0 %	0.0%
Pension growth rate	1.0 %	1.0%

For ProSiebenSat.1 Group, the discount rate is the material actuarial assumption for the measurement of its pension obligations. If this variable increased (decreased) by 0.5 percentage points, the pension obligation as of the reporting date in 2023 would be 4% lower (higher) than the carrying amount recognized as of this date.

The weighted duration of the pension obligation averages nine years (previous year: 9 years) until retirement age.

The Group expects the following pension payments in the years ahead:

EXPECTED PENSION PAYMENTS

in EUR m

	2024	2025	2026	2027	2028
Expected pension payments	1	3	1	1	5

28 / Other provisions

in EUR m

	01/01/2023	Additions	Usage	Release	Foreign exchange and interest effects	Changes in scope of consolidation	12/31/2023
Provisions for onerous contracts	4	134	–3	–1	0	—	134
thereof current	4						111
Provisions for risks from business operations	36	31	–25	–7	0	—	34
thereof current	36						34
Provision for employee benefits	20	3	–7	–7	—	—	9
thereof current	12						4
Miscellaneous other provisions	42	24	–14	–11	0	0	41
thereof current	40						39
Total	**101**	**192**	**–48**	**–26**	**0**	**0**	**218**

Provisions comprise current provisions in the amount of EUR 188 million (previous year: EUR 92 million) and non-current provisions in the amount of EUR 30 million (previous year: EUR 9 million).

ProSiebenSat.1 Group expects the vast majority of the non-current provisions to result in cash outflows within the next five years.

In the reporting period as in the previous year, provisions for onerous contracts primarily relate to programming assets. The addition to provisions relates to purchase obligations for US studio program formats that are no longer eligible for broadcasting as part of the realignment of the program strategy.

→ Note 7 „Cost of sales“

The provisions for risks from business operations relate in particular to reimbursement obligations from contracts with customers of uncertain amounts and expected payments to broadcasters in connection with video and live entertainment offerings.

The provisions for employee benefits primarily comprise variable compensation owed to individual executives and members of the Executive Board.

→ Note 35 “Share- and performance-based payment”

The miscellaneous other provisions comprise the following items:

MISCELLANEOUS OTHER PROVISIONS

in EUR m

	12/31/2023	12/31/2022
Additional payments to bestseller beneficiaries	11	10
Interest on tax liability	9	12
Value added tax	6	10
Other	15	10
Total	**41**	**42**

KEY ASSUMPTIONS AND ESTIMATES

Provisions are recognized and measured on the basis of estimates regarding the amount and probability of future outflows of resources, as well as on the basis of past experience and the circumstances known at the reporting date. In assessing the amount of provisions, all available factual information, in particular claims asserted and experience with comparable transactions, is taken into account and assumptions are made regarding the probability of occurrence and the range of possible claims. The assessment of whether a present obligation exists is generally based on the opinions of internal or external experts.

29 / Financial liabilities

in EUR m

	current	non-current	**Total 12/31/2023**
Loans and borrowings	—	1,195	1,195
Promissory notes	—	924	924
Total financial debt	**—**	**2,119**	**2,119**
Trade and other payables	**881**	**59**	**939**
Lease liabilities	56	109	165
Real estate liabilities	3	165	167
Put option liabilities	13	12	24
Accrued media authority liabilities	11	—	11
Liabilities from derivatives	4	13	17
Accrued interest	13	—	13
Miscellaneous other financial liabilities	7	5	12
Total other financial liabilities	**106**	**303**	**409**
Total financial liabilities	**986**	**2,481**	**3,467**

in EUR m

	current	non-current	Total 12/31/2022
Loans and borrowings	—	1,194	1,194
Promissory notes	—	923	923
Total financial debt	**—**	**2,117**	**2,117**
Trade and other payables	**909**	**73**	**982**
Lease liabilities	40	138	178
Real estate liabilities	3	130	133
Put option liabilities	38	11	49
Accrued media authority liabilities	15	—	15
Liabilities from derivatives	15	1	17
Accrued interest	7	—	7
Miscellaneous other financial liabilities	6	6	13
Total other financial liabilities	**124**	**287**	**411**
Total financial liabilities	**1,034**	**2,477**	**3,510**

Non-current loans and borrowings include a term loan with a nominal amount of EUR 1,200 million as of December 31, 2023 (previous year: EUR 1,200 million), which bears floating-rate interest at Euribor money market rates plus a credit margin. In May 2023, a term loan tranche of EUR 400 million was extended by one year until April 2026. The tranche can be extended by another year until April 2027 under certain conditions.

As of the reporting date, ProSiebenSat.1 Group also has outstanding promissory notes with a total nominal volume of EUR 925 million (previous year: EUR 925 million) and remaining terms of between two and eight years.
→ Note 33 “Notes on financial risk management and financial instruments”

In the event of a change of control of ProSiebenSat.1 Media SE as a result of the direct or indirect acquisition of more than 50.0% of the voting rights of ProSiebenSat.1 Media SE by third parties, the creditors of all aforementioned instruments are entitled to terminate and demand repayment.

Trade and other payables include liabilities from voucher sales amounting to EUR 335 million (previous year: EUR 324 million). Trade and other payables also include liabilities to related parties.
→ Note 36 “Related parties”

No liens or similar collateral were provided for the financial liabilities.

30 / Other liabilities

in EUR m

	12/31/2023		12/31/2022	
	current	**non-current**	current	non-current
Accrued items and advance payments received	91	1	104	1
Employee benefits	113	—	55	—
Value added tax	51	—	40	—
Other taxes	19	—	23	—
Outstanding advertising services	9	6	8	2
Miscellaneous other	22	2	29	2
Total	**305**	**9**	**258**	**6**

Accrued items and advance payments received particularly contain advance payments received and accruals for marketing rights.

The increase in liabilities for employee benefits mainly relates to severance payments in connection with restructuring measures in the Entertainment segment and in the holding company.

The item “Outstanding advertising services” contains contract liabilities for the rendering of advertising services from media-for-equity transactions for which the Group has already received the corresponding company shares.

The item “Miscellaneous other” includes an amount of EUR 14 million (previous year: EUR 19 million) of contract liabilities from advertising spots to be delivered free of charge because of rebate agreements.

In total, other liabilities contain contract liabilities of EUR 93 million (previous year: EUR 97 million).

ADDITIONAL NOTES

31 / Contingent liabilities

Major legal disputes in which ProSiebenSat.1 Media SE and/or companies controlled by ProSiebenSat.1 Media SE are involved as defendants are shown below:

- **Claims for disclosure and action for damages by RTL 2 Television GmbH & Co. KG and El Cartel Media GmbH & Co. KG against entities of ProSiebenSat.1 Group:** The plaintiffs assert claims for disclosure and damages in connection with the marketing of advertising times by Seven.One Media GmbH. The legal opinion commissioned by decision of the Regional Court on April 13, 2012, has been available to ProSiebenSat.1 Group since 2018. The expert arrived at the conclusion that there are no statistically substantiated indications of a positive probability of damage. The plaintiffs have filed a motion to disqualify the expert on grounds of bias and disputed his conclusions. In a ruling dated September 4, 2023, the Düsseldorf Regional Court ("Landgericht Düsseldorf") ruled entirely in favor of Seven.One Media GmbH and denied the plaintiffs' claims for damages. The plaintiffs have appealed against the judgment. However, following the Landgericht Düsseldorf ruling, no payment obligations for ProSiebenSat.1 SE or its subsidiaries are probable to arise. Hence, no provision was recognized.

- **Claims for payment of additional remuneration for bestsellers against entities of ProSiebenSat.1 Group:** Authors of highly successful TV shows may assert claims against entities of ProSiebenSat.1 Group under section 32a of the German Copyright Act ("UrhG"). The broadcasting group has agreed on "joint remuneration agreements" (section 36 UrhG) with five associations (directors, camera operators, screenwriters, actors and editors), providing for the payment of additional remuneration to directors, camera operators, screenwriters, actors and actresses and film editors once TV movies or TV series reach certain audience numbers. On the basis of these joint remuneration agreements, the broadcasting group has also concluded joint remuneration agreements with the directors' association for the telenovela genre. Out-of-court settlements were reached with individual actors, who asserted claims for additional remuneration. As of December 31, 2023, a total of EUR 11 million (previous year: EUR 10 million) was recognized as a provision for these issues and other related claims. This amount does not take into account settlement payments made in individual cases. It reflects the best estimate of the additional remuneration expected to be payable based on the joint remuneration agreements already concluded and the specific models developed by the broadcasting group for further joint remuneration agreements, some of which were already presented to and negotiated with the associations.. The amount of the provision also takes into account the risks with regard to the value added tax treatment of the remuneration for bestsellers that has yet to be finally clarified. It is also possible that more authors will assert additional justified claims under section 32a UrhG, which are not covered by the existing joint remuneration agreements or provisions (e.g. for other program genres as well). Therefore, a reliable estimate of the effects on our earnings development is not possible at this time.

- **Regulatory investigation into the authorization requirement of the voucher business of Jochen Schweizer GmbH and mydays GmbH:** On February 28, 2023, ProSiebenSat.1 Media SE disclosed in an ad hoc announcement that, following a notification received shortly beforehand, it assumes, based on the results of an external audit, that part of the business activities of its two subsidiaries Jochen Schweizer GmbH ("Jochen Schweizer") and mydays GmbH ("mydays"), which essentially consists of the sale of vouchers, falls under the German Payment Services Supervision Act ("Zahlungsdiensteaufsichtsgesetz" or "ZAG"). Jochen Schweizer and mydays subsequently adjusted their product offering on March 13 / 14, 2023 to address the regulatory concerns disclosed in the ad hoc announcement. Also in March 2023, Jochen Schweizer mydays Holding GmbH and its subsidiaries, in particular Jochen Schweizer and mydays, were transferred from NCG - NUCOM GROUP SE to ProSiebenSat.1 Media SE. In a letter dated April 6, 2023, the German Federal Financial Supervisory Authority ("BaFin"), as the competent supervisory authority, informed Jochen Schweizer and mydays that they do not require a license from BaFin to continue operating the product offering adjusted as of March 13 / 14, 2023. At the same time, BaFin noted that, based on its current administrative practice, it assumes that Jochen Schweizer and mydays would have required a license from BaFin under the ZAG before March 13/14, 2023, for the issuance of certain voucher products with a voucher value of more than EUR 250, which accounted for around 20 percent of Jochen Schweizer's and mydays' total turnover in 2022. Jochen Schweizer and mydays subsequently implemented a redemption concept agreed with BaFin for the affected vouchers still in circulation. In the reporting period, BaFin did not take any supervisory measures or impose or announce any fines in connection with the ZAG matter. Immediately following the publication of the ad hoc announcement, the company contacted the Munich I public prosecutor's office and proactively informed it of the facts underlying the ad hoc announcement. The Munich Public Prosecutor's Office I has set up a monitoring process in which it is examining whether there is an initial suspicion of possible criminal offenses or administrative offenses. ProSiebenSat.1 Media SE and its subsidiaries concerned are cooperating fully with the competent 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 has commissioned an independent internal investigation 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. At the time of the auditor's report and the publication of the annual report for the 2023 financial year, 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 review 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 taken. The potential financial burden for the Group in connection with the official investigations cannot yet be estimated.

Moreover, ProSiebenSat.1 Media SE and companies controlled by it are defendants or parties in further court and arbitration proceedings as well as regulatory proceedings. Based on current knowledge, these proceedings do not significantly impact the economic situation of ProSiebenSat.1 Group.

KEY ASSUMPTIONS AND ESTIMATES

The amount of contingent liabilities is estimated on the basis of estimates of the future outflow of resources, past experience and the circumstances known at the reporting date. To assess the amount, all available factual information, in particular asserted claims and experience with comparable transactions, is taken into account and assumptions are made about the probability of occurrence and the range of possible claims. Nevertheless, in many cases it is not possible to determine sufficiently reliable values. The assessment of whether a current obligation can be assumed to exist is generally based on expert opinions from internal or external experts.

32 / Other financial obligations

The following table contains the other financial obligations not recognized in the statement of financial position:

in EUR m

	12/31/2023	12/31/2022
Purchase commitments for programming assets	1,179	1,702
Distribution	130	83
Miscellaneous	191	239
Total	**1,500**	**2,025**

The amounts presented are not discounted.

The purchase commitments for programming assets derive from agreements for the acquisition of licenses for films and series as well as commissioned productions concluded before December 31, 2023. A large proportion of the contracts are denominated in US dollars. The significant decrease results from the realignment of the programming strategy.

The item “Distribution” includes financial obligations for satellite services, obligations under contracts for terrestrial transmission facilities and cable feed charges.

In both the 2023 financial year and the previous year, miscellaneous other financial obligations mainly include purchase obligations for supply and service contracts already concluded, in particular in connection with the new campus building at the Unterföhring site.

33 / Notes on financial risk management and financial instruments

ProSiebenSat.1 Group is exposed to various financial risks as a result of its ongoing business operations and with respect to its debt financing. These risks are managed by the central treasury department as part of financial risk management. The main objectives of financial risk management are to ensure solvency at all times and to manage market price risks in a risk-adequate manner. The derivative financial instruments used in this context are entered into exclusively with a view to hedging against existing market price risks and are not used for speculative purposes. In principle, ProSiebenSat.1 Group uses hedge accounting to provide a meaningful and economically appropriate representation of the earnings effects of interest rate and currency hedging measures.

The principles, tasks and responsibilities of financial risk management are set down in ProSiebenSat.1 Group’s internal financial guidelines. Risks are reported to the Executive Board on a monthly basis.

The risks explained below have been identified as material and are assessed on an ongoing basis. After taking hedging activities into account, ProSiebenSat.1 Group does not consider itself to be exposed to any material concentrations of risk.

INTEREST RATE RISKS

ProSiebenSat.1 Group defines interest rate risk as the risk of rising financing costs due to increases in interest rates. ProSiebenSat.1 Group is exposed to interest rate risk on the one hand through its floating-rate financial liabilities and on the other hand through future financing measures. The floating-rate financial liabilities mainly consist of an unsecured syndicated loan with two term loan tranches (term loan) and a revolving credit facility (RCF). Both bear interest at Euribor money market rates plus a credit margin. The first loan tranche of the syndicated loan amounts to EUR 400 million. It was extended in May 2023 by one year until April 2026 and can be extended by another year under certain conditions. The second loan tranche has a volume of EUR 800 million and matures in April 2027. The RCF currently has a volume of EUR 500 million (previous year: EUR 500 million) and was not utilized in the 2023 financial year or in the previous year.

Furthermore, ProSiebenSat.1 Group has outstanding promissory notes with a volume of EUR 925 million and remaining terms of two to eight years. EUR 298 million of this relates to floating-rate tranches, which bear interest based on Euribor money market rates.

ProSiebenSat.1 Group hedges the interest rate risk arising from floating-rate financial liabilities and future financing measures using interest rate swaps and interest rate options.

In the case of interest rate swaps, variable interest payments are exchanged for fixed interest payments or a compensation payment in the amount of the difference between the two payments made or received. The uncertain amounts of future variable interest payments on the hedged loans are thus economically converted into fixed interest payments. The fair values of the interest rate swaps are determined by discounting the expected future cash flows.

The interest rate options held by the Group consist of purchased interest rate caps, written interest rate floors and interest rate collars. In the case of a purchased interest rate cap, if the variable interest rate exceeds the exercise price agreed in the option contract, ProSiebenSat.1 Group acquires the right to exchange future variable market interest payments for fixed interest payments or to receive a compensation payment equal to the difference between the interest payment calculated from the market interest rate and 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 beneficial for ProSiebenSat.1 Group. An option premium must be paid for the acquired swap right or the right to receive a compensation payment.

In the case of a written interest rate floor, if the variable market interest rate falls below the exercise price agreed in the option contract, ProSiebenSat.1 Group is obliged to exchange future variable market interest payments for fixed interest payments or to make a compensatory payment equal to the difference between the exercise price agreed in the option contract and the interest payment calculated from the market interest rate.

ProSiebenSat.1 Group receives an option premium for assuming the obligation to exchange or pay the difference. Floors were concluded in 2023 with a view to combine them with existing caps, the agreed fixed interest rate of the floor being set so that it corresponds to the fixed interest rate of the associated cap. The combination of caps and floors with the same fixed interest rate creates a synthetic hedging instrument that works in the same way as an interest rate swap.

With an interest rate collar, two fixed interest rates are set to create the upper and lower bound of a band of interest rates. 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 compensation payment is made in the amount of the difference. If the market interest rate is between these two fixed interest rates, no exchange or compensation payment is made and ProSiebenSat.1 Group effectively pays the variable interest rate agreed under the hedged underlying transaction.

The fair values of the interest rate options are calculated on the basis of a standard market option pricing model.

To the extent that the interest rate swaps and interest rate collars can be expected to offset the interest rate-induced changes in cash flows hedged as part of the hedging strategy from the variable interest rate loans to a sufficiently high degree during their term, they are designated as hedging instruments in a cash flow hedge. Effectiveness is measured using the hypothetical derivative method, under which the changes in the fair value of the hedging instrument are compared with the changes in the fair value of a hypothetical “perfect” derivative, i.e. one that would fully replicate the interest rate-induced cash flows and changes in the underlying transaction. The hedging instruments and the hedged interest payments match in terms of nominal amounts, hedged interest rates, maturities and payment dates. For the purposes of measuring effectiveness, potential cash flow effects resulting from the reform of international reference interest rates are excluded for the duration of the hedging relationship, as required by the International Financial Reporting Standards for a reference interest rate such as Euribor. Hedge ineffectiveness can therefore only arise from changes in the credit default risk of the hedging instruments or from the interest rate floor of 0% that applies to the hedged loans. If the change in market value of the hedging instrument (including the change in credit default risk) is greater than the change in market value of the hypothetical derivative, the excess amount is immediately recognized in profit or loss as hedge ineffectiveness. The remaining effective portion is transferred to the cash flow hedge reserve in equity and only recognized in profit or loss when the hedged interest payment affects the income statement.

As of December 31, 2023, ProSiebenSat.1 Group holds interest rate collars with a nominal volume totaling EUR 300 million (previous year: EUR 0 million) that hedge the Euribor interest rate risk in the period up to 2027 and were designated as hedging instruments in a cash flow hedge.

In connection with the extension of the first loan tranche of the syndicated loan and in view of the higher interest rates, ProSiebenSat.1 Group also adjusted the hedging portfolio with regard to the interest rate options. The Group now holds interest rate caps of EUR 900 million (previous year: EUR 700 million), of which EUR 850 million (previous year: EUR 650 million) is used to hedge the interest rate risk until 2027 and a further EUR 50 million as in the prior 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 at fair value through profit or loss. The remaining interest rate caps with a volume of EUR 400 million (previous year: EUR 700 million) are also recognized as stand-alone hedges at fair value.

In the previous year, interest rate swaps amounting to EUR 1,000 million were still in place. These expired in the 2023 financial year.

In the case of the financial liabilities managed as part of interest rate risk management, the fixed-interest portion in relation to the nominal amount of the total financial liabilities was approximately 86% as of December 31, 2023 (previous year: approx. 86%). The fixed interest rate floor and fixed interest rate ceiling of the interest rate collars amount to 1.95% and 4.35% per annum as of December 31, 2023. The average interest rate cap of the interest rate caps, which are not part of the synthetic swaps, amounts to 2.64% per annum as of December 31, 2023 (previous year: 1.50%). The synthetic interest rate swap has a swap rate of 1.50%. For the reporting year, these transactions resulted in net interest income of EUR 13 million (previous year: net interest expense of EUR 2 million).

As of December 31, 2023, the fair value of all interest rate collars held by ProSiebenSat.1 Group amounts to minus EUR 4 million (previous year: EUR 0 million). The fair value of the synthetic swaps as of December 31, 2023 amounts to EUR 15 million and the fair value of the interest rate swaps, which are not included in the synthetic swaps, amounts to EUR 10 million (previous year: fair value of all interest rate options EUR 48 million and fair value of interest rate swaps EUR 3 million).

Interest rate risk defined as the risk of changes in market value is not considered relevant because ProSiebenSat.1 Group's financial debt is not held for trading purposes or for other transfers to third parties.

The interest rate risk position is regularly assessed using current market data and existing risks are quantified using sensitivity analyses. The table below shows the changes of the interest result – including effects from hedging instruments – arising from an increase (decrease) of the relevant interest rates by one percentage point:

INTEREST RATE RISKS

in EUR m

	Interest	**12/31/2023**	12/31/2022
Cash and cash equivalents	variable	573	504
Liabilities to banks	variable	–1,200	–1,200
Promissory notes	variable	–298	–298
Promissory notes	fix	–628	–628
Gross exposure variable		**–925**	**–994**
Gross exposure fix		**–628**	**–628**
Interest rate hedges[1]		**1,200**	**1,200**
Hedge ratio (as a percentage of the nominal amount of the variable-interest financing liabilities)		80.1 %	80.1%
Net exposure variable		275	206
Sensitivities of variable net exposure			
Annual effect on net interest result of an increase in short-term interest rates by 100 basis points (1 percentage point)		–2	–3
Annual effect on net interest result of a decrease in short-term interest rates by 100 basis points (1 percentage point)		3	4

1 Interest rate caps with a volume of EUR 500 million were not included in the previous year, as these "forward starting" instruments have assumed their hedging function only after year end 2022 upon the expiry of existing hedging instruments.

If interest rates increased by one percentage point, the change in the fair value of the interest rate hedges would improve the financial result by EUR 22 million. The cash flow hedge reserve would increase by EUR 1 million. If interest rates decreased by one percentage point, the effect would amount to minus EUR 16 million in financial result and minus EUR 6 million in the cash flow hedge reserve.

As of the reporting date, December 31, 2023, ProSiebenSat.1 Group had the following interest rate hedging instruments:

	Year of maturity			Nominal amount		Average hedged interest rate		**Fair value**	
	2024 in EUR m	2025 - 2028 in EUR m	from 2029 in EUR m	12/31/2023 in EUR m	12/31/2022 in EUR m	12/31/2023 in %	12/31/2022 in %	**12/31/2023 in EUR m**	12/31/2022 in EUR m
Interest rate swaps[1]	—	500	—	500	1,000	1.50	0.54	**15**	3
thereof designated as cash flow hedges	—	—	—	—	1,000	—	0.54	**—**	3
Interest rate collars	—	300	—	300	n.a.	1,95 - 4,35	n.a.	**–4**	—
thereof designated as cash flow hedges	—	300	—	300	n.a.	1,95 - 4,35	n.a.	**0**	—
Interest rate caps[2]	—	400	—	400	700	2.64	1.50	**10**	48
thereof designated as cash flow hedges	—	—	—	—	—	n.a.	n.a.	**—**	—

1 As explained in the body of the text, the interest rate swaps held during the reporting period are synthetic instruments which each consist of an interest rate cap and an interest rate floor.
2 Excluding the interest rate caps that are part of the synthetic swaps.

CURRENCY RISKS

ProSiebenSat.1 Group defines currency risks as the risk of losses resulting from changes in exchange rates. In the context of currency management, transaction risk is the primary focus. Transaction risk arises from receivables and payables already recognized in the statement of financial position and future contractually fixed or planned foreign currency cash inflows and outflows. The payments may result from operating activities as well as investing and financing activities. Transaction risk must be distinguished from translation risk, which is described in the next paragraph.

ProSiebenSat.1 Group's reporting currency is the euro. The financial statements of subsidiaries domiciled outside the euro currency zone are translated into euro in the preparation of the Consolidated Financial Statements. Translation risk relates to exchange rate effects that arise when translating results and the financial statement items of foreign subsidiaries whose functional currencies are different from the Group currency. This primarily applies to US entities of the Studio71 group and the Dating & Video segment. In the context of currency management, investments in these companies are considered long-term engagements. Thus, no translation risk hedging is undertaken.

ProSiebenSat.1 Group concludes a significant portion of its license agreements with production studios in the USA. In addition, individual formats are produced or corresponding production orders placed in the USA. ProSiebenSat.1 Group usually settles any payment obligations from such programming rights purchases and productions or production orders in US dollar. Exchange rate fluctuations between the euro and US dollar may therefore have a negative impact on the earnings and financial position of ProSiebenSat.1 Group. If license rights are granted by production studios whose functional currency is euro or another non-US dollar currency, the US dollar license agreements may under certain circumstances contain embedded currency derivatives that are recognized separately from the license rights at fair value through profit or loss.

The currency risk from receivables and payables in other foreign currencies or from matters other than the acquisition of programming rights and production orders is negligible due to their low volume.

ProSiebenSat.1 Group applies a Group-wide portfolio approach when hedging financial obligations relating to programming rights purchases. Foreign currency exposure is defined as the total volume of all future US dollar payments resulting from existing license agreements that are due within a period of seven years under the implemented hedging strategy. ProSiebenSat.1 Group applies a range of derivatives and non-derivative financial instruments to hedge against currency fluctuations. Instruments include foreign currency forwards, foreign currency swaps, foreign currency options and foreign currency cash positions in US dollar.

Currency forwards and currency swaps are unconditional, contractual agreements for the exchange of two currencies, the applicable nominal volume, exchange rate and due date being fixed at contract inception. A currency swap is a combination of a spot currency transaction and an opposing currency forward. The spot transaction is naturally executed as soon as the contract is concluded, so only the forward component of a currency swap is recognized and measured as an asset or liability in the statement of financial position. Henceforth, therefore, no further distinction is made between currency forwards and currency swaps and for simplicity's sake they are grouped under the umbrella term "currency forwards/swaps".

In the case of currency options, the option buyer acquires the right to purchase an agreed amount of currency at a specific time at a price determined at contract inception. As the buyer, ProSiebenSat.1 Group must pay an option premium for the acquired right. Currency options are only occasionally used as hedging instruments in the Group.

In the reporting period and in the previous year, only currency forwards/swaps were used as derivative currency instruments. The majority of these transactions were designated as hedging instruments in a cash flow hedge of future license payments in US dollar. The designation was based on forward rates. Hedge effectiveness is determined using the hypothetical derivative method and the changes in the fair value of the hedging instruments are compared with the changes in the fair value of a "perfect" currency forward/swap, which perfectly replicates the changes in the euro equivalent of the future US dollar payment induced by exchange rate changes.

Because the nominal amounts, currencies and maturities involved match, any hedge ineffectiveness can only result from changes in credit default risk. If the change in fair value of the hedging instrument (including the change in credit default risk) is greater than the change in fair value of the hypothetical derivative, the excess is immediately recognized in profit or loss as hedge ineffectiveness. The remaining effective portion is initially recognized in the cash flow hedge reserve in equity and accounted for as a basis adjustment of the carrying amount of the hedged item when the hedged item is recognized. It is only recognized in profit or loss when the hedged item affects the income statement as a result of the consumption of the corresponding licenses.

With respect to these programming rights, approximately 77 % (previous year: approx. 58 %) of the total foreign currency risk arising from the future US dollar payment obligations under existing contracts was hedged.

In addition, ProSiebenSat.1 Group holds currency derivatives that hedge US dollar liabilities from license agreements that have already been recognized in the statement of financial position. As both the changes in the fair value of the hedging instruments and the currency effects from the measurement of the liabilities from license agreements are recognized immediately in profit or loss in the financial result, there is an immediate and largely offsetting effect in the income statement even without hedge accounting. For these derivatives, ProSiebenSat.1 Group therefore refrains from formal designation in a hedging relationship and application of the hedge accounting requirements.

As of December 31, 2023, ProSiebenSat.1 Group's hedge portfolio includes currency forwards/swaps in a nominal volume of USD 672 million (previous year: USD 659 million) that are used to hedge the financial obligations arising from programming rights purchases and production orders. The fair values of the currency hedging transactions are based on quoted forward exchange rates as of December 31, 2023. As of December 31, 2023, the US dollar cash position relevant for currency management amounts to USD 8 million (previous year: USD 53 million).

CURRENCY-RELATED TRANSACTIONS AND BALANCES

	Year of maturity			Nominal amount		Average hedged USD/EUR rate				**Fair value**	
	2024	2025 - 2028	from 2029	12/31/2023	12/31/2022	12/31/2023		12/31/2022		**12/31/2023**	12/31/2022
	in USD m	in USD m	in USD m	in USD m	in USD m	current	non-current	current	non-current	**in EUR m**	in EUR m
Currency forwards/swaps	353	314	5	672	659	1.1547	1.1747	1.1097	1.2525	**17**	38
thereof designated as cash flow hedges	158	314	5	477	455	1.2383	1.1747	1.2428	1.2779	**20**	54
Currency holdings	8	n. a.	n. a.	8	53	n. a.	n. a.	n. a.	n. a.	**7**	50

The US dollar risk position is regularly assessed using current market data and existing risks are quantified using sensitivity analyses. The following table shows the effects of a 10% appreciation and depreciation of the US dollar on the euro equivalent of the US dollar payments to be made in future years, taking account of the effect of the currency hedges:

CURRENCY RISKS

in USD m

	12/31/2023	12/31/2022
Gross foreign currency exposure	**–882**	**–1,232**
Currency hedges	680	712
subject to hedge accounting	477	455
not subject to hedge accounting	195	204
currency holdings	8	53
Net foreign currency exposure	**–202**	**–520**
Hedge ratio	77.0%	57.8%
Spot rate USD/EUR	1.1077	1.0676
US dollar increase by 10%	0.9969	0.9608
US dollar decrease by 10%	1.2185	1.1744
in EUR m		
Change in future payments resulting from a 10% increase in the US dollar	–20	–54
Change in future payments resulting from a 10% decrease in the US dollar	17	44

If only the currency effect on the foreign currency transactions accounted for in a hedging relationship is considered, a US dollar devaluation of 10% would result in a loss of EUR 37 million, which would have to be recognized directly in equity in the cash flow hedge reserve. Similarly, a 10% appreciation of the US dollar would result in a cash flow hedge gain in equity of EUR 46 million.

However, the exchange rate effects from license fee liabilities, the offsetting effects of the foreign currency cash position, and the effects from currency hedging transactions not designated in a cash flow hedge and from embedded currency derivatives are recognized directly as currency gains or losses in the income statement. Depreciation (appreciation) of the US dollar by 10% would have an effect on the currency result of EUR 1 million (minus EUR 1 million).

EFFECTS OF HEDGING RELATIONSHIPS ON THE FINANCIAL STATEMENTS

Since the hedging instruments used by ProSiebenSat.1 Group in hedge accounting are closely tailored to the underlying hedged items, the primary source of potential hedge ineffectiveness is credit default risk. In accordance with internal risk management guidelines, this risk is largely reduced by restricting eligible derivative counterparties to those with high credit ratings and by entering into netting and close-out agreements in the event of a breach of contract.

When measuring fair values and determining ineffectiveness, the credit default risk of the hedging instruments is taken into account in the form of credit value adjustments and debit value adjustments.

The hedging instruments designated in hedging relationships by ProSiebenSat.1 Group have the following effects on the statement of financial position as of December 31, 2023:

HEDGING INSTRUMENTS 2023

in EUR m

		Carrying amount of hedging instruments			
	Nominal amount of hedging instruments	Assets	Liabilities	Line item of financial position in which hedging instruments are recognized	Change in fair value used for calculating hedge effectiveness for the reporting period
Coverage of interest rate risks	300	—	0	Other financial assets/Other financial liabilities	0
Coverage of foreign exchange risks	399	25	5	Other financial assets/Other financial liabilities	−10

In the previous year, the designated hedging instruments had the following effects on the statement of financial position:

HEDGING INSTRUMENTS 2022

in EUR m

		Carrying amount of hedging instruments			
	Nominal amount of hedging instruments	Assets	Liabilities	Line item of financial position in which hedging instrument is recognized	Change in fair value used for calculating hedge effectiveness for the reporting period
Coverage of interest rate risks	1,000	3	—	Other financial assets/Other financial liabilities	6
Coverage of foreign exchange risks	361	54	—	Other financial assets/Other financial liabilities	30

The hedged items designated in hedging relationships have the following effects on the cash flow hedge reserve in equity as at December 31, 2023:

CASH FLOW HEDGE RESERVE 2023

in EUR m

	Change in the value of hedged items used for calculating hedge effectiveness for the reporting period	Cash flow hedge reserve
Hedging of interest rate risks	0	0
Hedging of foreign exchange risks	−10	20

In the previous year, the hedged items designated in hedging relationships had the following effects on the cash flow hedge reserve in equity:

CASH FLOW HEDGE RESERVE 2022

in EUR m

	Change in the value of hedged items used for calculating hedge effectiveness for the reporting period	Cash flow hedge reserve
Hedging of interest rate risks	6	2
Hedging of foreign exchange risks	30	55

In the financial year 2023, the above hedge transactions have the following effects on profit or loss and other comprehensive income, or on acquisition cost of programming assets:

HEDGE TRANSACTIONS 2023

in EUR m

	Hedging gain or loss recognized in the cash flow hedge reserve	Hedge ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the cash flow hedge reserve to profit or loss or acquisition cost	Line item affected in profit or loss because of the reclassification
Hedging of interest rate risks	0	—	Other financial result	2	Interest result
Hedging of foreign exchange risks	–10	—	Other financial result	25	Cost of sales

In the previous year, the hedge transactions had the following effects on profit or loss and other comprehensive income, or on acquisition cost:

HEDGE TRANSACTIONS 2022

in EUR m

	Hedging gain or loss recognized in the cash flow hedge reserve	Hedge ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the cash flow hedge reserve to profit or loss or acquisition cost	Line item affected in profit or loss because of the reclassification
Hedging of interest rate risks	6	—	Other financial result	–2	Interest result/ Other financial result
Hedging of foreign exchange risks	30	—	Other financial result	29	Cost of sales

The movements in the cash flow hedge reserve have been as follows:

CASH FLOW HEDGE RESERVE

in EUR m

	Interest rate risks	Foreign exchange risks
As of January 1, 2022	**–4**	**38**
Changes due to effective hedging relationship	6	30
Transfer to the acquisition cost of the underlying hedged transaction	—	–29
Reclassification to profit or loss	2	0
Deferred taxes	–2	0
As of December 31, 2022 / January 1, 2023	**1**	**39**
Changes due to effective hedging relationship	0	–10
Transfer to the acquisition cost of the underlying hedged transaction	—	–25
Reclassification to profit or loss	–2	0
Deferred taxes	1	10
As of December 31, 2023	**0**	**14**

No hedging relationships were terminated in either the reporting period or the previous year that would have affected the cash flow hedge reserve.

CREDIT AND DEFAULT RISKS

ProSiebenSat.1 Group is exposed to credit default risks resulting primarily from its operating business, and to a lesser extent from derivative financial instruments and financial investment activities.

The maximum default risk – without taking into account any collateral or netting agreements, as exist in particular for derivative transactions – corresponds to the carrying amounts recognized in the financial statements.

In the case of trade receivables – and contract assets from contracts with customers – the carrying amount includes a loss allowance for lifetime expected credit losses; in the case of all other financial assets measured at amortized cost, it includes a loss allowance for expected credit losses resulting from possible default events within the next twelve months after the closing date.

To minimize credit default risks, ProSiebenSat.1 Group endeavors to enter into financial transactions and derivative legal transactions exclusively with contracting parties that have a first-class to good credit rating. Credit default risks of financial instruments are regularly monitored and analyzed. With a few separately monitored exceptions, the credit default risk for the financial assets held by ProSiebenSat.1 Group (including trade receivables) is considered low. The same applies to contract assets from contracts with customers. Accordingly, there were no indications of material payment defaults as of the reporting date.

When measuring derivative financial instruments at fair value, the risk of default of the counterparty is taken into account in the form of credit value adjustments and the Group's own default risk in the form of debit value adjustments. Probabilities of default are calculated on the basis of maturity-matched credit default swap spreads of the respective contract parties. The credit risk that is taken into account in the measurement is determined for each counterparty and maturity by way of multiplication of the relevant default probability by the discounted expected net cash flows of the derivative financial instruments. There is no significant concentration of default risk with respect to a single counterparty or a clearly distinguishable group of counterparties. As of the reporting date, there were no material agreements in place limiting the maximum default risk other than netting and offsetting agreements customary in the market for derivative transactions. The fair value of derivative financial instruments, for which ProSiebenSat.1 Group reports a net positive fair value per counterparty, totaled EUR 55 million as of December 31, 2023 (previous year: EUR 107 million), excluding credit value adjustments.

With respect to its operating business, i.e. for trade receivables and contract assets from contracts with customers, ProSiebenSat.1 Group recognizes loss allowances for individual customers classified as being at risk of default, taking account of factors such as over-indebtedness, proximity to insolvency, payment difficulties, and deterioration of the relevant business environment or of key performance indicators.

In addition, loss allowances are recognized in the amount of the present value of lifetime expected credit losses. Where the customer base is diverse and such that it may be clustered into homogenous groups with respect to credit risk, the lifetime expected losses are in principle calculated based on historical default rates via a provision matrix which differentiates between customer groups and the aging of the outstanding receivables. Default rates are calculated separately for (i) non-past due receivables and contract assets, (ii) receivables up to 90 days past due and (iii) receivables more than 90 days past due. With respect to business activities in which gathering customers in homogenous groups according to credit risk is not useful or impossible because of the low number of customers or their heterogeneity, an expected loss allowance is measured based on an individual credit risk assessment for each customer, similar to the approach used for customers classified as being at risk of default.

At the reporting date, the default rates used are reviewed taking into account current information and expectations regarding future developments. In particular, the review takes into account the default rates for the current period and premiums and discounts are applied if changes in the market environment or macroeconomic developments indicate a higher or lower probability of default compared with historical experience. As in the previous year, the expected credit losses for trade receivables and contract assets – excluding those individually impaired – calculated as part of the portfolio analysis remained within a narrow corridor of 0.0% to a maximum of 1.5% across all customer groups and age categories.

Due to the generally low default risk for customers assessed based on the portfolio approach, there is hardly any notable difference in default rates between customer groups.

For information on loss allowances on trade receivables including expected losses calculated using the simplified model, please refer to
→ Note 23 "Receivables and other financial assets"

LIQUIDITY RISKS

As part of its liquidity management, ProSiebenSat.1 Group ensures that sufficient liquidity is available at all times, despite the significant seasonal fluctuations in revenues. The term loan (EUR 1,200 million) and the promissory notes (EUR 925 million) are key components of the Group's corporate financing. The RCF (EUR 500 million) is also available. ProSiebenSat.1 Group can use the RCF flexibly for general operating purposes.

As of December 31, 2023, there was no utilization of the RCF, so that as of December 31, 2023, EUR 500 million was available to be drawn from the RCF. The RCF has a term until April 2027. The first term loan tranche of EUR 400 million has been extended by one year until April 2026; it can be extended by another year under certain conditions. The second term loan tranche in the amount of EUR 800 million also has a term until April 2027.

The promissory notes mature as follows:

PROMISSORY NOTES MATURITIES

in EUR m

Maturity	Nominal amount due
October 2025	226
December 2026	225
October 2027	346
October 2029	80
October 2031	48
Total promissory notes	**925**

As of December 31, 2023, ProSiebenSat.1 Group has cash and cash equivalents of EUR 573 million (previous year: EUR 504 million) and thus has a total of EUR 1,073 million (previous year: EUR 1,004 million) in cash and cash equivalents and unused RCF.

As part of the disclosure of liquidity risks, a maturity analysis is provided in the table below for non-derivative financial liabilities on the basis of contractual maturities and for derivative financial liabilities based on the expected timing of cash outflows. For each maturity bucket, the undiscounted contractual payments (including interest) are disclosed as of December 31, 2023, and as of the end of the previous year.

FINANCIAL LIABILITIES BY MATURITY 2023

in EUR m

	1 year or less	1 – 5 years	more than 5 years	**Total contractual cash flows 12/31/2023**
Loans and borrowings	64	1,289	—	1,354
Promissory notes	22	836	132	990
Liabilities from real estate financing	9	29	146	183
Liabilities from leases	59	80	38	176
Trade and other payables	881	59	—	939
Non-derivative financial liabilities	**1,034**	**2,293**	**315**	**3,642**
Derivative financial liabiltities[1]	**18**	**22**	**0**	**41**

1 The derivative financial liabilities include payment obligations in euro under foreign currency forward/swap contracts. As these payment obligations in euro give rise to a concomitant right to receive payments in US dollar, the amounts given in the table only reflect the net payment obligation. The corresponding gross payment obligation was EUR 372 million on December 31, 2023, of which EUR 186 million was due within the next 12 months, EUR 182 million within the next 1 to 5 years and EUR 4 million after 5 years.

FINANCIAL LIABILITIES BY MATURITY 2022

in EUR m

	1 year or less	1 – 5 years	more than 5 years	Total contractual cash flows 12/31/2022
Loans and borrowings	48	1,340	—	1,388
Promissory notes	18	861	134	1,013
Liabilities from real estate financing	95	36	19	149
Liabilities from leases	40	106	40	186
Trade and other payables	909	73	—	982
Non-derivative financial liabilities	**1,109**	**2,416**	**194**	**3,719**
Derivative financial liabiltities[1]	**22**	**6**	**—**	**28**

1 The derivative financial liabilities include payment obligations in euro under foreign currency forward/swap contracts. As these payment obligations in euro give rise to a concomitant right to receive payments in US dollar, the amounts given in the table only reflect the net payment obligation. The corresponding gross payment obligation was EUR 209 million on December 31, 2022, of which EUR 189 million was due within the next 12 months and EUR 20 million within the next 1 to 5 years.

INFORMATION ABOUT CARRYING AMOUNTS AND MARKET VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and the fair values of all categories of financial assets and financial liabilities of ProSiebenSat.1 Group. The fair value hierarchy levels reflect the significance of the input data used for the measurement and are defined as follows:

– Level 1: Fair value is calculated on the basis of quoted, unadjusted prices in active markets for identical assets or liabilities.

– Level 2: Fair value is calculated on the basis of quoted market prices other than quoted market prices included within level 1 or according to measurement methods using inputs that are observable in the market either directly or indirectly.

– Level 3: Fair value is mainly calculated on the basis of inputs for which no observable market data are available.

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

in EUR m

		12/31/2023					12/31/2022				
				Fair value					Fair value		
	Presented in the statement of financial position as	**Carrying amount**	**Fair value**	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
FINANCIAL ASSETS											
Measured at fair value											
Equity instruments	Other financial assets	253	253	15	—	238	222	222	16	—	206
Hedge derivatives	Other financial assets	25	25	—	25	—	58	58	—	58	—
Derivatives for which hedge accounting is not applied	Other financial assets	29	29	—	29	—	48	48	—	48	—
Measured at amortized cost											
Cash and cash equivalents[1]	Cash and cash equivalents	573	573				504	504			
Loans and receivables[1]	Trade receivables and other financial assets	523	523				529	529			
Total		**1,403**	**1,403**	**15**	**55**	**238**	**1,361**	**1,361**	**16**	**106**	**206**
FINANCIAL LIABILITIES											
Measured at fair value											
Liabilities from put options	Other financial liabilities	24	24	—	—	24	49	49	—	—	49
Hedge derivatives	Other financial liabilities	6	6	—	6	—	0	0	—	0	—
Derivatives for which hedge accounting is not applied	Other financial liabilities	11	11	—	11	—	17	17	—	17	—
Measured at amortized cost											—
Term loan and other borrowings	Financial debt	1,195	1,251	—	1,251	—	1,194	1,196	—	1,196	—
Promissory notes	Financial debt	924	879	—	879	—	923	837	—	837	—
Real estate financing	Other financial liabilities	167	169	—	169	—	133	134	—	134	—
Other financial liabilities at (amortized) cost[1]	Trade and other payables and other financial liabilities	975	975				1,017	1,017			
Total		**3,303**	**3,316**	**—**	**2,316**	**24**	**3,333**	**3,250**	**—**	**2,184**	**49**

1 The carrying amount is a reasonable proxy of fair value. Fair value is therefore not calculated separately. Accordingly, the fair value column reflects the carrying amount, and no allocation to one of the levels of the fair value hierarchy is made. Loans and receivables include contract assets from contracts with customers of EUR 31 million (previous year: EUR 32 million).

The equity instruments mainly consist of minority interests in other entities and option or warrant agreements for such minority interests, which ProSiebenSat.1 Group acquires in particular as part of its media-for-equity strategy. In addition, this line item includes fund investments.

These instruments are measured at fair value through profit or loss. The fair values are determined based on present value techniques using risk-adjusted discount rates or valuation methods using multiples such as trading multiples or transaction multiples. Conversion rights and other optional components are usually valued on the basis of scenario analyses and occasionally binomial models or Monte Carlo simulations. To the extent that observable market prices from financing rounds or fair values from external valuation reports are available, or net asset values for the fund investments, they are considered as input to the fair value measurement.

Financial derivatives held for hedging purposes with positive fair values are reported as other financial assets, those with negative fair values as other financial liabilities. The measurement relies on present value models based on risk-free discount rates or standard option pricing models (Black model or Black-Scholes model).

The financial liabilities measured at fair value include derivatives with negative fair values and liabilities from put options.

→ **Note 13 "Result from investments accounted for using the equity method and other financial result"**

KEY ASSUMPTIONS AND ESTIMATES

Liabilities from put options on shares held by non-controlling interests are measured at fair value as of the acquisition date and in subsequent periods. Measurement is performed on a transaction-by-transaction basis and largely draws on input data which is not observable on the market. The instruments are therefore classified as level 3 financial instruments. In general, DCF methods are used for the measurement. The determination of discounted cash flows is subject to a wide range of planning assumptions that are sensitive to change and therefore may have a significant impact on the valuation. Key inputs that are not observable on the market are the enterprise values underlying the calculations and the risk-adjusted debt discount rates applied. A 5% increase in the underlying enterprise values would increase the (negative) fair value of the put options by EUR 1 million as of the reporting date, whereas a 5% decrease would reduce it by EUR 1 million. In contrast, a change in the discount rate by plus or minus one percentage point would have no notable effect.

The fair values of loans and borrowings and promissory notes are determined by discounting the expected future cash flows using the interest rates applicable to similar financial liabilities with comparable remaining terms.

The following table shows the reconciliation of the respective fair values to the end of the reporting period for financial instruments that are regularly measured at fair value and assigned to level 3:

RECONCILIATION OF LEVEL 3 FAIR VALUES
in EUR m

	Equity instruments	Liabilities from put options
Balance as of January 1, 2022	**270**	**60**
Gains or losses recognized in the income statement[1]	–67	–3
Additions from acquisitions	21	—
Disposals/Payments	–19	–9
Balance as of December 31, 2022 / January 1, 2023	**206**	**49**
Gains or losses recognized in the income statement[1]	–14	–4
Additions from acquisitions	37	—
Disposals/Payments	–26	–20
Reclassification from investments accounted for under the equity-method	35	—
Balance as of December 31, 2023	**238**	**24**

1 This line item includes unrealized losses on other equity instruments of EUR 18 million (previous year: EUR 61 million) and unrealized gains on liabilities from put options of EUR 1 million (previous year: EUR 3 million).

Apart from effects from the unwinding of discounts, which are presented in interest result, the gains or losses on instruments assigned to level 3 are presented in other financial result.

The changes recognized for equity instruments in the reporting period mainly relate to media-for-equity investments and, to a lesser extent, to fund investments. The reclassification relates to the Group’s investment in Urban Sports Club GmbH, Berlin, which, following the loss of significant influence, will be classified as a level-3-instrument and measured at fair value through profit or loss.

The disposals/payments of liabilities from put options of minus EUR 20 million relate to payments for the acquisition of shares in the course of exercising options in the Dating & Video segment.

OFFSETTING OF FINANCIAL INSTRUMENTS

All derivative transactions entered into with banks are subject to the German Master Agreement for Financial Derivatives as is customary for such transactions in the industry. As a result, these derivatives are subject to contractual netting agreements in the event that one of the parties to the contract fails to meet its payment obligations. However, they do not satisfy the offsetting criteria. Therefore presentation in the statement of financial position is on a gross basis. Otherwise, ProSiebenSat.1 Group does not have any contractual arrangements for settling financial assets and liabilities on a net basis.

The following table contains information on the netting of financial instruments and netting agreements. The figures presented are fair values that have been determined without taking into account credit value adjustments:

OFFSETTING OF FINANCIAL INSTRUMENTS
in EUR m

	Financial assets (gross presentation)	Financial liabilities offset in the statement of financial position	Financial assets (net presentation)	Amounts subject to offsetting agreements	Financial assets after offsetting (not reflected in the statement of financial position)
Derivative financial instruments 12/31/2023	55	—	55	–16	38
Derivative financial instruments 12/31/2022	106	—	106	–16	90

in EUR m

	Financial liabilities (gross presentation)	Financial assets offset in the statement of financial position	Financial liabilities (net presentation)	Amounts subject to offsetting agreements	Financial liabilities after offsetting (not reflected in the statement of financial position)
Derivative financial instruments 12/31/2023	17	—	17	–16	0
Derivative financial instruments 12/31/2022	17	—	17	–16	0

34 / Segment reporting

ProSiebenSat.1 Group reports the three segments Entertainment, Commerce & Ventures and Dating & Video.

- The Entertainment segment combines ProSiebenSat.1 Group's station portfolio with the free-TV stations SAT.1, ProSieben, Kabel Eins, sixx, SAT.1 Gold, ProSieben MAXX, and Kabel Eins Doku, as well as the free-TV stations PULS4, PULS24, ATV 1, ATV II and Puls 8 of our Group subsidiaries in Austria and Switzerland and the streaming-platform Joyn as the center of the digital entertainment-offering. Joyn offers all live TV services of the ProSiebenSat.1 station family, a comprehensive media library as well as exclusive previews and catch-ups of all formats on demand. Alongside Joyn, the digital media and entertainment company Studio71, as part of ProSiebenSat.1's digital entertainment offering, is specialized in the creation and marketing of digital offers, mainly in collaboration with influencers. Studio71 distributes content daily on platforms such as YouTube, TikTok, Facebook and Instagram and is represented in the USA, Canada, Germany and Great britain. These offerings are combined under the umbrella of Seven.One Entertainment Group GmbH ("Seven.One Entertainment Group"). With Seven.One Audio and its portfolio of audio formats such as podcasts, we are tapping into an additional and dynamically growing revenue market. In addition, the segment combines the sales companies Seven.One Media GmbH and Seven.One AdFactory GmbH and various commercial websites. Moreover, the program production and distribution business of Seven.One Studios GmbH ("Seven.One Studios"), is also integrated in this segment. Its extensive portfolio includes entertainment, reality and factual formats as well as TV series, TV films and digital content.

- The Commerce & Ventures segment includes SevenVentures, which offers established growth companies individually tailored support for their further development with a flexible investment model comprising minority investments and media cooperations. The investment vehicle SevenGrowth, with companies such as marktguru Deutschland GmbH and wetter.com GmbH, and NuCom Group also belongs to this segment. In 2018, ProSiebenSat.1 Group agreed a long-term partnership with General Atlantic, through which General Atlantic holds a non-controlling interest of 28.4% in NuCom Group. NuCom Group comprises online companies that operate in the fields of Consumer Advice, and Beauty & Lifestyle. These include among others the online comparison portal Verivox (Verivox GmbH, Consumer Advice), the vehicle rental portals billiger-mietwagen.de and camperdays.de (Floyt Mobility GmbH and CamperDays GmbH, Consumer Advice) or the online beauty supplier flaconi (Flaconi GmbH, Beauty & Lifestyle). In addition, the experience provider Jochen Schweizer mydays Holding GmbH (Experiences), which was carve out from the NuCom Group as part of the transfer to ProSieben Media SE on March 13, 2023, belongs to the Commerce & Ventures segment.

- With the ParshipMeet Group brands, the Dating & Video segment covers a broad spectrum of the online dating and social entertainment market under the motto “Meet – Date – Fall in Love”. 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 enable various target groups a comprehensive offer for their search for friendships, flirting or a relationship. The revenue model is also highly diversified and includes long-term and short-term subscriptions as well as one-off purchases such as in-app purchases of virtual products and marketing services. Since September 4, 2020, General Atlantic holds a non-controlling interest of 45.0% in ParshipMeet Group.

- The reconciliation column (Holding & other) contains holding functions and other effects. The latter result from the elimination and consolidation of intra-group transactions between the segments. These business transactions are conducted at arm’s length. As in the previous year, the amounts presented in the financial year 2023 relate to the holding functions, with the exception of internal revenues.

The Executive Board, as the chief operating decision maker, measures the performance of the segments on the basis of a segment performance indicator, which is referred to as “adjusted EBITDA” in internal management and reporting. “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). The segment’s revenues are also used as a key performance indicator.

The following table contains the segment information of ProSiebenSat.1 Group:

SEGMENT INFORMATION 2023

in EUR m

	Entertainment	Commerce & Ventures	Dating & Video	Total Segments	Reconciliation (Holding & other)	**Total Group**
Revenues	2,645	847	434	3,926	–74	3,852
External revenues	2,574	844	434	3,852	—	3,852
Internal revenues	71	3	0	74	–74	—
Adjusted EBITDA	473	59	72	604	–27	578
Reconciling items	–392	–9	–8	–409	–29	–437
Depreciation, amortization and impairments	118	61	31	210	17	227
Investments	1,041	25	12	1,077	71	1,148
thereof programming assets	928	—	—	928	—	928

SEGMENT INFORMATION 2022

in EUR m

	Entertainment	Commerce & Ventures	Dating & Video	Total Segments	Reconciliation (Holding & other)	Total Group
Revenues	2,987	759	518	4,264	–101	4,163
External revenues	2,888	757	518	4,163	—	4,163
Internal revenues	98	3	—	101	–101	—
Adjusted EBITDA	563	41	99	703	–25	678
Reconciling items	–1	–7	3	–6	–7	–12
Depreciation, amortization and impairments	150	231	30	411	19	430
Investments	1,004	29	13	1,046	66	1,112
thereof programming assets	895	—	—	895	—	895

For segment reporting, intra-group leasing transactions are classified by the lessor as operating leases. The lessee reports neither a right-of-use asset nor a lease liability and recognizes the lease payments directly in expenses.

Depreciation, amortization and impairments reported for a segment are attributable to the assets allocated to that segment. This includes impairments of EUR 37 million (previous year: EUR 229 million). The Commerce & Ventures segment accounts for EUR 20 million (previous year: EUR 177 million) thereof and the Entertainment segment for EUR 16 million (previous year: EUR 51 million). In the Commerce & Ventures segment, impairment losses were offset by reversals of impairment losses in the amount of EUR 5 million (previous year: EUR 0 million). Amortization and impairments of programming assets- these are recognised as consumption in adjusted EBITDA - and impairments of financial investments or current financial assets are not allocated to the individual segments. For further information, please refer to

→ Note 17 “Goodwill” → Note 19 “Other intangible assets”
→ Note 20 “Property, plant and equipment and rights-of-use to property, plant and equipment”

Investments were made for other intangible assets, property, plant and equipment and programming assets.

The segments‘ adjusted EBITDA is reconciled to the Group’s net income as follows:

RECONCILIATION OF SEGMENT INFORMATION

in EUR m

	2023	2022
Adjusted EBITDA of reportable segments	604	703
Eliminations and other reconciliations	–27	–25
Adjusted EBITDA of the Group	**578**	**678**
Reconciling items	–437	–12
Financial result	–78	–139
Depreciation, amortization and impairments	–227	–430
Income taxes	30	–147
Net income	**–134**	**–49**

The reconciling items, which are taken into account when determining adjusted EBITDA, are distributed among the following categories:

PRESENTATION OF THE RECONCILING ITEMS

in EUR m

	2023	2022
Income from changes in scope of consolidation	—	23
Fair value adjustments of share-based payments	2	11
Income from other one-time items	0	3
Income adjustments	**2**	**38**
M&A related expenses	–9	–28
Reorganization expenses	–80	–5
Expenses for legal claims	0	–1
Expenses from changes in scope of consolidation	–3	–3
Expenses for other one-off effects[1]	–23	–13
Valuation effects relating to strategic realignments of business units	–324	–1
Expense adjustments	**–440**	**–50**
Reconciling items	**–437**	**–12**

1 In 2023, this includes the severance payment of EUR 4.5 million for Wolfgang Link, who left the Executive Board on July 15, 2023. In the previous year, this included a severence payment of EUR 8.7 million for Rainer Beaujean, who left with effect from October 31,2022.

The reconciling items mainly include impairments of programming assets and provisions for fixed programming purchase obligations that had to be recognized in connection with the realignment of the programming strategy announced in December 2023. They also largely include reorganization expenses as part of the realignment of the Group's growth strategy in the Entertainment segment and in the holding company as well as in the Dating & Video segment. For the expenses incurred in the course of the realignment, see

→ **Note 7 “Cost of sales”**

In addition to the changes to the Group Management Board, the expenses from other one-off effects mainly relate to consulting services in connection with the clarification of the Payment Services Supervision Act.

→ **Note 31 “Contingent liabilities”**

Information about the geographical distribution of ProSiebenSat.1 Group’s external revenues and non-current assets is presented below, divided into the geographical regions of Germany, Austria and Switzerland (DACH), the United States of America (USA), and Others.

INFORMATION ABOUT GEOGRAPHIES
in EUR m

	DACH		USA		Others		**Total Group**	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
External revenues	3,179	3,218	564	798	109	147	3,852	4,163
Non-current assets	3,388	3,545	595	630	37	34	4,020	4,209

In the DACH region, Germany accounts for external revenues of EUR 2,914 million (previous year: EUR 2,947 million) and non-current assets of EUR 3,337 million (previous year: EUR 3,499 million).

Revenues and non-current assets are allocated based on the country of domicile of the subsidiary that recognizes the revenues or holds the non-current assets.

Non-current assets reported include goodwill, other intangible assets, property, plant and equipment, and non-current programming assets.

As in the previous year, no single customer accounted for more than 10% of Group revenues in the financial year 2023.

35 / Share- and performance-based payment

PERFORMANCE SHARE PLAN

The Performance Share Plan (PSP) is a long-term compensation instrument, which was developed for members of the Executive Board and selected executives of ProSiebenSat.1 Group. The beneficiaries and the number of Performance Share Units (PSUs) granted were determined by the Executive Board of ProSiebenSat.1 Media SE with the approval of the Supervisory Board or – if pertaining to Executive Board members – by the Supervisory Board. Since the financial year 2021, the PSP has been issued only to members of the Executive Board.

On June 1, 2021, the Annual General Meeting approved a new compensation system for the members of the Executive Board. The new compensation system (hereinafter: 2021 compensation system) applies to all new Executive Board employment contracts and to contract extensions. As a result, only the 2021 compensation system applies in the 2023 financial year. In the previous financial year, both the 2018 compensation system applied to the Executive Board employment contracts in force in the previous year and the 2021 compensation system applied to new Executive Board employment contracts and contract extensions.

The terms of the plan and the key performance indicators of the PSP for both compensation systems are explained below. For further information, please refer to the following section:
→ **Compensation Report**

Terms of the plan (2021 compensation system and 2018 compensation system)

The PSP is structured as multi-year variable remuneration in the form of virtual shares. Tranches are granted annually, each with a four-year performance period. Payment is made in cash in year five, the year after the end of the performance period. ProSiebenSat.1 Media SE has the right to choose equity settlement rather than cash settlement and to deliver a corresponding number of own shares for this purpose.

In accordance with IFRS 2, PSUs are measured at fair value. The fair value is determined on the basis of a recognized option pricing model and varies with the share price performance of ProSiebenSat.1 Media SE and the achievement of targets based on internal and external company performance. In the 2021 compensation system, the Company's performance is measured based on P7S1 ROCE at Group level with a weighting of 70% and the relative total shareholder return (TSR – shareholder return for ProSiebenSat.1 Media SE shares compared to shareholder return for companies in the selected benchmark index STOXX Europe 600 Media) with a weighting of 30%. In the 2018 compensation system, the Company's performance is measured based on adjusted net income at Group level as well as the relative TSR, each with a weighting of 50%.

An individual allotment value is specified in the service contract for each member of the Executive Board. With effect from the start of a financial year, a number of PSUs corresponding to the allotment value will be granted on the basis of the volume-weighted average XETRA closing price of the ProSiebenSat.1 Media SE share over the 30 trading days preceding the start of the financial year. After the end of the four-year performance period, the PSUs granted are converted into a final number of PSUs with an overall target achievement determined by the weighted target achievement of P7S1 ROCE and relative TSR (2021 compensation system) or adjusted net income and relative TSR (2018 compensation system). The payout amount per PSU corresponds to the volume-weighted average XETRA closing price of the ProSiebenSat.1 Media SE share over the 30 trading days preceding the end of the performance period, plus the accumulated dividend payments on the ProSiebenSat.1 Media SE share during the performance period. The payout amount is limited to a maximum of 200% of the individual allotment value per tranche (cap). In the case of a settlement in own shares, the payout amount is converted into a corresponding number of own shares of the Company issued to the beneficiaries on the basis of the above average price.

P7S1 ROCE at Group level (2021 compensation system)

P7S1 ROCE stands for ProSiebenSat.1 Group's return on capital employed and 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 of assets from purchase price allocations, and other reconciling items are also adjusted for in the calculation of adjusted EBIT. Capital employed is the difference between intangible assets (including goodwill and assets arising from purchase price allocations), property, plant and equipment, investments accounted for using the equity method, media-for-equity investments, programming assets, inventories, trade accounts receivable and current other financial assets (excluding derivatives) and other receivables and assets minus other provisions, trade and other payables, liabilities to investments accounted for using the equity method and other liabilities. The figure relates to the average of the reporting dates of the last five quarters. P7S1 ROCE in an industry-standard and frequently used performance indicator that tracks return on capital employed and creates incentives for continuous value enhancement. ProSiebenSat.1 Group reports on P7S1 ROCE in its regular financial reporting.

The target achievement for P7S1 ROCE is determined using the average annual target achievement of P7S1 ROCE over the four-year performance period. Before the start of each financial year, the Supervisory Board sets the target value in percent for P7S1 ROCE, adopting the value from the budget planning for the respective financial year as the 100% value. To ascertain the target achievement, the actual P7S1 ROCE as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE is compared with the target value for the respective financial year.

If the P7S1 ROCE achieved corresponds to the target value, target achievement is 100%. If there is a negative deviation of 15% or more from the target value, target achievement is 0%. For maximum target achievement of 200%, the P7S1 ROCE achieved must exceed the target value by 15% or more. Intermediate values are interpolated on a straight-line basis.

Relative total shareholder return (TSR) (2021 compensation system)

Relative total shareholder return (relative TSR) represents a comparison of the shareholder return (share price performance including hypothetically reinvested gross dividends) on shares in ProSiebenSat.1 Media SE with that of the companies listed in STOXX Europe 600 Media. The relative comparison incentivizes the outperformance of competitors on the capital market and thus measures the performance of the ProSiebenSat.1 Media SE share independently of economic effects. The target achievement for relative TSR is determined using the average annual target achievement of relative TSR over the four-year performance period. Firstly, the TSR for ProSiebenSat.1 Media SE and for the companies listed in STOXX Europe 600 Media is determined on an annual basis. Then, the calculated TSR values are ranked and the relative positioning of ProSiebenSat.1 Media SE in this ranking is determined.

If the relative TSR achieved by ProSiebenSat.1 Media SE corresponds to the median (50th percentile rank) of the peer group, the target achievement is 100%. When positioned at or below the 25th percentile rank, the target achievement is 0%. Maximum target achievement of 200% requires that at least the 90th percentile rank is reached. Intermediate values are interpolated on a straight-line basis.

Adjusted net income at Group level (2018 compensation system)

For each tranche, target achievement with regards to adjusted net income is determined using the average annual target achievement over the four-year performance period. The target value for each financial year of the performance period is determined annually in euro by the Supervisory Board and is derived from the budget planning for the Group: In a first step, the actual adjusted net income generated according to the relevant audited and approved consolidated financial statements of ProSiebenSat.1 Media SE is adjusted, if necessary, for effects from material changes in IFRS accounting and from effects of M&A transactions carried out within the reporting period that are not included in the planning (together with related financing effects). In a second step, the resulting adjusted net income is then compared with the target adjusted net income for the respective financial year.

If the actual adjusted net income corresponds to the target value, the target achievement is 100%. In the case of a negative deviation of 20% or more from the target adjusted net income, the target achievement is 0%. For the maximum target achievement of 200%, the actual adjusted net income must exceed the target adjusted net income by 20% or more. Intermediate values are interpolated on a straight-line basis. The adjusted net income target achievement curve is symmetrical, which means that any underachievement or overachievement of the target is equally taken into account.

Relative total shareholder return (TSR) (2018 compensation system)

In addition, 50% of the final number of PSUs are dependent on the relative TSR of ProSiebenSat.1 Media SE's shares compared with STOXX Europe 600 Media companies. In contrast to the 2021 compensation system, relative TSR in the 2018 compensation system is determined once over the four-year performance period.

The following table presents the main information about the individual tranches of the PSP of ProSiebenSat.1 Group:

PERFORMANCE SHARE PLAN

in PSUs	PSP 2023	PSP 2022	PSP 2021	PSP 2020
As of January 1, 2023	**—**	**264,961**	**220,135**	**425,088**
Granted in 2023	461,567	—	—	—
Forfeited in 2023	132,186	52,381	0	2,944
As of December 31, 2023	**329,381**	**212,580**	**220,135**	**422,144**
Grant date	January 1, 2023	1. Januar 2022	1. Januar 2021	1. Januar 2020
Vesting period	2023 to 2026	2022 bis 2025	2021 bis 2024	2020 bis 2023

The number of PSUs issued in tranches 2020 to 2021 is subject exclusively to the provisions of the 2018 compensation system, whereas the number of PSUs issued in the financial year 2022 is subject to the provisions of both the 2018 compensation system and the 2021 compensation system, depending on which compensation system applied for the entitled Executive Board member in the financial year. The number of PSUs issued in the 2023 financial year is subject exclusively to the provisions of the 2021 compensation system.

In personnel expenses, the adjustment of the provisions for the issued PSUs resulted in total income of EUR 1 million (previous year: EUR 4 million). As of December 31, 2023, the current other provision amounts to EUR 1 million (previous year: EUR 2 million) and the non-current other provision to EUR 2 million (previous year: EUR 4 million).

Each tranche of the PSP is paid out or settled in the year the audited and approved Consolidated Financial Statements for the last financial year of the four-year performance period of the respective tranche are published. The final payment of the last tranche from the 2019 financial year in the amount of EUR 1 million was therefore made in the 2023 financial year.

GROUP LONG-TERM INCENTIVE PLAN (LTI)

The Group maintains another long-term, KPI-based compensation plan for selected executives of ProSiebenSat.1 Group below Executive Board level. This plan was issued for the first time in the financial year 2021 and serves to successively replace the PSP and other share-based, long-term compensation instruments for the selected executives of ProSiebenSat.1 Group. Under this long-term compensation plan, the plan participants are annually measured against two performance parameters, P7S1 ROCE and organic revenue growth, for the plan term of three financial years. The (weighted) performance parameters are used to determine the plan participants' annual bonus entitlement.

As of December 31, 2023, the non-current other provisions recognized in connection with the Group LTI amount to EUR 2 million (previous year: EUR 3 million) and the current other provisions EUR 3 million (previous year: EUR 0 million). In personnel expenses, the adjustment of the provisions resulted in total expenses of EUR 2 million (previous year: EUR 2 million).

OTHER COMPENSATION MODELS

Commerce & Ventures segment

In the Commerce & Ventures segment, there are also share-based, long-term compensation instruments for managing directors and certain executives of Group entities.

These long-term compensation plans are to be settled mainly in cash, with the respective payout being measured on the basis of the relevant increase in enterprise value during the respective vesting period or upon the occurrence of an exit event (for example, an IPO or sale of the shares). The fair values of the compensation entitlements earned are calculated using a Black-Scholes option pricing model and based on the corporate planning adopted by the management of ProSiebenSat.1 Group. None of these plans in itself has a material effect on the Group's assets, liabilities, financial position and profit or loss. As of December 31, 2023, the non-current other provisions recognized in connection with these plans amount to EUR 0 million (previous year: EUR 1 million). In personnel expenses, the adjustment of the provisions resulted in total income of EUR 0 million (previous year: EUR 7 million).

Dating & Video segment

In the Dating & Video segment, the Group maintains share-based, long-term compensation instruments for managing directors and certain executives of ParshipMeet Group.

A share-based, long-term compensation instrument grants plan participants a right to shares in the entity with a cash settlement option (ESOP). The plan participants obtain the right to acquire a certain number of shares in ParshipMeet Group for no consideration. In return, the Group has the right to buy back these shares from the respective plan participants at the market price of the shares at the time of the repurchase. The shares are earned until the end of the four-year vesting period on a straight-line basis over the term or, if an exit event occurs before the end of the term, are paid out early and in full. Under certain conditions and at the request of the plan participants, the terms of the plan also provide for the early payout of partial amounts already earned.

In addition, the ParshipMeet Group maintains other virtual share-based, long-term incentive programs (VESOPs). The plans grant a right to participate in the increase in value of the ParshipMeet Group with cash settlement. They have terms of three to four years and vest early upon the occurrence of an exit event. Different exercise prices and individual payment caps apply to these plans.

As of the reporting date, the fair value of the subscription rights is calculated using a Black-Scholes option pricing model and based on the latest corporate planning adopted by the management of ProSiebenSat.1 Group. The most important inputs for the fair value measurement as of December 31, 2023, are the fair value of ParshipMeet Group calculated using a DCF method, a volatility of 54.9% (previous year: 53.0%) and a risk-free interest rate of 2.7% (previous year: 2.0%). The volatility was calculated using a standard peer group.

As of December 31, 2023, the current other provisions recognized in connection with these plans amount to EUR 0 million (previous year: EUR 10 million). In personnel expenses, the adjustment to the provisions lead to a total income of EUR 5 million (previous year: EUR 1 million). In the financial year 2023, an amount of EUR 4 million (previous year: EUR 1 million) was paid out from the plans.

KEY ASSUMPTIONS AND ESTIMATES

Cash-settled share- and performance-based compensation plans are to be remeasured at each reporting date. The valuation is based to a considerable extent on the results forecast as part of the corporate planning process, which are subject to significant estimation uncertainties and can fluctuate considerably if the underlying assumptions change. The results actually achieved may therefore differ significantly from the forecasts taken into consideration in the valuation. In addition, the valuation depends on assumptions about the occurrence or timing of certain plan conditions, such as exit events. Changes in assumptions can have a significant impact on the amount of obligations recognized and the course of expense recognition.

36 / Related parties

Related parties of ProSiebenSat.1 Group are persons and companies that control ProSiebenSat.1 Group, exercise significant influence over it, or are controlled or significantly influenced by ProSiebenSat.1 Group.

In the financial year 2023, as in the previous year, the members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE as well as associates and joint ventures of ProSiebenSat.1 Group were defined as related parties.

In addition, MFE - MEDIAFOREUROPE N.V., Amsterdam, Netherlands ("MFE") and its subsidiaries and joint ventures have been identified as related parties since June 30, 2023. MFE holds 26.58% of the voting rights in the company and instruments within the meaning of Section 38 para. 1 no. 1 WpHG, which grants the holder the right to acquire further shares in the amount of 2.29%. In addition, MFE has been represented on the ProSiebenSat.1 Supervisory Board since the Annual General Meeting on June 30, 2023. No material transactions took place with MFE and its subsidiaries and joint ventures in the reporting year.

EXECUTIVE BOARD AND SUPERVISORY BOARD

The members of the Executive Board and Supervisory Board, including their memberships in other statutory supervisory boards and comparable controlling bodies, are listed in the Annual Report under “Members of the Executive Board” and “Members of the Supervisory Board.” The compensation system for the members of the Executive Board and Supervisory Board is explained in more detail in the Compensation Report.

→ Members of the Executive Board → Members of the Supervisory Board → Compensation Report

Martin Mildner has been Member of the Executive Board & Chief Financial Officer (Group CFO) of ProSiebenSat.1 Media SE since May 1, 2023. Martin Mildner succeeds Ralf Peter Gierig, who resigned from his position 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. He left the Excecutive Board by mutual agreement with the Supervisory Board of ProSiebenSat.1 Media SE.

Also, Wolfgang Link, former Chief Entertainment Officer and CEO of Seven.One Entertainment Group GmbH, has decided to leave the Group as of July 15, 2023, by mutal agreement. Due to the strategic realignment of the Group and the focus on the core business Entertainment, Bert Habets (Group CEO) has taken over the management of the Entertainment segment.

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, Deputy Chairwoman of the Supervisory Board, and Lawrence A. Aidem and Dr. Antonella Mei-Pochtler, members of the Supervisory Board, expired at the end of the Annual General Meeting. Another seat had become vacant due to Bert Habets' move from the Supervisory Board to the Group Executive Board on November 1, 2022.

At the request of the Executive Board of ProSiebenSat.1 Media SE, the Munich Local Court 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 office after nine years as of June 30, 2023. The appointment took effect on October 16, 2023, and is initially valid until the end of the next Annual General Meeting.

In the financial year 2023 as in the previous year, the Executive Board compensation includes both the compensation of active Executive Board members and the compensation of the Executive Board members who left in the financial year 2023.

The compensation of the members of the Executive Board in office at the end of the financial year, including the prorated regular compensation for members who left in the past year, amounted to EUR 6.5 million in the reporting year (previous year: EUR 8.5 million). This compensation includes variable components of EUR 3.4 million (previous year: EUR 4.8 million) and fringe benefits of EUR 0.1 million (previous year: EUR 0.1 million). The variable compensation includes one-year compensation of EUR 0.7 million (previous year: EUR 1.2 million) and multi-year variable compensation of EUR 2.7 million (previous year: EUR 3.6 million).

Total compensation for former members of the Executive Board and those who left during the financial year amounted to EUR 7.7 million in the financial year 2023 (previous year: EUR 10.9 million). This includes the severance payment of the former Chief Entertainment Officer and CEO of Seven.One Entertainment Group GmbH Wolfgang Link in the amount of EUR 4.5 million.

At the end of the financial year 2023, active members of the Executive Board and those who departed in the financial year held a total of 689,438 PSUs (previous year: 747,087 PSUs) under the PSP. The total expenses for share-based payments in the reporting period amount to EUR 0.5 million (previous year: EUR 0.1 million).

As of December 31, 2023, ProSiebenSat.1 Media SE recognized pension provisions of EUR 1.4 million (previous year: EUR 2.2 million) for pension commitments to active members of the Executive Board in the financial year 2023 and those who departed during the financial year. As of December 31, 2023, pension obligations for former members of the Executive Board amount to EUR 23.6 million (previous year: EUR 22.1 million).

The total entitlement of active members of the Executive Board to pension benefits that have accrued in 2023, amounts to EUR 2.4 million (previous year: EUR 2.9 million), of which EUR 0.6 million (previous year: EUR 1.1 million) is attributable to the Executive Board members who departed in the financial year. As of December 31, 2023, the entitlement of members of the Executive Board who departed in earlier financial years to accrued pension benefits amounts to EUR 11.6 million (previous year: EUR 11.3 million). Further information on the entitlement to pension benefits accrued in 2023 can be found in
→ Note 27 "Provisions for pensions"

Benefits to the Executive Board are due in the short term – except for PSP tranches 2021-2023 and pension entitlements.

The total compensation of Supervisory Board members including attendance fees amounted to EUR 1.6 million in the financial year 2023 (previous year: EUR 1.6 million).

As in the previous year, there were no other significant transactions between the Company and members of the Executive Board and Supervisory Board.

ASSOCIATES AND JOINT VENTURES

ProSiebenSat.1 Group maintains relationships in the ordinary course of business with some of its associates and joint ventures. In doing so, the Company generally buys and sells products and services on market terms.

VOLUME OF TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES

in EUR m

	2023 / December 31, 2023			2022 / December 31, 2022		
	Associates	Joint ventures	**Total**	Associates	Joint ventures	Total
Income statement						
Revenues from goods sold and services rendered	117	2	119	121	32	153
Expenses from goods purchased and services received	26	1	27	24	24	48
Statement of financial position						
Receivables	18	1	19	17	1	17
Payables	0	—	0	7	0	7

In the previous year, the revenues and expenses still include transactions with the former joint venture Joyn, which was recognized as a related party until conclusion of the majority acquisition on October 31, 2022.

37 / Professional fees of the independent auditor

The following professional fees for services provided by the auditor EY were incurred:

in EUR m

	2023	2022
Audit services	5.3	3.8
Other attestation services	0.3	0.4
Total auditor fees	**5.7**	**4.2**

These disclosures relate exclusively to the legally independent entity of the appointed auditor, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart.

The fees for audit services comprise the audit of the Consolidated Financial Statements, the audits of the separate financial statements of ProSiebenSat.1 Media SE and its subsidiaries, reviews of interim financial statements being integrated into the audit and project-related IT audits. EUR 1.2 million of the audit services recognized in the current financial year relate to the previous year. Other attestation services mainly relate to the non-financial declaration, the sustainability reporting and the Compensation Report.

38 / Corporate governance

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 pursuant to section 161 of the German Stock Corporation Act (AktG) and made it permanently accessible to the public on ProSiebenSat.1 Group’s website.

→ www.prosiebensat1.com/en/investor-relations/corporate-governance/management-declaration

39 / 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.

40 / List of subsidiaries and associated companies of ProSiebenSat.1 Group pursuant to section 313 (2) of the German Commercial Code (HGB)

(As of December 31, 2023)

Company	Footnote	Location	Equity interest in %
ProSiebenSat.1 Media SE		Unterföhring	
SUBSIDIARIES			
Germany			
7Love Holding GmbH	[1]	Hamburg	98.47
AdTech S8 GmbH		Unterföhring	100.00
Alpina Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Unterföhring KG	[2]	Mainz	0.00
be Around GmbH		Berlin	100.00
be Around Holding GmbH	[3]	Berlin	80.00
CamperDays GmbH		Cologne	100.00
Cheerio Entertainment GmbH		Cologne	100.00
esome advertising technologies GmbH		Hamburg	100.00
Fem Media GmbH		Unterföhring	100.00
Flaconi Gesellschaftertreuhand GmbH		Berlin	100.00
Flaconi GmbH		Berlin	100.00
Flaconi Logistik GmbH & Co. KG		Berlin	100.00
Flat White Productions GmbH	[4]	Cologne	100.00
FLOYT Mobility GmbH		Cologne	100.00
Glomex GmbH	[4]	Unterföhring	100.00
Jochen Schweizer GmbH		Munich	100.00
Jochen Schweizer mydays Holding GmbH	[1]	Munich	89.90
Joyn GmbH		Munich	100.00
JSMD Event GmbH		Munich	100.00
Kairion GmbH		Frankfurt am Main	100.00
Marketplace GmbH		Berlin	100.00
marktguru Deutschland GmbH		Munich	90.00
Masterpiece Gaming GmbH		Norderstedt	100.00
MMP Event GmbH		Cologne	100.00
mydays GmbH		Munich	100.00
NCG - NUCOM GROUP SE		Unterföhring	71.59
NCG Commerce GmbH		Unterföhring	100.00
P7S1 SBS Holding GmbH	[4]	Unterföhring	100.00
PARSHIP ELITE Service GmbH		Hamburg	100.00
Parship Group GmbH		Hamburg	100.00
ParshipMeet Holding GmbH		Hamburg	55.00
PE Digital GmbH		Hamburg	100.00
PEG Management GmbH & Co. KG	[5]	Unterföhring	65.15
ProSiebenSat.1 Achte Verwaltungsgesellschaft mbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Digital Content GmbH		Unterföhring	100.00
ProSiebenSat.1 Digital Data GmbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Entertainment Investment GmbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Erste Verwaltungsgesellschaft mbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Fünfzehnte Verwaltungsgesellschaft mbH	[4]	Unterföhring	100.00
ProSiebenSat.1 GP II GmbH		Unterföhring	100.00
ProSiebenSat.1 Services GmbH		Unterföhring	100.00
ProSiebenSat.1 Tech & Services International Holding GmbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Tech Solutions GmbH	[4]	Unterföhring	100.00
Pyjama Pictures GmbH		Berlin	55.00
Red Arrow Studios International GmbH	[4]	Unterföhring	100.00
RedSeven Entertainment GmbH	[4]	Unterföhring	100.00
SAM Sports - Starwatch Artist Management GmbH		Hamburg	100.00
Sat.1 Norddeutschland GmbH	[4]	Hanover	100.00

(As of December 31, 2023)

Company	Footnote	Location	Equity interest in %
Seven.One AdFactory GmbH	[4]	Unterföhring	100.00
Seven.One Entertainment Group GmbH		Unterföhring	100.00
Seven.One Media GmbH	[4]	Unterföhring	100.00
Seven.One Production GmbH	[4]	Unterföhring	100.00
Seven.One Studios GmbH	[4]	Unterföhring	100.00
SevenOne Capital (Holding) GmbH	[4]	Unterföhring	100.00
SevenPictures Film GmbH	[4]	Unterföhring	100.00
SevenVentures GmbH	[4]	Unterföhring	100.00
SMARTSTREAM.TV GmbH		Munich	91.00
Studio 71 GmbH		Berlin	100.00
Stylight GmbH		Munich	100.00
TMG Holding Germany GmbH		Dresden	100.00
tv weiss-blau Rundfunkprogrammanbieter GmbH	[4]	Unterföhring	100.00
Verivox Finanzvergleich GmbH		Heidelberg	100.00
Verivox GmbH		Heidelberg	100.00
Verivox Holding GmbH		Unterföhring	100.00
Verivox Versicherungsvergleich GmbH		Heidelberg	100.00
Virtual Minds GmbH		Freiburg im Breisgau	100.00
VX Sales Solutions GmbH		Heidelberg	100.00
wetter.com GmbH	[4]	Konstanz	100.00
Armenia			
Marktguru LLC		Yerevan	100.00
Australia			
eHarmony Australia Pty Limited		Sydney	100.00
Denmark			
Snowman Productions ApS		Copenhagen	100.00
Israel			
July August Communications and Productions Ltd.		Tel Aviv	100.00
The Band´s Visit LP		Tel Aviv	55.00
Mexico			
Quepasa.com de Mexico, S.A. de C.V.		Hermosillo	99.00
The Netherlands			
P7S1 Broadcasting Holding I B.V.		Amsterdam	100.00
SNDC8 B.V.		Amsterdam	100.00
Austria			
ATV Privat TV GmbH		Vienna	100.00
ATV Privat TV GmbH & Co KG		Vienna	100.00
ProSieben Austria GmbH		Vienna	100.00
ProSiebenSat.1Puls 4 GmbH		Vienna	100.00
Puls 4 TV GmbH		Vienna	100.00
PULS 4 TV GmbH & Co KG		Vienna	100.00
SAT.1 Privatrundfunk und Programmgesellschaft m.b.H.		Vienna	75.50
SevenVentures Austria GmbH		Vienna	100.00
Visivo Consulting GmbH		Vienna	63.78
Portugal			
P7S1 Tech Hub, Unipessoal, Lda.		Porto	100.00
Romania			
MyVideo Broadband S.R.L.		Bucharest	100.00
Sweden			
Snowman Productions AB		Stockholm	100.00
Switzerland			
ADITION Schweiz GmbH in liquidazione		Locarno	100.00
Seven.One Entertainment Group Schweiz AG		Zurich	100.00
SevenVentures (Schweiz) AG in Liquidation		Zurich	100.00
Serbia			

(As of December 31, 2023)

Company	Footnote	Location	Equity interest in %
esome advertising technologies d.o.o. Beograd		Belgrade	100.00
Spain			
CamperDays Technology, S.L.		Alicante	100.00
FLOYT Technology S.L.		Alicante	100.00
Ukraine			
Glomex TOV		Kiev	100.00
United Kingdom			
CPL Good Vibrations Limited		London	100.00
CPL Productions Limited		London	100.00
CPL RB Limited		London	100.00
CPL Tiny Beast Limited		London	100.00
eHarmony UK Limited		London	100.00
Endor (Vienna 2) Limited		London	100.00
Endor (Vienna 3) Limited		London	100.00
Endor (Vienna 4) Limited		London	100.00
Endor Productions Limited		London	100.00
Glomex Limited		Birmingham	100.00
LHB Limited		London	100.00
P7S1 Broadcasting (UK) Limited		London	100.00
ProSiebenSat.1 Digital Content GP Limited		London	100.00
ProSiebenSat.1 Digital Content LP		London	99.15
Red Arrow Studios Limited		London	100.00
Spider Pictures Limited		London	100.00
Studio 71 UK Limited		London	100.00
United States of America			
8383 Productions, LLC		Beverly Hills, CA	100.00
Collected Labs LLC		Wilmington, DE	100.00
Digital Air LLC		Beverly Hills, CA	100.00
Digital Atoms, LLC		Beverly Hills, CA	100.00
Digital Bytes, LLC		Beverly Hills, CA	100.00
Digital Cacophony, LLC		Beverly Hills, CA	100.00
Digital Diffusion, LLC		Beverly Hills, CA	100.00
Digital Echo, LLC		Beverly Hills, CA	100.00
Digital Fire LLC		Beverly Hills, CA	100.00
eHarmony, Inc.		Wilmington, DE	100.00
Fabrik Entertainment, LLC		Wilmington, DE	100.00
Fourteenth Hour Productions, LLC		Beverly Hills, CA	100.00
HI5 Inc.		Wilmington, DE	100.00
Ifwe Inc.		Wilmington, DE	100.00
Initech, LLC		Olympia, WA	100.00
Node Productions, LLC		Beverly Hills, CA	100.00
ParshipMeet US Holding Inc.		Wilmington, DE	100.00
Pave Network, LLC		Beverly Hills, CA	100.00
Prank Film, LLC		Beverly Hills, CA	100.00
Red Arrow Studios, Inc.		Wilmington, DE	100.00
Seven.One NewsTime Inc.		Wilmington, DE	100.00
Skout, LLC		Wilmington, DE	100.00
Studio 71 (Canada), Inc.		Beverly Hills, CA	100.00
Studio 71 GP, LLC		Wilmington, DE	100.00
Studio 71, LP		Wilmington, DE	100.00
Stylight Inc.		Lewes, DE	100.00
The Fred Channel, LLC		Beverly Hills, CA	70.00
The Meet Group, Inc.		Wilmington, DE	100.00
ASSOCIATES			
Germany			

(As of December 31, 2023)

Company	Footnote	Location	Equity interest in %
AGF Videoforschung GmbH		Frankfurt am Main	17.65
Corint Media GmbH		Berlin	30.49
koakult GmbH		Berlin	33.33
Sportority Germany GmbH		Munich	40.00
SPREE Interactive GmbH		Nuremberg	19.55
Switzerland			
Goldbach Audience (Switzerland) AG		Küsnacht (ZH)	24.95
Goldbach Media (Switzerland) AG		Küsnacht (ZH)	22.96
Swiss Radioworld AG		Küsnacht (ZH)	22.96
United States of America			
Remagine Media Ventures, L.P.		Wilmington, DE	30.50
JOINT VENTURES			
Germany			
Addressable TV Initiative GmbH		Frankfurt am Main	50.00
d-force GmbH		Freiburg im Breisgau	50.00
United Kingdom			
European Broadcaster Exchange (EBX) Limited		London	25.00
Nit Television Limited		London	50.01

Company	Footnote	Location	Equity interest in %	Currency	Equity in thousands	Net income in thousands
OTHER MATERIAL INVESTMENTS						
Germany						
tink GmbH	[6]	Berlin	16.23	EUR	29,716	−2,390
Urban Sports GmbH	[6]	Berlin	16.80	EUR	128,208	−16,878
Cayman Islands						
Minute Media Inc.	[6]	Grand Cayman	2.81	USD	—	—
Luxembourg						
FRIDAY Insurance S.A.	[6]	Leudelange	10.59	EUR	37,376	−31,984

[1] Due to option rights in the reporting year consolidated at 100%.
[2] Control due to contractual agreements to direct the relevant activities.
[3] Due to option rights in the reporting year consolidated at 90%.
[4] Company meets the requirements of Section 264 (3) of the German Commercial Code (HGB) and exercises the option to be exempted from certain requirements on the preparation, auditing and disclosure of the annual financial statements and the management report.
[5] A subsidiary of ProSiebenSat.1 Media SE is the general partner of this company.
[6] Values according to the latest available annual financial statements (according to local accounting standards), if published.

INFORMATION

Explanatory Notes on Reporting Principles__284

Responsibility Statement__286

Independent Auditor's Report__287

Independent Auditor's Report:

Non-Financial Report__297

Independent Auditor's Report:

Sustainability Report__301

Independent Auditor's Report:

Compensation Report__304

Group Key Figures:

Multi-Year Overview__306

Segment Key Figures:

Multi-Year Overview__307

Financial Calendar__308

Editorial Information__309

GRI Content Index

Explanatory Notes on the Carbon Footprint

EXPLANATORY NOTES ON REPORTING PRINCIPLES

This Annual Report 2023 provides a comprehensive description of ProSiebenSat.1 Group's performance on the basis of financial and non-financial information in financial year 2023. The reporting period is the financial year from January 1 to December 31, 2023.

CONTENT AND FORM OF THE GROUP MANAGEMENT REPORT

The Annual Report 2023 contains the ProSiebenSat.1 Group Management Report. The Compensation Report describes the main features of the compensation system for the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE for financial year 2023. It is located in the "To Our Shareholders" section of this Annual Report.

THE FOLLOWING SYMBOLS INDICATE IMPORTANT INFORMATION

→ Further information is available online or on another page of the Annual Report.

▼▲ The sustainability chapter contains the separate Non-Financial Report (NFR) for ProSiebenSat.1 Group in accordance with section 315b (1) and (3) of the German Commercial Code (HGB): The contents of the NFR are indicated by a red triangle at the beginning (▼) and end (▲) of the respective passage. In preparing the NFR, we are guided by the standards of the Global Reporting Initiative (GRI) as an international framework for sustainability reporting. The sustainability chapter also includes the ProSiebenSat.1 Group Sustainability Report prepared in accordance with the GRI standards. At the same time, the GRI Content Index provides information on how ProSiebenSat.1 Group contributes to the UN Sustainable Development Goals (SDGs). SDGs that we consider particularly relevant in the context of our sustainability strategy are bold. The complete GRI content index can be found in in the Online Annual Report 2023.

→ **GRI Content Index**

PREDICTIVE STATEMENTS ON FUTURE ASSETS, LIABILITIES, FINANCIAL POSITION AND PROFIT OR LOSS

Our 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 Consolidated 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 are explained in detail in the Risk and Opportunity Report. Potential risks are accounted for regularly and systematically as part of the Group-wide risk management process. We also report on growth potential and opportunities that we have not yet or not fully budgeted for.

→ **Risk and Opportunity Report**

ROUNDING FINANCIAL FIGURES

Due to rounding, it is possible that the figures do not exactly add up to the totals shown and that percentage figures given do not exactly reflect the absolute figures to which they relate.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

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 CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

OPINIONS

We have audited the consolidated financial statements of ProSiebenSat.1 Media SE, Unterföhring, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the fiscal year from 1 January 2023 to 31 December 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group 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. 315d HGB which is published on the website stated in the group management report and is part of the group 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 group management report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2023 and of its financial performance for the fiscal year from 1 January 2023 to 31 December 2023, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated 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 (group 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 consolidated financial statements and of the group management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the group 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 consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with 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 consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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 consolidated 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 matters:

IMPAIRMENT TESTING OF GOODWILL

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

ProSiebenSat.1 Media SE performs the impairment testing of assets required under IAS 36, Impairment of Assets, at least annually as of 31 December of each fiscal year or ad hoc. For this purpose, the carrying amount of a cash-generating unit to which goodwill has been allocated is compared with its recoverable amount. The recoverable amount is determined by the Group 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. The impairment test is also essentially based on the proper identification of the cash-generating units to which goodwill is allocated. In each case, the recoverable amount 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 cash-generating units.

In light of the complexity of the valuation process due to the use of assumptions and the judgment by the executive directors, the impairment testing of goodwill was a key audit matter.

Auditor's response

As part of our procedures, we analyzed the process implemented by the executive directors of ProSiebenSat.1 Media SE and the accounting policies for determining the recoverable amounts of cash-generating units or groups of units for those units to which goodwill has been allocated, with a view to its suitability for identifying a potential impairment requirement. We obtained an understanding of the planning process and the correct inclusion of the individual budgets and forecasts in group planning.

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 forecast market development of comparable entities and the development of 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 budgets and forecasts prepared by the Executive Board and approved by the Supervisory Board and with the current business development. We also checked planning accuracy by comparing the budgets and forecasts of prior years with the actual figures of the fiscal year.

With the aid of our internal valuation specialists, we assessed the valuation model in terms of methodology and arithmetical accuracy as well as 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 risk-adjusted capitalization rate by scrutinizing the peer companies used, comparing market data with external evidence and checking the arithmetical accuracy.

In order to identify a potential impairment risk, we additionally conducted our own sensitivity analyses on the results of the impairment test to determine which changes in specific valuation inputs would lead to a different assessment about the need to recognize an impairment loss the level of the cash-generating unit. In so doing, we considered both exogenous and endogenous changes in the planning assumptions in the various scenarios.

In addition, we assessed the information provided in the notes to the consolidated financial statements on significant accounting judgments, estimates and assumptions used in impairment testing of goodwill in respect of the requirements of IAS, 1 Presentation of Financial Statements and IAS 36.

Our procedures did not lead to any reservations relating to impairment testing of goodwill.

Reference to related disclosures

With regard to the accounting policies applied for goodwill, refer to the disclosure in note (2) “Accounting principles” in chapter (E) “Recognition and measurement” in the section on “Impairments of other non-financial assets” of the notes to the consolidated financial statements. For the related disclosures on judgments by the executive directors and sources of estimation uncertainty as well as the disclosures on goodwill, refer to note (17) “Goodwill” which also contains information on the sensitivity of the valuation results.

[2] REVENUE RECOGNITION

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

Revenues are a key financial performance indicator for the Group and are shaped by diverse business models in the various segments. In the Entertainment, Commerce & Ventures and Dating & Video segments, a risk of material misstatement exists especially in relation to the existence and timely recognition of revenues. In the Entertainment segment, there is also a risk of advertising revenues being misstated when transferring and processing campaign data from the upstream systems. Furthermore, a substantial portion of revenues from program productions is recognized over time. In this context, the estimates made by the executive directors with regard to the expected total costs or progress towards completion have a significant effect on the recognition and measurement of revenues on an accrual basis. In the Commerce & Ventures segment, there are estimation uncertainties with regard to the measurement of revenue, especially due to cancellation or return rights.

In view of their complexity, the proper allocation, recognition and measurement of the various revenue streams is subject to an elevated risk of misstatement. In light of the above, revenue recognition was a key audit matter.

Auditor's response

During our procedures, we considered, based on the criteria defined in IFRS 15, Revenue from Contracts with Customers, the accounting policies applied in the consolidated financial statements of ProSiebenSat.1 Media SE for the recognition of revenues.

We examined the existence of revenues for significant consolidated entities by, among other things, determining the correlation with the related trade receivables and related incoming payments and analyzed any deviations.

In order to assess the existence of advertising revenues, in the Entertainment segment we tested in particular application controls and interfaces between the ERP system and the upstream systems used to capture advertising services. In addition, we tested on a sample basis revenue recognition for certain advertising campaigns by reference to the corresponding agreements. For the program productions, we assessed, on a sample basis, the expected total costs on the basis of the budgets for commissioned productions and reconciled the total contract value with the underlying contracts. We checked the expenses incurred until the reporting date on a sample basis by reference to incoming invoices and time sheets and analyzed how they were allocated to the respective commissioned productions. In addition, we recalculated the recognition of revenues from contracts recognized over time according to the progress towards completion in accordance with IFRS 15. We analyzed the contracts contained in reported revenues to determine whether the planned and actual margins from the contracts were in line with our expectations of the progress of the project in question.

In the Commerce & Ventures segment, we analyzed the assumptions made by the executive directors relating to the cancellation and return rates on the basis of historical experience.

Our procedures did not lead to any reservations relating to revenue recognition.

Reference to related disclosures

Information about the accounting policies with regard to revenues is provided in note (2) "Accounting principles" in chapter (E) "Recognition and measurement" in the section on "Revenues" of the notes to the consolidated financial statements. Information about the components of revenues is provided in note (6) "Revenues" of the notes to the consolidated financial statements.

[3] IMPAIRMENT OF PROGRAMMING ASSETS

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

Owing to their immense significance for the Group, programming assets, which would normally be included in other intangible assets, are presented as a separate item in the consolidated statement of financial position.

When examining both the individual program titles and the programming groups for indications of impairment, the executive directors apply a significant degree of judgment with regard to planning the future use of programming assets and estimating their revenue potential. Indications are, for example, if a program title or a group of program titles is no longer likely to be broadcast due to a lack of marketability or a strategic realignment of programming content. The consolidated financial statements, as a whole, are therefore subject to a risk that impairments of programming assets are not recognized to a sufficient extent. In light of their relevance in terms of strategy and value and the use of judgment in their measurement, we consider measurement of programming assets to be a key audit matter.

Auditor's response

As part of our procedures, we discussed the assessment by the executive directors of ProSiebenSat.1 Media SE of indications that the future use of programming assets could be restricted with the persons responsible, particularly as part of the strategic realignment of the Entertainment segment to include high-reach local programming content. We also performed our own analyses of the number of available broadcasts in view of the license periods of the program titles and their last date of broadcast to identify potential reductions in the usability of the program titles in the portfolio.

In addition, we assessed the impairment test performed by ProSiebenSat.1 Media SE's executive directors at the level of programming groups and the definition of these groups. To this end, we recalculated the expected net cash inflows and discussed the underlying assumptions with those responsible for the programming assets and compared the results with the current earnings and market development. We assessed the definition of the programming groups for compliance with the criteria of IAS 36.

Our procedures did not lead to any reservations relating to the impairment of the programming assets.

Reference to related disclosures

Information about the accounting policies with regard to programming assets is provided in note (2) "Accounting principles" in chapter (E) "Recognition and measurement" in the section on "Programming assets" of the notes to the consolidated financial statements. The related disclosures on the assumptions and estimates used by the executive directors and information on the development of the value of programming assets is provided in note (18) "Programming assets" of the notes to the consolidated financial statements.

OTHER INFORMATION

The Supervisory Board is responsible for the Report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the management declaration (group declaration on corporate governance) as well as for the Compensation Report pursuant to Sec. 162 AktG. In all other respects, the executive directors are responsible for the other information. The other information comprises the management declaration (group statement on corporate governance) referred to above as well as the "Internal Control and Risk Management System" section of the management report. The other information also comprises additional parts to be included in the annual report, of which we obtained a version prior to issuing this auditor's report, in particular:

- the Responsibility Statement pursuant to Sec. 297 (2) Sentence 4 HGB;
- the Report of the Supervisory Board pursuant to Sec. 171 (2) AktG;
- the Compensation Report;
- the Group Non-Financial Report;
- the Sustainability Report;
- and the sections "At a Glance," "Members of the Supervisory Board," "Members of the Executive Board," "ProSiebenSat.1 Media SE Share," "Explanatory Notes on Reporting Principles," "Group Key Figures: Multi-Year Overview," "Segment Key Figures: Multi-Year Overview," and "Financial Calendar";

but not the consolidated financial statements, not the group management report disclosures whose content is audited and not our auditor's report thereon.

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

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

– is materially inconsistent with the consolidated financial statements, with the group 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 CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group 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 consolidated financial statements and this group 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 consolidated financial statements and of the group 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 consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

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

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

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

- Perform audit procedures on the prospective information presented by the executive directors in the group 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP 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 consolidated financial statements and the group management report (hereinafter the “ESEF documents”) contained in the file ProSiebenSat.1_Media_SE_KA-KLB_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 consolidated financial statements and the group 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 consolidated financial statements and the group 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 consolidated financial statements and the accompanying group management report for the fiscal year from 1 January 2023 to 31 December 2023 contained in the “Report on the audit of the consolidated financial statements and of the group 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 consolidated financial statements and the group 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 "Group 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 consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 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.

Group 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 consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

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 5 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 group entities the following services that are not disclosed in the consolidated financial statements or in the group management report: audit-related services not required by law pertaining to financial information and project-related IT audits.

Other matter – Use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group 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 consolidated financial statements and the audited group 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, March 5, 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

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

INDEPENDENT AUDITOR'S REPORT ON A REASONABLE ASSURANCE ENGAGEMENT

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the group non-financial report of ProSiebenSat.1 Media SE. The following text is a translation of the original German independent assurance report.

To ProSiebenSat.1 Media SE, Unterföhring

We have performed a reasonable assurance engagement on the group non-financial report of ProSiebenSat.1 Media SE, Unterföhring, (hereinafter the "Company"), which comprises the disclosures in the section "Sustainability" of the annual report 2023 marked by a red triangle at the beginning (▼) and end (▲) of the respective text passage as well as the section "Organization and Group Structure" of the group management report incorporated by reference, for the period from 1 January 2023 to 31 December 2023 (hereinafter the "non-financial Reporting").

Not subject to our assurance engagement are other references to disclosures made outside the non-financial Reporting.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the non-financial Reporting in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in section "Disclosures in accordance with the EU Taxonomy Regulation" of the non-financial Reporting.

These responsibilities of the Company's executive directors include the selection and application of appropriate methods for the preparation of the non-financial reporting and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a non-financial Reporting that is free from material misstatement, whether due to fraud (manipulation of the non-financial Reporting) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "Disclosures in accordance with the EU Taxonomy Regulation" of the non-financial Reporting. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

INDEPENDENCE AND QUALITY ASSURANCE OF THE AUDITOR'S FIRM

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a reasonable assurance opinion on the non-financial Reporting based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance about whether the Company's non-financial Reporting is prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed in section "Disclosures in accordance with the EU Taxonomy Regulation" of the non-financial Reporting. Not subject to our assurance engagement are other references to disclosures made outside the non-financial Reporting.

The assurance engagement on the non-financial Reporting includes performing procedures and obtaining evidence for the quantitative and qualitative disclosures in the non-financial Reporting that is sufficient and appropriate to provide a basis for our opinion.

We exercise professional judgment and maintain professional skepticism throughout the assurance engagement. Our procedures also include:

- Obtaining an understanding of the selection of topics for the non-financial Reporting, the risk assessment and the policies of the Group for the topics identified as material,
- Identifying and assessing the risks of material misstatement in the non-financial Reporting, whether due to fraud or error, designing and performing procedures responsive to those risks, and obtaining evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control,
- Obtaining an understanding of internal control relevant to the assurance engagement on the non-financial Reporting in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems,
- Obtaining sufficient appropriate evidence for the sustainability information of the companies within the Group to express our opinion,

- Evaluating the appropriateness of methods used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures,
- Evaluating the presentation of disclosures in the non-financial Reporting.

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

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

OPINION

In our opinion, on the basis of the knowledge obtained in the assurance engagement, the non-financial Reporting of the Company for the period from 1 January 2023 to 31 December 2023 is prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed in section "Disclosures in accordance with the EU Taxonomy Regulation" of the non-financial Reporting.

We do not express an assurance opinion on the other references to disclosures made outside the non-financial Reporting.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

GENERAL ENGAGEMENT TERMS AND LIABILITY

The enclosed "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] on 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, March 5, 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dr. Link
Wirtschaftsprüfer
[German Public Auditor]

Johne
Wirtschaftsprüferin
[German Public Auditor]

INDEPENDENT AUDITOR'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the Sustainability Report 2023 of ProSiebenSat.1 Media SE. The following text is a translation of the original German independent assurance report.

To ProSiebenSat.1 Media SE, Unterföhring

We have performed a limited assurance engagement on the Sustainability Report of ProSiebenSat.1 Media SE, Unterföhring, (hereinafter the "Company"), for the period from 1 January 2023 to 31 December 2023 (hereinafter the "Sustainability Report").

Our engagement exclusively relates to the German PDF-version of the Sustainability Report. Not subject to our assurance engagement are other references to disclosures made outside the Sustainability Report.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the Sustainability Report in accordance with the criteria listed in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI Criteria") and for the selection of the relevant disclosures.

These responsibilities of the Company's executive directors include the selection and application of appropriate methods for the preparation of the Sustainability Report and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud (manipulation of the Sustainability Report) or error.

INDEPENDENCE AND QUALITY ASSURANCE OF THE AUDITOR'S FIRM

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion with limited assurance on the Sustainability Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Sustainability Report is not prepared, in all material respects, in accordance with the GRI Criteria. Not subject to our assurance engagement are other references to disclosures made outside the Sustainability Report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Inquiries of employees concerning the sustainability strategy, sustainability principles and sustainability management of ProSiebenSat.1 Media SE,
- Inquiries of employees at group level and at relevant departments involved in the preparation of the Sustainability Report about the preparation process, about the internal controls related to this process as well as disclosures in the Sustainability Report,
- Inspection of the relevant documentation of the systems and processes for collecting, aggregating and validating relevant data in the reporting period,
- Identification and assessment of risks of material misstatement in Sustainability Report,
- Analytical procedures on selected disclosures in the Sustainability Report,
- Inquiries, inspection of sample documents and obtaining evidence relating to the collection and reporting of selected disclosures in the Sustainability Report,
- Reconciliation of selected disclosures with the corresponding data in the annual financial statements and management report,
- Evaluation of the presentation of disclosures in the Sustainability Report.

ASSURANCE CONCLUSION

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Report of the Company for the period from 1 January 2023 to 31 December 2023 is not prepared, in all material respects, in accordance with the GRI Criteria.

We do not express an assurance conclusion on the other references to disclosures made outside the Sustainability Report.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

GENERAL ENGAGEMENT TERMS AND LIABILITY

The enclosed "General Engagement Terms for "Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] on 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Berlin, March 5, 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dr. Link
Wirtschaftsprüfer
[German Public Auditor]

Johne
Wirtschaftsprüferin
[German Public Auditor]

INDEPENDENT AUDITOR'S REPORT

To ProSiebenSat.1 Media SE, Unterföhring

We have audited the attached remuneration report of ProSiebenSat.1 Media SE, Unterföhring, prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from 1. January 2023 to 31. December 2023 and the related disclosures.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD

The executive directors and supervisory board of ProSiebenSat.1 Media SE are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. I In addition, the executive directors and supervisory board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and supervisory board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

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

OPINION

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from 1. January 2023 to 31. December 2023 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

OTHER MATTER – FORMAL AUDIT OF THE REMUNERATION REPORT

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects.

LIMITATION OF LIABILITY

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on 1. January 2024, which are attached to this report, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement.

Munich, March 5, 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

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

GROUP KEY FIGURES: MULTI-YEAR OVERVIEW

in EUR m	**2023**	2022	2021[1]	2020	2019
Revenues	3,852	4,163	4,495	4,047	4,135
Adjusted EBITDA[2]	578	678	841	706	872
EBITDA	140	666	803	801	838
Operating result (EBIT)	−87	236	552	553	578
Result before income taxes	−164	97	614	370	572
Net income attributable to shareholders of ProSiebenSat.1 Media SE	−124	5	456	267	413
Adjusted net income[3]	225	301	365	221	387
Adjusted earnings per share (in EUR)	0.99	1.33	1.61	0.98	1.71
Adjusted operating free cash flow[4]	260	492	599	424	—
Free cash flow	116	388	289	120	207

in EUR m	**12/31/2023**	12/31/2022	12/31/2021[1]	12/31/2020	12/31/2019
Employees[5]	7,188	7,284	7,906	7,307	7,253
Programming assets	864	1,086	1,145	1,213	1,204
Equity	1,580	1,774	1,968	1,687	1,288
Equity ratio (in %)	26.8	29.5	29.6	23.8	19.5
Cash and cash equivalents	573	504	594	1,224	950
Financial debt	2,119	2,117	2,446	3,192	3,195
Net financial debt	1,546	1,613	1,852	1,968	2,245
Leverage ratio[6]	2.7	2.4	2.2	2.8	2.6

1 Figures partly adjusted as described in Annual Report 2022, Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".
2 EBITDA before reconciling items.
3 Net income attributable to shareholders of ProSiebenSat.1 Media SE before the amortization and impairments from purchase price allocations as well as impairments of goodwill, adjusted for the reconciling items. These include valuation effects recognized in other financial result, valuation effects of put option and earn-out liabilities, valuation effects from interest rate hedging transactions as well as other material one-time items. Moreover, the tax effects resulting from such adjustments are also adjusted. See Group Management Report, chapter "Planning and Management".
4 As of financial year 2021, ProSiebenSat.1 Group has introduced the "adjusted operating free cash flow" among others as the most significant financial performance indicator. For the definition, please refer to the Group Management Report, chapter "Planning and Management". Prior-year figures were not determined up to financial year 2020.
5 Full-time equivalent positions as of reporting date.
6 Ratio net financial debt to adjusted EBITDA in the last twelve months.

SEGMENT KEY FIGURES: MULTI-YEAR OVERVIEW

in EUR m	**2023**	2022	2021[1]
Entertainment			
External revenues	2,574	2,888	3,098
Adjusted EBITDA[2]	473	563	698
Commerce & Ventures			
External revenues	844	757	855
Adjusted EBITDA[2]	59	41	51
Dating & Video			
External revenues	434	518	542
Adjusted EBITDA[2]	72	99	119
Reconciliation (Holding & other)			
Adjusted EBITDA[2]	–27	–25	–26

1 Figures partly adjusted as described in Annual Report 2022, Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".
2 EBITDA before reconciling items.

FINANCIAL CALENDAR

Date	Event
March 7, 2024	Publication of the Annual Report 2023 Press Conference/Conference Call with Analysts on Figures 2023
April 30, 2024	Annual General Meeting
May 14, 2024	Publication of the Quarterly Statement for the First Quarter of 2024
August 8, 2024	Publication of the Half-Yearly Financial Report of 2024
November 14, 2024	Publication of the Quarterly Statement for the Third Quarter of 2024

Changes in dates cannot be ruled out. We thus recommend to check the dates on the ProSiebenSat.1 website.
→ **www.prosiebensat1.de/en/investor-relations/presentations-events/financial-calendar**

EDITORIAL INFORMATION

PRESS

ProSiebenSat.1 Media SE
Corporate Communications
Medienalle 7
85774 Unterföhring, Germany
Phone: +49 [0]89 95 07 - 11 45
Fax: +49 [0]89 95 07 - 11 59
E-Mail: info@prosiebensat1.com

INVESTOR RELATIONS

ProSiebenSat.1 Media SE
Investor Relations
Medienallee 7
85774 Unterföhring, Germany
Phone: +49 [0]89 95 07 - 15 02
Fax: +49 [0]89 95 07 - 15 21
E-Mail: aktie@prosiebensat1.com

PUBLISHED BY

ProSiebenSat.1 Media SE
Medienallee 7
85774 Unterföhring, Germany
Tel.: +49 [0]89 95 07 - 10
Fax: +49 [0]89 95 07 - 11 21
www.ProSiebenSat1.com
HRB 219 439 AG München

CONTENT & DESIGN

ProSiebenSat.1 Media SE
Corporate Communications

nexxar GmbH, Vienna, Austria

PHOTO CREDITS

2023: Bert Habets and Angela van Brakel in the new news studio © ProSiebenSat.1 Media SE // Joyn Story © Joyn // Highlights: Joko & Klaas treasure hunt © ProSiebenSat.1 Media SE/Florida TV/Weiya Yeung // **Interview:** Portrait Bert Habets © Seven.One/Benedikt Müller // **Report of the Supervisory Board:** Portrait Dr. Andreas Wiele © Seven.One/Robert Brembeck

PROSIEBENSAT.1 GROUP ON THE INTERNET

This and other publications are available on the Internet, along with information about ProSiebenSat.1 Group, at
www.ProSiebenSat1.com

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding ProSiebenSat.1 Media SE and ProSiebenSat.1 Group. Such statements may be identified by the use of such terms as "expects", "intends", "plans", "assumes", "pursue the goals" and similar wording. Various factors, many of which are outside the control of ProSiebenSat.1 Media SE, could affect the Company's business activities, success, business strategy and results. Forward-looking statements are not historical facts, and therefore incorporate known and unknown risks, uncertainties and other important factors that might cause actual results to differ from expectations. These forward-looking statements are based on current plans, goals, estimates and projections, and take account of knowledge only up to and including the date of preparation of this report. Given these risks, uncertainties and other important factors, ProSiebenSat.1 Media SE undertakes no obligation, and has no intent, to revise such forward-looking statements or update them to reflect future events and developments. Although every effort has been made to ensure that the provided information and facts are correct, and that the opinions and expectations reflected here are reasonable, ProSiebenSat.1 Media SE assumes no liability and offers no warranty as to the completeness, correctness, adequacy and/or accuracy of any information or opinions contained herein. This report is an English translation; in case of any discrepancies, the German authoritative version of the report shall prevail over the English translation.