ProSiebenSat.1 Media SE

Annual General Meeting 2024

REPORT OF THE EXECUTIVE BOARD

BERT HABETS
GROUP CEO,
PROSIEBENSAT.1 MEDIA SE

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– *Check against delivery* –

[Welcome]

Dear shareholders!

Welcome to our Annual General Meeting from my side as well. I am happy to see that more shareholders than usual have registered today to attend this important Annual General Meeting. The high attendance shows us that you are taking our message of recent weeks seriously. With your vote today, you are setting the course for the future of our - your - company. Thank you very much!

ProSiebenSat.1 is the home of popular entertainment and infotainment and a leading entertainment and commerce player in the German-speaking region. We want to strengthen and expand this position. Our clear goal is to be the number 1 entertainment player in the German-speaking region. Our aim:

SHAPING THE FUTURE OF ENTERTAINMENT.

I will explain to you today how we aim to achieve this goal. I will look back on the past year. On our successes. But also on our challenges. And on the strategic course we have set. I will talk about our expectations for 2024. And I will explain to you how we intend to strengthen our company for the coming years.

[40 years of private broadcasting]

Before I address all these topics, I would like to take a broader look back: This year we are celebrating a very special anniversary: 40 years of private broadcasting in Germany!

It has been 40 extremely exciting years. And especially at the beginning, also wild years. Private broadcasting first had to prove itself. Over these many years, it has greatly shaped and enriched our media landscape. And it has made it more colorful. More innovative. More interesting.

We were the first with SAT.1! The pioneer of private broadcasting! And today we are one of the largest media companies in Germany.

Many channels have been created and we have helped shape German broadcasting. We have given our viewers countless hours of unique entertainment. We can be proud of that. Just a few examples:

- Our "SAT.1 Frühstücksfernsehen" (SAT.1 Breakfast TV). For over 36 years, this morning show in SAT.1 has been part of millions of viewers' start into the day.
- Or think of the "Harald Schmidt Show" in SAT.1 - one of the most influential TV shows of the nineties in Germany.
- "TV Total" on Pro7 has shaped the humor of a generation.
- Our knowledge magazine "Galileo" recently celebrated its 25th birthday. With this show, we have made science accessible and popular, especially for younger viewers.
- Currently more successful than ever: "Germany's Next Topmodel" with Heidi Klum - a market share guarantee for 19 years!
- And with Joko and Klaas, we have created two of Germany's most popular and versatile entertainers. Shows like "Duell um die Welt" (Duel around the world) have taken entertainment to a new dimension. Joko and Klaas guarantee outstanding entertainment. But they also take a clear stance on important socio-political issues: refugee camps, violence against women, right-wing populism.

Many of these formats are still part of our program. They have evolved over time. Just like our viewers. Like their usage behavior. And like our entire industry.

The media landscape has changed enormously over the last 40 years. Also in terms of technology: from small tube televisions to large flatscreens. From linear TV to digital streaming. From watching television at home to watching video on your smartphone. From stationary to mobile, from linear to on-demand.

Technology was and is driving our change. The viewers of the past have become the users of today. In the past, the family used to gather in front of the TV at 8:15 p.m. latest. Today, we can watch the content that interests us anywhere and at any time.

There used to be a handful of channels. Today, the choice is huge. With national and international providers and with a wide range of content for our viewers to choose from.

We at ProSiebenSat.1 have evolved from a linear broadcasting group into a digital media company.

[Review 2023]

I would like to tell you today what we have done over the past year.

We defined our new strategy in March 2023. Our focus is now clearly on our core business Entertainment. This is our DNA. This is where we want to and will continue to grow.

We have reorganized our company. We have fully integrated Joyn into our company. And we have made our Group leaner overall. More efficient. More effective.

These were essential steps that we have taken. And all of this in an environment that remains economically challenging.

This is also reflected in the development of the financial year 2023.

- Last year, our Group revenues amounted to EUR 3.85 billion. This is also in line with our financial targets, which we updated in November.
- Our advertising business suffered from the overall economic situation in 2023. Inflation, consumer restraint, a decline in investment, recession - we and the entire industry have felt the effects of this.
- In this environment, the Group's adjusted EBITDA declined by 15% to EUR 578 million.

However, there were also positive developments in 2023:

- We optimized our portfolio in the Commerce & Ventures segment. The entire segment performed well. And above all, Verivox and flaconi grew dynamically last year.
- flaconi's revenue increased by 20% compared to the previous year.
- Verivox's revenues more than doubled compared to the previous year.
- We were able to further decrease net financial debt by 4%. At the end of 2023, it amounted to EUR 1.546 billion; the leverage ratio of 2.7x was clearly within the target range of 2.5x to 3x for 2023 despite the negative impact on earnings.

The further reduction of debt remains our clear goal. Accordingly, we will use future proceeds from the planned disposal of shareholdings to repay liabilities. We also want to invest in our operating business. Here, too, our focus is clearly on the Entertainment segment.

[Dividend]

Against this backdrop, we adjusted our dividend policy last year. For the financial year 2023, we are again proposing a dividend of 5 cents per share. This corresponds to an expected total distribution of around EUR 11 million and a pay-out ratio of 5%.

I am aware that most of you would probably appreciate a higher dividend. Perhaps you were even expecting one.

However, we are convinced that this is the right step. We want to further strengthen ProSiebenSat.1's operating profitability. We want to continue to invest significantly in our operating business. In the future of our company. We must now lay the foundations for this. For a healthy and profitable company that you as shareholders can also enjoy in the long term.

Our figures for the first quarter of 2024 show that we are on the right track. We have made a good start to the new year. The figures are still preliminary. But on this basis, we have increased Group revenues by 6%. We are even seeing a 35% increase in adjusted EBITDA. We have increased our advertising revenue in both areas: TV as well as digital and smart. Joyn reached a new record level. Our Commerce & Ventures portfolio also continued to grow dynamically. We will build on this.

[Joyn & local content]

An important factor is access to our content. Our streaming platform Joyn has a unique selling point in the German-speaking market: it is ad-financed. This means that it is free of charge for users. They do not have to take out a paid subscription.

We are convinced that this is also why Joyn is becoming more and more attractive. Because the budget of users is limited. But most streaming services are only accessible via paid subscriptions. Joyn makes streaming easier - and cheaper.

We are also linking Joyn ever more closely with our linear channels. Let me illustrate this with an example: "Big Brother".

- The current season is mainly available on Joyn. The daily and weekly summaries can be viewed free of charge on Joyn - 100 days on-demand.
- The live shows on Monday run in parallel on Joyn and in SAT.1.
- And the 24-hour live stream is available on Joyn Plus.

This way, "Big Brother" reaches viewers on both linear TV and streaming.

This strategy is beginning to bear fruit:

- The fourth quarter of 2023 was the best quarter ever for Joyn.
- We had 6.3 million monthly video users and a total viewing time of 8.8 billion minutes.
- There were also records in terms of revenue: Advertising revenue on Joyn increased by 37% in the fourth quarter of 2023 compared to the same quarter of the previous year.
- The first quarter of 2024 even exceeded these figures and broke all records.

This shows that Joyn is also becoming attractive and more relevant for our advertising customers.

The strongest growth drivers were local and live formats:

- "Big Brother" as Joyn Original,
- the ProSieben shows "Wer stiehlt mir die Show?" (Stealing the show) and "Germany's Next Topmodel",
- the reality format "Forsthaus Rampensau Germany"
- and the SAT.1 series highlights such as "Die Landarztpraxis" (The country doctor's office).

We want to build on this success further this year. With new reality and comedy formats. That's why I'm already looking forward to new exclusive highlights in the second half of 2024, such as the vampire comedy series "The Upir" with Fahri Yardim.

We need to invest in the development of such programs. That is why we announced at the end of last year that we will be investing an additional EUR 80 million in our content. We have thus increased our programming expenses to more than EUR 1 billion.

Local content not only achieves above-average market shares on our channels and on Joyn, it also sets us apart from our international competitors. Because this content is only available on our channels. And it is precisely tailored to our target groups. That is why it is a key component of our strategy.

[Partnerships]

Partnerships are another component of our strategy. Only by working together we can hold our line against the world's largest streaming providers.

We are already moving in this direction with Joyn. Our platform features around 70 live TV channels and around 25,000 hours of formats and programs - as well as offerings from other broadcasters: private and public, domestic and foreign. We work together with our competitors where it makes sense and is legally allowed.

We are convinced of cooperation within the industry. Also between private and public broadcasters! Only this way can the dual broadcasting system become more modern and at the same time remain an important pillar of society. This is already reality in Austria: the entire ORF (Austrian Public Broadcasting Corporation) media library is integrated on Joyn. Both sides benefit from this.

In recent months, we have agreed many collaborations. For example, with Magenta TV from Deutsche Telekom. Joyn is now available to all users there.

We have also entered into an innovative partnership with RTL Germany in the area of advertising technology. This makes it even easier for agencies and advertisers to book advertising on our respective platforms. Which makes us even more attractive. But that's not all. We are also digitizing our linear TV tech environment. In future, advertising can be booked on both our and RTL platforms in a single offer. The new system combines many components: combined booking, measurement and reporting via linear TV, Addressable TV and Connected TV. This helps us to defend advertising budgets in the entire German-speaking region - and to win new ones. This cooperation is AdTech made in Europe!

[Advertising business]

Our focus on streaming gives us new monetization opportunities. We can offer our advertising customers even more digital and smart advertising products. This creates new sources of income.

This partially compensates the decline in linear TV advertising. Last year, we already generated almost EUR 300 million with digital and smart advertising. This equates to an average annual increase of 9% over the last four years. We have thus successfully digitalized our Entertainment business even in a weak advertising market.

We will continue to increase our digital and smart advertising revenues. We are convinced of this. We will achieve this in several ways:

- through the growth of Joyn,
- through addressable and programmatic advertising revenues on TV
- and through our podcast business.

At the same time, we are reducing our dependency on traditional TV advertising.

As you see: We are pursuing a clear strategy. We are focusing on our entertainment expertise. We are putting Joyn at the center. We are leveraging the potential of partnerships. And we are developing new ways of monetization.

[Investors & strategic priorities]

This strategy is also supported in general by our two largest minority shareholders MFE and PPF. In recent weeks, this may sometimes have looked different from the outside. We want to continue our digital transformation together. And we will continue to maintain an open, regular dialog with our investors.

However, we completely disagree with the proposal to spin off our company. You can see MFE's proposal in the agenda: We should prepare the spin-off of our two segments Commerce & Ventures and Dating & Video. In a next step, they should be listed on the stock exchange in a new company alongside ProSiebenSat.1. This does not achieve the goal of maximizing value or reducing debt. And it is therefore attractive neither for ProSiebenSat.1 nor for its shareholders. We therefore reject this proposal.

The much better way is to sell individual assets. We have been preparing this for flaconi and Verivox since the end of last year. Both companies have grown strongly. The environment for such transactions is also favorable again. We want to achieve the best possible value for our investments. We can then use the proceeds to reduce our debt. This creates scope for investment in our core business Entertainment. And this focus is precisely the goal of MFE.

Even if the preparation of a spin-off is on the election list today: I would like to emphasize that this is not a cost-free option. It is expensive. It requires management attention, which urgently needs to be focused on the execution of our strategy, and given our extensive analysis of the spin-off option, we already know that it does not serve the purpose.

[Outlook]

Dear shareholders!

Last year, we laid the foundations for the successful future of ProSiebenSat.1. We integrated and expanded Joyn. We have increased cost efficiency. We have optimized our processes. And we have made savings. All of this will have a noticeable impact this year.

Our start to 2024 has already been positive. Now we want to further increase our advertising revenue.

We will continue the dynamic sales and earnings growth in the Commerce & Ventures segment. As mentioned, we will sell individual assets. And we are expanding our SevenVentures portfolio. Here we want to boost our advertising business with fast-growing companies again.

In our Dating & Video segment, we are working on stabilizing the business. With targeted initiatives, we want to continue to inspire customers for our dating brands. We also want to further increase efficiency throughout the Group.

What does this mean in figures?

- The overall economic environment remains challenging in the current year, even if there are small signs of optimism. The German economy in particular is still suffering.
- We expect Group sales to grow to around EUR 3.95 billion this year. With a deviation of plus/minus EUR 150 million. Whether we achieve this, depends heavily on the development of advertising revenues in the German-speaking region.
- For the Group, we expect adjusted EBITDA of EUR 575 million. We are also calculating a deviation of plus/minus 50 million euros here. In the middle of this range, we would be at the previous year's level.
- We also expect adjusted net income to be on a level around the previous year. This means: EUR 225 million.

As you can see: The complete turnaround takes time. We are just at the beginning of our transformation. But we laid the foundations last year: With our new strategy. And with the first measures to implement it. We will continue to work on this this year. Let me summarize once again:

- Even more attractive content for our linear and digital programs.
- New partners for Joyn.
- New digital and intelligent products for our advertising partners.
- And, of course, the sale of investments at the best possible value.

We have the right strategy and are focusing all our resources on executing it. This enables us to stand up to the global providers. Joyn has a unique positioning in the market. And more and more users see it the same way.

Our greatest asset, though, are our around 7,000 employees. They are motivated, committed and creative. They know their business. In front of the camera and behind the camera. And they have countless ideas on how we can take entertainment to new dimensions.

I am convinced that we are on the right path to becoming the number 1 entertainment player in the German-speaking region. I look forward to you continuing to accompany us on this path.

Thank you for your attention.