

RISK AND OPPORTUNITY REPORT

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

We assess our opportunity situation as unchanged: It depends largely on further macroeconomic developments, which harbor both opportunities and risks, especially for us as an early-cyclical company. Economic forecasts are inherently subject to uncertainty and visibility is limited. This applies not least to private consumption, which is particularly relevant for our core business.

Advancing digitalization offers growth opportunities for ProSiebenSat.1 Group. Media usage, for example, is becoming increasingly 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 focus on our entertainment activities and initiate the necessary changes here. At the center of our strategy is our streaming platform Joyn, which we are linking with all our brands and linear channels.

At the same time, our environment harbors 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. However, the Group's overall risk in 2024 increased compared to the previous year.

RISK REPORT

RISK MANAGEMENT SYSTEM

>> ProSiebenSat.1 Group has an integrated risk management system that covers all areas of the Group – from products and processes to departments and majority shareholdings. The aim is to identify and manage potential risks that could have a negative impact on ProSiebenSat.1 Group's business performance at an early stage. 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. The processes and organizational structures are designed in such a way that ProSiebenSat.1 Group can react flexibly to new challenges - as shown below:

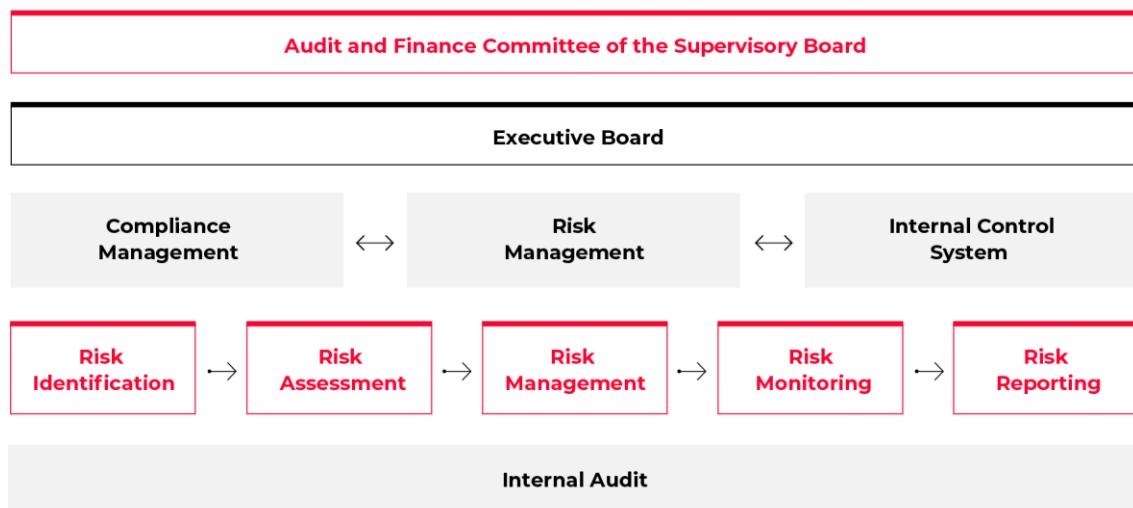
- The **decentralized risk managers** systematically record and categorize the risks from their respective areas of responsibility. They document their results in an IT database every quarter.
- The **Group Risk Officer** reports the relevant risks identified to the Executive Board and Audit and Finance Committee of the Supervisory Board on a quarterly basis. In addition, relevant risks arising at short notice are reported immediately. In this way, the Executive Board and Audit and Finance Committee 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. As part of the Governance, Risk & Compliance ("GRC") department, Group Risk Management is responsible for implementing an effective risk management system.

» 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, 2024, therefore do not come under this definition and are consequently not explained in this Risk Report.

As part of risk-oriented audit planning by the Internal Audit department, risk management is subject to process-independent monitoring and audits at regular intervals. The results are reported directly to the CFO and then discussed in the entire Executive Board and presented to the Audit and Finance Committee of the Supervisory Board for its information. 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, "COSO").

RISK MANAGEMENT SYSTEM



As part of the comprehensive approach of Governance, Risk & Compliance 2.0 ("GRC 2.0"), ProSiebenSat.1 Group integrates the relevant risks from the three governance functions - risk management, compliance, and internal control system - into an overall risk management process. This approach enables a comprehensive view of business risks and challenges, forming the basis for effective and efficient risk management. << **ESRS 2 GOV-2, GOV-5**

→ **Internal Control, Compliance, and Risk Management System**

RISK MANAGEMENT PROCESS

>> ProSiebenSat.1 Group's risk management process is divided into five steps aimed at identifying and managing potential risks at an early stage:

RISK MANAGEMENT PROCESS



1. Risk identification: ProSiebenSat.1 Group identifies potential risks by means of a systematic analysis of the business activities and the business environment. The decentralized risk managers are responsible for this. They use, among other things, early warning indicators defined for relevant circumstances and key figures. For example, the development of audience market shares is an important early warning indicator in the Entertainment segment.

→ **Planning and Management**

As part of a continuous process, all relevant risks are systematically recorded using a bottom-up and top-down approach and then assessed.

2. Risk assessment: The relevant consolidated risks are assessed based on a matrix in which both the likelihood of their occurrence and the potential impact are categorized into five levels. The visual presentation of this 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 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. Risk management: Using appropriate measures, ProSiebenSat.1 Group can reduce the likelihood of occurrence of potential losses and limit or reduce possible damage. Adequate countermeasures are therefore taken as part of risk management as soon as an indicator exceeds the defined tolerance limit for risk-bearing capacity.

4. Risk monitoring: The aim of risk monitoring is to monitor changes and review the effectiveness of the risk management measures taken. Monitoring also includes documentation, which ensures that all hierarchy levels relevant to decision-making are informed about the current status of risk management measures.

5. Risk reporting: Reports are submitted to the Executive Board and the Audit and Finance Committee of the Supervisory Board on a quarterly basis and as required. In addition to the overall risk situation, they contain statements on risk-bearing capacity. External reporting on the Group's risk situation presents all relevant risks in aggregated form. Transparent and regular risk reporting ensures that all relevant decision-makers are informed about the risk situation and can take appropriate measures.

In order to meet the growing requirements for sustainable corporate governance, ProSiebenSat.1 Group has added a sustainability dimension ("ESG") to its risk management. The aim is to systematically identify and assess potential risks relating to ESG issues that arise from or influence the Group's business activities and business environment. We take into account both internal risks and risks throughout our supply chains, particularly with regard to the German Supply Chain Due Diligence Act ("LkSG").

We assess ESG risks both from an inside-out perspective, i.e. the impact of our activities on the environment and stakeholders, and from an outside-in perspective, which focuses on the impact of external ESG factors on ProSiebenSat.1 Group. Accordingly, the assessment parameters impact and probability of occurrence are also used for inside-out risks. While the outside-in perspective can be illustrated using both quantitative and qualitative assessments, which are always related to the key financial figures of the operational business unit, the inside-out perspective can only be illustrated using qualitative assessments without a financial reference. The effects of inside-out risks are assessed taking into account the qualitative criteria of extent, scope and reversibility of the risk. The probability of occurrence is determined using the same methodology as for outside-in risks. <<

ESRS 2 GOV-2, GOV-5

→ [Organization and Management](#)

» INFORMATION

In this Annual Report, only risks with a potentially significant or material impact and which are also classified as having at least an unlikely probability of occurrence are illustrated for the outside-in perspective. Risks with a potentially very low, low, or moderate impact are not reported here. If, however, a risk with an overall high or medium assessment changes to a risk with an overall low assessment or a moderate impact at most, this risk would not be described in detail – with the exception of the change compared with the risk situation itself published in the Annual Report 2023. For a better understanding of the risk classifications, we refer to the risk matrix in the "Overview of the Overall Risk Situation" section.

>> SUPPLEMENTARY NOTES ON RISK REPORTING << / ESRS 2 GOV-5

Individual risks are registered over a period of 48 months as part of the quarterly evaluation process and then aggregated in order to obtain a comprehensive picture of the overall risk situation. These aggregated risks are then assigned to overarching risk areas. The basis for external reporting is a time horizon of 12 months.

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 therefore the result of a consolidated view of the main risk categories of the Group and its three segments Entertainment, Commerce & Ventures and Dating & Video. ProSiebenSat.1 Group divides the risks at segment and Group level into the following categories:

- **Operating risks:** Risks resulting from internal processes, system errors or external events.
- **Financial risks:** Risks that arise in the financial sector and can therefore have a direct impact on the Consolidated Income Statement.
- **Compliance risks:** Risks that arise from non-compliance with internal guidelines, external regulations, and regulatory developments.
- **Strategic risks:** Risks that jeopardize the achievement of corporate goals.

In principle, ESG risks are illustrated using both the outside-in and inside-out perspective in the existing four categories.

OVERVIEW OVER THE OVERALL RISK SITUATION

We monitor all risks covered by the risk management process continuously and systematically. 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 in this risk report. In order to examine whether there is a threat to the continued existence of the Group as a going concern, we regularly examine the risk-bearing capacity by comparing the overall risk situation with the Group's liquidity.

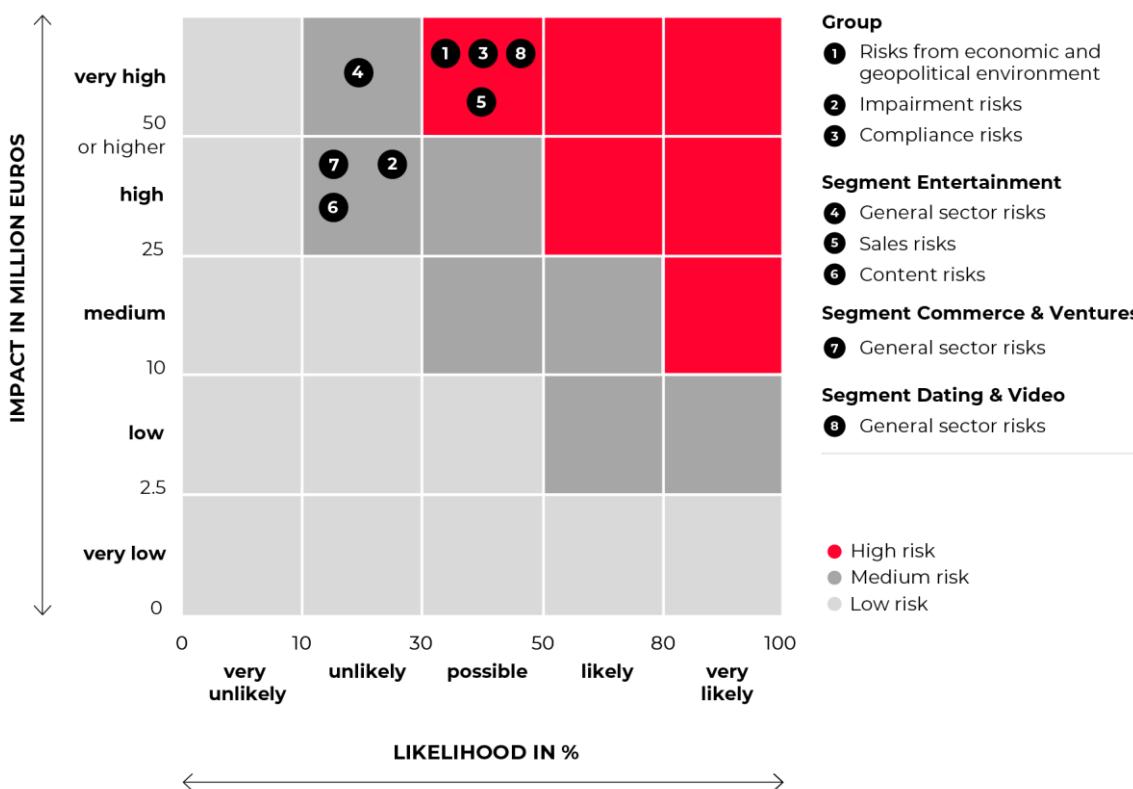
→ **Group Financial Position and Liquidity**

In our evaluation, 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. Even though ProSiebenSat.1 Group's overall risk situation has increased compared to the previous year 2023, the identified risks pose no threat to the Group as a going concern, even looking into the future. The key factors influencing this development are presented below; the following chart also provides an overview of the relevant risks as of December 31, 2024:

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 | Decreased | High | Unlikely | Medium |
| Segment Entertainment | Operating risks | Compliance risks | Unchanged | Very high | Possible | High |
| | | General sector risks | Unchanged | Very high | Unlikely | Medium |
| Segment Commerce & Ventures | Operating risks | Sales risks | Unchanged | Very high | Possible | High |
| | | Content risks | Increased | High | Unlikely | Medium |
| Segment Dating & Video | Operating risks | General sector risks | Unchanged | High | Unlikely | Medium |
| | | Sales risks | Decreased | Medium | Unlikely | Low |
| | Operating risks | General sector risks | Increased | Very high | Possible | High |

OVERVIEW OF THE TOP RISKS



GROUP

Operating Risks

Risks from the economic and geopolitical environment: Advertising expenditures are corporate investments and are therefore directly linked to general economic development. Developments in our core market of Germany have shown that private consumption in particular correlates closely with investments in advertising and especially with investments in TV advertising. Unfavorable macroeconomic developments therefore pose a risk to our business, which is why we continuously monitor key economic indicators and adjust our business expectations accordingly.

Economic forecasts naturally entail uncertainties, but visibility is currently particularly limited. The geopolitical situation and the numerous global crises over the last few years – from the COVID-19 pandemic to the war in Ukraine and the escalation in the Middle East – are having a lasting impact on the global economy and leading to high volatility. Domestic political developments in the USA and Germany also harbor uncertainty factors. It is now clear that, following a decline in 2023, the German economy did not grow in 2024 either. In 2025, the economic situation will remain challenging and upward momentum will be limited.

→ [Development of Economy and Advertising Market](#) → [Future Business and Industry Environment](#)

In view of this, we continue to categorize risks from the economic and geopolitical environment as high compared to the end of the previous year. We still see the probability of occurrence as possible and the potential impact as very high.

Impairment risks: The macroeconomic environment continued to pose challenges for the ProSiebenSat.1 Group in 2024. The Dating & Video segment, in particular, faced growing challenges. The market situation deteriorated significantly, and the user behaviour of the relevant target groups changed. Against this backdrop, an impairment loss on goodwill and intangible assets totalling EUR 386 million was recognised in the fourth quarter of 2024.

The Group monitors and analyzes 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 indefinite useful lives are also subject to an impairment test at least once a year. Against this background, we see an overall medium risk (previously: high) in relation to potential impairments. The potential impact would be high (previously: very high), with a now unlikely probability of occurrence (previously: possible).

Compliance Risks

Overall, we consider compliance risks to be unchanged: Despite various measures to ensure compliance we continue to classify these risks as high, with a possible probability of occurrence a potentially significant impact. Compliance risks include risks arising from the violation of internal and external regulations. In addition, regulatory changes, legal disputes, and judicial and official proceedings as well as investigations into allegations such as corruption, antitrust violations, and other breaches of the law are also taken into account. These risks can lead to legal sanctions, reputational damage and financial losses.

In order to be able to respond appropriately to regulatory changes relevant to ProSiebenSat.1 Group, we continuously monitor legal and regulatory developments. The relevant compliance risks currently focus on the following topics:

- **Anti-corruption:** The EU Commission is planning to fight corruption more effectively in the European Union (EU) and worldwide. On the one hand, emphasis is placed on prevention, and

on the other hand, a culture of integrity is to be promoted. It proposes a directive that sets minimum standards for the definition and sanctioning of corruption offenses as well as preventive measures and more effective investigations. Companies could face fines of up to 5 % of their global turnover, which would represent a considerable tightening of national regulations. The directive also establishes legal certainty by providing a legal basis for the mitigating factors of preventive measures and cooperative behavior, whereby the requirements for cooperation regarding clarification appear more generous than in the German draft of the Corporate Sanctions Act. It remains to be seen whether the German legislator will reform Section 30 Act on Regulatory Offenses (OWiG) or make a new attempt at establishing a corporate sanctions act. For ProSiebenSat.1 Group, however, it can already be deduced that the directive will pose challenges, particularly with regard to the adaptation of internal compliance structures, in that internal control mechanisms, training programs and other preventive measures will have to be adapted to the new requirements. The potential penalties of up to 5% of global revenues also represent a financial risk that is amplified by ProSiebenSat.1 Group's international business activities.

- **Data protection:** The General Data Protection Regulation (GDPR) has harmonized the legal requirements for the processing of personal data in the EU. 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 proposals for improvements, which was approved by the supervisory authority in January 2023 and implemented by IAB Europe during 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. However, in autumn 2022, the latter suspended the proceedings and referred questions to the European Court of Justice (ECJ) for a preliminary ruling, which the ECJ ruled on in March 2024 and referred the proceedings back to the Belgian Market Court. A decision is expected in the first half of 2025. 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. The increasing use of artificial intelligence (AI) also requires strict compliance with data protection regulations when processing personal data. In view of the increasing threat of ransomware and phishing attacks, which can lead to data theft, among other things, comprehensive IT security measures are also necessary.
- **Sanctions and embargoes:** On May 20, 2024, Directive (EU) 2024/1226 of the European Parliament and the European Council on the definition of criminal offenses and sanctions for breaches of EU restrictive measures entered into force. The directive aims to ensure that violations of EU sanctions are prosecuted uniformly under criminal law and to create minimum standards in all member states. It defines specific violations, such as the circumvention of trade and financial prohibitions, as criminal offenses and thus sets stricter requirements for companies' compliance measures. The member states must implement the directive by May 2025, which means increased monitoring requirements and risks for companies in international business. The tightening of compliance requirements and the obligation to comprehensively monitor sanctions harbor risks such as increased costs, legal uncertainties and possible penalties for violations. Companies must adapt their control mechanisms to avoid financial and reputational damage.
- **Money laundering:** The EU money laundering package of legislation entered into force on July 9, 2024 and comprises Directive (EU) 2024/1640 (the "6th Anti-Money Laundering Directive") and Regulation (EU) 2024/1624 ("Anti-Money Laundering Regulation"). The Member States must transpose the 6th Anti-Money Laundering Directive into national law by July 10, 2027, and at the same point in time the Money Laundering Regulation will apply with immediate effect. With

in this package, the EU is pursuing the goal of harmonizing regulations to combat money laundering and terrorism. As a result, ProSiebenSat.1 Group faces challenges such as adapting to expanded compliance structures, increased due diligence obligations, stricter documentation requirements and the integration of new technologies. The new regulation on the identification of economic beneficiaries will be particularly challenging for companies, as it requires a reassessment, especially in the case of previous indirect control in group structures.

RELEVANT COMPLIANCE RISKS OF PROSIEBENSAT.1 GROUP IN THE FINANCIAL YEAR 2024

The compliance risks relevant to ProSiebenSat.1 Group arise primarily from the legal areas covered by our compliance management system (CMS). These are currently the areas of anti-corruption, data protection, sanctions and embargoes as well as money laundering.

- Anti-corruption:** Risks in connection with corruption and bribery arise primarily through interactions with business partners, authorities, public officials, or other stakeholders. Such actions could not only lead to legal and financial consequences, but could also damage the reputation, credibility and trust in the integrity of ProSiebenSat.1 Group.
- Data protection:** The processing of large volumes of personal data harbors enormous risks with regard to violations of data protection regulations, such as the General Data Protection Regulation (GDPR). Such violations could not only lead to significant fines, but also affect the trust of customers, end-users, and business partners.
- Sanctions and embargoes:** The dynamic development of international sanctions and embargoes poses a challenge. Violations of such requirements could lead to legal consequences, fines or a restriction of ProSiebenSat.1 Group's business activities.
- Money laundering:** The increasing complexity of global financial transactions harbors risks in the area of money laundering prevention. Inadequate mechanisms for identifying suspicious activities could result in regulatory sanctions and reputational damage.

In addition, other compliance risks, such as those arising from labor law or consumer and user protection law, are also recorded in the Compliance Risks category and are treated accordingly with risk management measures.

In addition, the ongoing digitalization requires the monitoring of further regulatory developments that are important for ProSiebenSat.1 Group – but are not directly covered by the CMS. The following legal developments are currently top priorities:

- Consumer and user protection:** Various legislative initiatives at both 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. The Fair Consumer Contracts Act (Gesetz für faire Verbraucherverträge) 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. The regulations came into force in stages on March 1, 2022 and July 1, 2022 and affect the Group in all 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 took effect on a staggered basis in 2023, while for all other providers of intermediary services they took effect as of February 17, 2024. At national level, the requirements of the DSA are enforced by the "Digital Services Law" (DDG). For the first time, the DDG 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 varying degrees in all segments. Depending on their classification in the various categories of intermediary services, 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 light of further legal developments.

- In the United Kingdom, the Online Safety Act 2023 was passed in 2023 and will be applied over several phases from March 2025. It imposes certain duties of care on online platform providers by obliging them to take action against illegal or legal but "harmful" content from their users. The law is implemented through guidelines and codes of conduct drawn up by the competent supervisory authority. Violations can lead to fines of up to 18 million pounds or 10% of annual turnover, whichever is higher. In addition, the Digital Markets, Competition and Consumers Act 2024, which came into force in 2024, provides for new, stricter regulations for subscriptions such as mandatory pre-contract information, reminders for contract renewals, simple and accessible ways for consumers to terminate contracts, and rights of withdrawal. In addition, the law authorizes the competent supervisory authority to directly enforce consumer protection laws, impose fines of up to 10% of global revenues on companies that violate consumer law, and grant direct compensation to consumers. These laws affect the Dating & Video segment in particular. The legal requirements are implemented and monitored, taking into account 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.
- **Antitrust law:** The dynamics of digital markets 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 abuse 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 with the Digital Markets Act (DMA). The Commission has appointed six companies as gatekeepers that must comply with the DMA's requirements for a total of 22 central platform services. The selected companies must comply with all obligations under the DMA and in 2024 they submitted a corresponding compliance report in which they set out which solutions they have implemented. These are crucial steps towards the aim of ensuring equal competitive conditions in digital markets and enabling action to be taken promptly against distortions of competition in digital ecosystems.
- The reform of copyright contract law 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 have been in force since 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 ProSiebenSat.1 Group are therefore not yet finally foreseeable.

- **Artificial intelligence (AI):** For the regulation of 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 came into force on August 1, 2024. The regulations contained in the AI Act must be implemented by companies within a period of six months to two years after coming into force. The use of AI is supremely relevant for ProSiebenSat.1 Group companies, 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, particularly with regard to transparency obligations for AI-generated image, sound, and video content and the provision of necessary AI skills training for employees.
- **Changes in media law and the protection of minors:** In spring 2023, the Federal Ministry of Food and Agriculture presented a draft law to introduce extensive advertising restrictions for foods that exceed defined limits for fat, sugar and salt content. It remained unclear what impact this draft law would have had on the media genres and advertising media affected by it, as no consensus was reached on specific provisions for a joint government draft until the de facto end of the governing coalition in the fall of 2024, and no consensus was subsequently reached between the ministries, meaning that the project failed during this legislative period. It is not foreseeable whether and with what regulatory content this topic will be taken up again by the next federal government after the new elections in February 2025 and pushed forward with a new legislative proposal.

As legal developments are not static, compliance relevance analysis should be carried out at regular intervals. An update was introduced during the reporting period and will be finalized in 2025. The aim of the analysis is to determine whether the compliance objectives of our CMS continue to correspond to the actual risk profile of ProSiebenSat.1 Group or whether an adjustment is necessary. The relevant compliance risks will then be assessed.

Legal disputes and court and official proceedings: ProSiebenSat.1 Group is currently facing various legal disputes and proceedings, and may continue to do so in the future, which could have significant implications. These include compensation payments, fines, penalties, sanctions, court orders for future conduct, profit disgorgement and other legal and regulatory restrictions. There is also a risk of negative media coverage. Details of relevant legal disputes can be found in the Notes to Consolidated Financial Statements under Additional Notes.

→ [Notes to Consolidated Financial Statements, note 31 „Contingent liabilities“](#)

SEGMENT ENTERTAINMENT

Operating Risks

General sector risks (incl. media usage behavior and reach development): Television is the most important mass medium - this applies both in terms of reach and media usage time. Nevertheless, media usage behavior in Germany has changed significantly in recent years, driven in particular by advancing digitalization. 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. In addition, there are new forms of media use such as podcasts.

→ [Development of ProSiebenSat.1 Group's Relevant Market Environments](#)

In 2024 - after the peak during the Covid-19 pandemic - the use of all media types returned to its original level. At just under 260 minutes per day, the included video usage is at the pre-pandemic level of 2019 and is also stable in the long term. However, there is a shift in the intermedia comparison: While traditional linear TV usage is declining, digital offerings are becoming increasingly important. This is particularly true of advertising-financed offerings, with the usage time of online videos in particular growing very dynamically.

→ [Development of ProSiebenSat.1 Group's Relevant Market Environments](#)

The changes in media use have a direct impact on the advertising industry. According to the current forecast by the German Advertising Federation (Zentralverband der deutschen Werbewirtschaft – 'ZAW'), the total volume of the total advertising market is likely to have grown over the year. The driving force here is the disproportionate growth of digital advertising. Conversely, we see that advertising customers are investing less in linear TV.

→ **Development of Economy and Advertising Market**

In addition to the structural risks described above, technological developments are presenting the industry with new challenges. Stricter requirements for data collection and data processing as well as the increasing use of ad blockers make effective targeting of advertising more difficult. In addition, there are macroeconomic uncertainties, with private consumption in particular correlating very closely with investments in advertising.

We consider the general industry risks to be unchanged compared to the end of the previous year and classify this fact as a medium risk for the Entertainment segment overall. The probability of occurrence is still considered unlikely, although the potential financial impact would be significant. Our challenge is to translate the changes in the industry into growth and to strengthen our reach across different platforms. It is particularly important to respond to demographic change and to adequately address viewer segments such as the younger population groups. We have aligned our Entertainment portfolio with this and placed Joyn at the center of our strategy as an ad-financed streaming platform. In 2024, we implemented further measures to closely interlink our linear and digital offerings and offer our content across platforms. This also includes new media offerings such as podcasts as a supplement to video content in order to serve new media usage interests. At the same time, we are focusing on new technologies in the AdTech area in order to make our offers attractive. These new technologies make it possible, for example, to place advertisements without the use of cookies or to give users the option to replace the consent for cookies with a fee.

→ **Strategy and Objectives**

Sales risks: Competition with global platform providers is intense and the macroeconomic environment is challenging. In this context, we have prepared our financial planning and continue to classify the remaining commercialization risk as high. We assess the probability of occurrence as possible and the potential impact as material. To counter these risks, we are systematically pursuing our digital and cross-platform entertainment strategy and the associated expansion of Joyn as an aggregation platform. In terms of content, our program offering focuses on local and live content in order to serve the different media usage interests of our viewers and to differentiate ourselves from multinational providers.

→ **Future Business and Industry Environment**

Content-related risks: ProSiebenSat.1 Group is exposed to various risks on the purchasing side due to the increase in competition for video content from both linear and, in particular, digital offerings. These mainly relate to possible price increases, the possible loss of license, production and sports rights as well as the loss of exclusive content or top hosts, which could result in a loss of market share and reach and, as a result, a decline in revenues. We consider the content-related risks to have increased compared to the previous year and classify them as medium (previously: low). We consider the probability of occurrence to be unlikely, whereby the potential impact is substantial (previously: moderate).

COMMERCE & VENTURES SEGMENT

Operating Risks

General sector risks: We still categorize the general sector risks for the Commerce & Ventures segment as an overall medium risk with an unlikely probability of occurrence and a substantial impact. Private consumption is a key influencing factor for many business models due to the strong consumer focus. Various other factors are also relevant for our markets, which we take into account as part of our risk assessment. For example, technological progress, such as in the field of artificial intelligence, harbors both opportunities and risks, particularly with regard to established processes, structures and business activities. Market factors such as fluctuating wholesale prices, price pressure on products and services, and the current competitive dynamics can negatively affect our business and cooperation partners.

→ [Development of ProSiebenSat.1 Group's Relevant Market Environments](#)

Sales risks: The commercialization risks in the Commerce & Ventures segment have decreased in their risk assessment and are now classified as a low risk (previously: medium). The potential impact would be moderate (previously: high), while we continue to rate the occurrence of the risk as unlikely. We have taken opposing effects into account in our financial planning: While companies such as flaconi and Verivox have recorded positive development for several quarters despite general consumer restraint, the challenging economic situation and its effect on the TV advertising market could have a negative impact on revenues.

→ [Development of ProSiebenSat.1 Group's Relevant Market Environments](#)

DATING & VIDEO SEGMENT

Operating Risks

General sector risks: The general sector risks for the Dating & Video segment have increased and are now assessed by us as high overall (previously: medium). We still rate the probability of occurrence as possible, whereby the potential financial impact would be very high (previous year:). substantial). The Dating & Video segment is influenced by various factors. These include changes in consumer behavior with online dating and interaction services, and regulatory changes at national and international level.

For example, restrictions in product and pricing can have a negative impact on economic performance. Intense competition also harbors the risk that consumer demand will change rapidly due to new market participants or competitive offerings and technologies – such as developments in the field of artificial intelligence. Furthermore, digital business models 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 the business relationships could negatively affect revenues or costs.

We monitor these developments regularly in order to assess negative changes early on so that we can initiate countermeasures. If signs of regulatory changes emerge, we proactively work 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.

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 with regard to the (consolidated) financial reporting process is intended to ensure that business transactions are correctly reflected in the Annual and Consolidated Financial Statements of ProSiebenSat.1 Media SE and that the assets and liabilities are recognized, measured and presented 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 Annual 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 are:

- To identify risks that might jeopardize the goal of ensuring that the Annual and Consolidated Financial Statements and the Combined 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 Annual and 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 (consolidated) 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 Annual and 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 obligations and deadlines is monitored centrally by the "Corporate Accounting" and "Group Accounting & Reporting" departments.
- 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 Annual and Consolidated Financial Statements are clearly assigned (e.g. reconciliation of intragroup balances, capital consolidation, monitoring of reporting deadlines and reporting quality with regard to the data of consolidated companies, etc.). The Corporate Accounting and Group Accounting & Reporting departments are the central point of contact for specific technical questions and complex accounting issues.
- All material information included in the Annual and 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

ProSiebenSat.1 Group is one of the most dynamic media companies in Europe and has set the course for digital transformation: This includes the clear focus on Joyn as an ad-financed streaming service and investments in innovative advertising technologies. Our aim is to actively shape the digital transformation of the entertainment industry and to consistently use the opportunities for our future growth. In order to systematically identify opportunities and realize them through appropriate measures, ProSiebenSat.1 records the growth options defined as relevant as part of its strategic planning: The individual options are prioritized, specific targets are derived, and measures and resources for achieving operational goals are determined.

→ **Strategy and Management System**

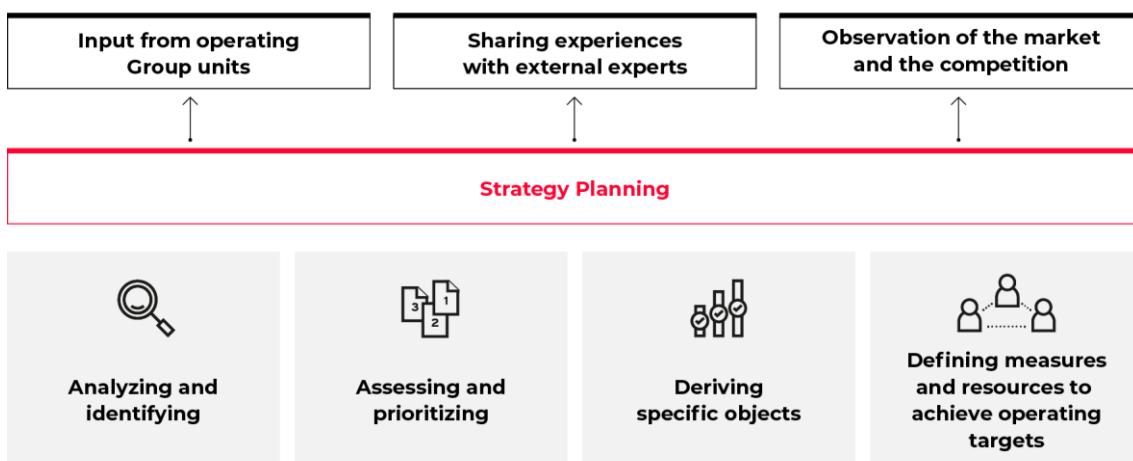
Our opportunity management is part of the internal management system and is organizationally decentralized in the business units. The process is supported by central holding functions such as the "Group Strategy" and "M&A" departments etc. Through close contact with the individual operating entities, the central functions gain insights into the business situation and are also continually searching for additional growth opportunities. In addition, market and competition analyses and exchange of experience with external experts are important sources to identify growth opportunities for ProSiebenSat.1 Group. The integration of sustainability aspects and our ESG targets is playing an increasingly important role in this.

→ **Sustainability Strategy**

» INFORMATION

We have already incorporated opportunities that we consider to have a high probability of occurring in our forecast for 2025 and our planning for the years 2026 to 2029. We report on these growth opportunities in the Company Outlook for the financial year 2025. In addition, there is potential that has not yet or not fully been budgeted for; we describe these possible positive budget variances below if they are relevant and material for the planning period until 2029.

OPPORTUNITY MANAGEMENT



OPPORTUNITIES FROM MACROECONOMIC AND REGULATORY DEVELOPMENTS

In Germany – our largest revenue market – the macroeconomic environment will remain challenging in 2025. According to current forecasts, the recovery in consumer spending is likely to continue, albeit at a relatively low level. Real purchasing gains and a slight brightening of consumer sentiment play an important role here. Since private consumption correlates very closely with the volume of investment in advertising, it is the most important early warning indicator for our financial planning. If private consumption gains more momentum than currently expected, we should benefit quickly and immediately as an early-cycle company.

→ [Future Business and Industry Environment](#)

In addition to economic conditions, opportunities could also arise from the regulatory environment. This is especially true 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 further competitive distortion in the ecosystem. This is especially true when it comes to global technology companies, which account for a significant portion of everyday internet usage due to their services and products.

In addition, we are continually looking for additional partners for Joyn. Joyn is designed as an aggregator and thus a platform that is open to the integration of partner content. With the amendment of the Media State Treaty in Germany, the legislator has recognized this form of cooperation, which is already possible under copyright law, and enshrined it in law. The law was introduced by the governments of the federal states in December 2024 and also provides for a cooperation requirement between public broadcasters and private media providers. Our goal is to offer the audience a freely available and reliable point of contact and thus react to developments in the industry. In view of the market power of global technology companies and the simultaneous loss of trust in traditional media, it is becoming increasingly relevant to strengthen the dual broadcasting system in Germany.

→ [Future Business and Industry Environment](#)

OPPORTUNITIES FROM PORTFOLIO MEASURES

Portfolio measures provide new opportunities for growth both financially and strategically. The Group has the option of using media as an investment currency to enlarge its portfolio without using 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 and strengthen our competitive position in the German-speaking region. The focus here is on the production business, as we are increasing the share of local and live content as part of our programming strategy and at the same time investing more heavily in digital entertainment products.

ProSiebenSat.1 follows various M&A approaches, but the investment criteria have a clear guideline: We will 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 and the market environment allows for a value-enhancing sale. We use this approach to optimize our portfolio and take advantage of our opportunities to optimize our financial basis. The proceeds from sales enable us to reduce debt on the one hand and at the same time enlarge the headroom for investments in further growth in our core Entertainment business.

OPPORTUNITIES RELATING TO DIGITALIZATION OF TV AND TV ADVERTISING

ProSiebenSat.1 Group is responding to media trends in a targeted manner and putting Joyn in the center of its entertainment strategy. At the same time, ProSiebenSat.1 is pursuing the goal of combining the advantages of classic linear television – such as its high reach – with the advantages of digital advertising such as data-based targeting. Examples include our various Advanced TV products, which enable targeted, contextual control of advertising on TV and on Joyn. There are significant growth prospects for digital advertising, as the use of Internet-enabled TV sets is continuously increasing. In addition, the use of artificial intelligence (AI) opens up new opportunities to make processes more efficient and products smarter. One example is the automated delivery of advertising, as AI can be used to analyze data in real time.

→ **Research and Innovation**

Advertising is the key lever for quickly and effectively raising brand awareness. This is especially true for cross-media forms of advertising. Under the heading Advanced TV, ProSiebenSat.1 is therefore driving the digitalization of advertising both on TV and on digital platforms, especially on Joyn. At the same time, comprehensive brand consulting is crucial to success in order to be able to offer and sell advertising products in a tailor-made manner. ProSiebenSat.1 works cross-media, covers the entire value chain and can offer content, marketing and technology from a single source. This is an important differentiating feature from traditional media companies as well as global technology companies.

INTERNAL CONTROL, COMPLIANCE AND RISK MANAGEMENT SYSTEM²⁵

KEY FEATURES OF THE INTERNAL CONTROL, COMPLIANCE AND RISK MANAGEMENT SYSTEM

The Group-wide internal control, compliance and risk management system (ICS, CMS and RMS) is used to identify, assess and manage risks in relation to the achievement of business objectives. Sustainability aspects are also taken into account. The three governance systems also help to ensure the effectiveness and efficiency of business operations as well as compliance with relevant laws and other external regulations and internal guidelines. In addition, the ICS and RMS support the reliability of financial reporting.

Overall responsibility for the ICS, CMS, and RMS lies with the Executive Board of ProSiebenSat.1 Media SE. In order to manage the governance systems effectively, the Executive Board has established centralized and decentralized responsibilities and structures. Central Group-wide responsibility for methodology, quality assurance, monitoring and reporting lies with the Governance, Risk and Compliance (GRC) department, which is assisted in the performance of its tasks by experts from other Group functions.

There are decentralized responsible parties for the governance systems in each operational business unit: Within the framework of the ICS, they are responsible in particular for implementation in the areas of risk identification and control implementation, control documentation, and control execution. Their responsibility is to identify, assess, and manage risks. Within the framework of the CMS, they are responsible for ensuring adherence to compliance guidelines and compliance processes, among other things.

The ICS and RMS are designed on the basis of the internationally recognized COSO framework (Committee of Sponsoring Organizations of the Treadway Commission), while CMS is based on the revised version of the IDW PS 980 standard (09/2022; principles for the proper auditing of compliance management systems). Corresponding requirements were specified by the Executive Board in guidelines that are applicable throughout ProSiebenSat.1 Group. Compliance with these requirements is monitored by the Internal Audit department. The audits are performed during the year or as part of the risk-based annual audit plan. In addition, compliance is regularly reviewed by external auditing companies.

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 Combined Management Report.

→ [Risk Report](#)

²⁵ This section is part of the Combined Management Report, but is not audited as part of the audit of financial statements.

Internal Control System (ICS)

ProSiebenSat.1 Media SE's ICS comprises all measures and processes designed to ensure that business objectives are achieved and risks are minimized. It is an important tool for managing and monitoring business activities.

A central component of the ICS is the identification and documentation of all key processes and the associated risks. Appropriate preventive or detective controls are defined for each key process. The effectiveness of these controls is regularly reviewed through internal and external testing. Both the appropriateness of the test of design and the test of operating effectiveness are assessed.

The results of the ICS testing are included in the annual reporting to the Executive Board and the Audit and Finance Committee of the Supervisory Board and form the basis for the continuous improvement of the ICS.

Risk Management System (RMS)

The RMS is a structured process that enables us to systematically identify and manage potential risks. The risk management process comprises the steps of risk identification, risk assessment, risk control, risk monitoring, and risk reporting.

Starting with the systematic identification of potential risks, these are divided into categories such as strategic, operational, financial and compliance risks. The identified risks are then assessed in terms of their probability of occurrence and potential impact. Based on this, suitable risk management measures are developed and implemented. These measures range from risk avoidance and risk reduction to risk transfer and risk acceptance. Continuous risk monitoring ensures the monitoring of the risk situation and the assessment of the effectiveness of the measures introduced. The risk management process also provides for regular and transparent reporting to the Executive Board and the Audit and Finance Committee on the current risk situation and the measures taken.

Compliance Management System (CMS)

The CMS is specifically aligned with ProSiebenSat.1 Group's specific risk situation. It serves to systematically identify, assess and minimize compliance risks arising from our business activities and the dynamic regulatory environment. The CMS currently covers in particular the areas of money laundering prevention, corruption prevention, sanctions and embargoes, and data protection. The central pillar of the CMS is the compliance risk analysis, which enables ProSiebenSat.1 Group to identify potential compliance risks at an early stage and take appropriate measures. On this basis, guidelines and procedures are drawn up to meet the requirements of our various business areas.

To promote a strong compliance culture, ProSiebenSat.1 Group conducts regular training and awareness-raising measures to inform employees about current regulations and internal standards. ProSiebenSat.1 Group also uses effective monitoring and control mechanisms to ensure that compliance requirements are met and to identify violations promptly. Other key elements of the CMS are the compliance organization and compliance reporting.

→ Business Conduct

The whistleblower system supports our employees in reporting potential violations without fear of reprisals, thus promoting an open and responsible corporate culture.

→ Business Conduct

The commitment of senior management is essential for the success of our CMS. ProSiebenSat.1 Group continuously reviews and adapts the CMS to the changing risk situation and legal framework to ensure that not only legal requirements are met, but also that the trust of our stakeholders is strengthened and a culture of integrity and responsibility is practiced.

Interlinking of the Systems

The ICS, CMS and RMS systems are closely interlinked and complement each other. For example, compliance risks are also taken into account as part of risk identification in the RMS.

The GRC Committee, which acts as a steering committee and strengthens the Group-wide risk culture and governance practices, is essential for this interlinking. The committee, consisting of managers from various areas, discusses relevant risks, proposes measures and monitors the effectiveness of the governance framework.

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, CMS, and RMS.

Approval and reporting processes have been implemented throughout the Group for process-integrated internal monitoring, whereby compliance with the requirements is monitored in the respective organizational units. Weaknesses in the governance systems and controls are discussed and, if necessary, measures for improvement are introduced. The Executive Board receives regular reports on the results of the monitoring. Internal confirmation of the completeness and effectiveness of the governance systems (certification letter) also takes place on a quarterly basis. The correctness of the reported financial data is also confirmed by the operational business units.

An internal audit system (IRS) has been set up for process-independent internal monitoring. All companies, management systems and processes of ProSiebenSat.1 Group can be the subject of an audit. The annual audit planning for the companies and processes to be audited is risk-based and takes various internal and external factors into account. In addition, the audit plan can be flexibly expanded to include ad hoc audits. The Internal Audit department also monitors the timely implementation of the measures agreed in the respective audit report.

ProSiebenSat.1 Group is continuously developing its systems. In the financial year 2023, the Executive Board of ProSiebenSat.1 Media SE commissioned an audit firm to conduct an analysis of the maturity level of the entire ICS, CMS, and RMS. This was based on the mandate of the Audit and Finance Committee of the ProSiebenSat.1 Supervisory Board. The maturity assessment revealed potential for optimization in the governance systems. To meet the challenges identified, the GRC function was established as an independent department. The aim of this measure is to manage risks in an even more focused manner and to clearly separate the GRC system from Internal Audit in accordance with the three-line model of the Institute of Internal Auditors (IIA).

This new organizational structure came into effect at the start of the financial year 2024. Building on this, the strategic "GRC 2.0" project was launched in 2024 with the aim of further developing the structure and content of the GRC system. One focus is on promoting a proactive risk culture and strengthening resilience to changing framework conditions. As part of "GRC 2.0", a new, holistic GRC strategy was developed, which is based on the three-line model and serves as a guideline for our future risk management activities. In addition, the vision for the GRC system was defined and work began on documenting the GRC concept. To ensure efficient and transparent control of risk management, the roles and responsibilities within ProSiebenSat.1 Group were also redefined. For example, compliance and risk reporting, which were previously carried out separately, were standardized into a quarterly GRC report. In addition, the time horizon for risk assessment was extended from 12 to 48 months and, among other things, a methodology for scenario analyses was developed that makes it possible to identify potential risks even earlier and assess them.

appropriately. A compliance relevance analysis was initiated to update the relevant compliance risks.

The rollout of the new GRC system in the various areas of the Group began in the fourth quarter of 2024 and will be completed in the financial year 2025. In the process, risk catalogs and assessment criteria are also to be harmonized and the risk management processes of the various corporate units are to be even more closely interlinked.

At the time of preparation of this report, there is nothing to indicate in any material respect that the ICS, CMS, and RMS as a whole is inadequate or ineffective. Nevertheless, there are inherent limitations to the effectiveness of any governance system. No governance system - even if it has been assessed as appropriate and effective - can guarantee, for example, that all risks that actually occur will be uncovered in advance or that all process violations will be ruled out under all circumstances.