

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

1/ General information

The Consolidated Financial Statements as of December 31, 2024, 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, 2024, 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 4, 2025.

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 income and expenses. 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 preparation of the Consolidated Financial Statements as of December 31, 2024, 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 4, 2025).

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:

→ Combined 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 2024 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

1 EUR	Currency	Spot rate		Average rate	
		12/31/2024	12/31/2023	2024	2023
Great Britain	GBP	0.8303	0.8691	0.8468	0.8700
Switzerland	CHF	0.9421	0.9266	0.9527	0.9718
United States of America	USD	1.0411	1.1077	1.0825	1.0814

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 multi-purpose or value and event vouchers	Agency commission on redemption of the multi-purpose voucher (point in time), payments for unredeemed multi-purpose vouchers or value or event vouchers - since the business model was changed in October 2024: over the contractually agreed redemption period of the vouchers according to the redemption behavior of the customers (over time) - before the change of business model: after expiry of the voucher or limitation period (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 a future reversal of revenues to be recognized is highly 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. The transaction price is determined at the time the financial instruments are received upon conclusion of the contract. 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 Tok, 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 multi-purpose or value and event vouchers (Experiences), the payments received from voucher purchasers include both the agency commission and the event price.

The product range in the Experiences category was adjusted on October 29, 2024. Multi-purpose vouchers are now sold, which can be used by the holders exclusively on the Jochen Schweizer mydays platform to purchase event tickets or event vouchers from various organizers. With the purchase, a right to participate in an experience offered by the ProSiebenSat.1 Group is granted. Such newly issued multi-purpose vouchers are recognized in accordance with the rules of IFRS 15. Direct redemption at an event partner is no longer possible. The consideration received for the sale of vouchers is initially recognized as a contract liability. ProSiebenSat.1 Group only purchases an event ticket or an event voucher when the multi-purpose voucher is used and recognizes the agency commission, which is the difference between the selling price of the event voucher less the purchase amount payable to the event organizer, as revenue. Payments are processed by a non-Group payment service provider. Payments received for the portion of expected, unredeemed multi-purpose vouchers are recognized as revenue over the contractually agreed redemption period of the vouchers in line with the customer's redemption behavior.

The accounting treatment of vouchers for goods and experiences issued before the business model was changed on October 29, 2024, remains unchanged. 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. Only when the value or event voucher is redeemed does the ProSiebenSat.1 Group recognize the agency commission as revenue and passes on the remaining portion of the voucher price to the event organizer. Payments received for unredeemed value 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 consolidated 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	Mult-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 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	5-17
Customer relationships	7-11
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	2-50
Technical facilities	2-11
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. The rights-of-use are amortized over the term of the underlying lease. 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 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"). If necessary, an individual assessment will be carried out.

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 consolidated 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 consolidated 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 consolidated 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 and accounting policies

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 2024:

- IAS 1 "Classification of Liabilities as Current or Non-Current"
- IAS 1 "Non-Current Liabilities with Covenants"
- IAS 7 / IFRS 7 "Supplier Finance Arrangements"
- IFRS 16 "Lease Liability in a Sale and Leaseback"

The initial application had no material effects 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 21	Lack of Exchangeability of Currencies	January 1, 2025	none
IFRS 9 / IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026	none
AIP 11	Annual Improvements Volume 11 (IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 1, 2026	none
IFRS 9 / IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026	in analysis
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	in analysis
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027	none

4 / Scope of consolidation

The number of subsidiaries included in the Consolidated Financial Statements changed as follows in the financial year 2024:

SUBSIDIARIES

	Germany	Other countries	Total
Included as of January 1, 2024	68	72	140
Additions	1	—	1
Disposals	–2	–5	–7
Included as of December 31, 2024	67	67	134

The additions include one acquisition, while the disposals comprise one merger, one sale and five liquidations.

In addition to the controlled entities, there are eight (previous year: 9) 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 2024, as in the previous year, ProSiebenSat.1 Group did not make any material acquisitions of subsidiaries.

B) DISPOSALS OF INVESTMENTS IN SUBSIDIARIES

In the financial year 2024, as in the previous year, ProSiebenSat.1 Group did not initiate or conclude any material disposals of investments in subsidiaries.