Press release

Executive Board and Supervisory Board of ProSiebenSat.1 reject proposals of large minority shareholder MFE

The Executive Board and Supervisory Board of ProSiebenSat.1 Media SE reject the proposals of MFE-MEDIAFOREUROPE N.V. for the Annual General Meeting on April 30, 2024. The motions submitted by MFE, which is controlled by the Italian Berlusconi family, include proposals for a split-up of the company, the composition of the Supervisory Board and the restriction of the authorized capital. ProSiebenSat.1 Media SE published the corresponding statements by the Executive Board and the Supervisory Board on its website today.

The Supervisory Board also adheres to its own election proposals regarding the Supervisory Board candidate proposed by the second large minority shareholder PPF IM LTD.

Unterfoehring, March 27, 2024

Split-up of the company not in the best interests of all shareholders

The Executive Board and the Supervisory Board of ProSiebenSat.1 Media SE have consistently pursued their strategy of focussing on the Entertainment segment for the past year. The Executive Board is constantly reviewing possible steps and is preparing the sale of certain investments in the Commerce & Ventures and Dating & Video segments accordingly. These divestments are intended to be carried out in a value-maximizing manner in the interest of the company and all shareholders, not least to use the disposal proceeds to significantly reduce the company's debt and financial leverage. The Executive Board and the Supervisory Board do not consider MFE’s call for a split-up of the company to be appropriate. A split-up would result in a **significant increase of the financial leverage of ProSiebenSat.1 to up to 4.1x adjusted EBITDA** (2023 basis) and thus make strategic acquisitions just as impossible as a customary dividend policy.

A split-up instead of a sale of investments would therefore be **detrimental to the necessary further development of the company's core business in the medium term**, preventing it from being positioned in line with its market environment and peers. In the opinion of the Executive Board and the Supervisory Board, a split-up therefore lies in the unique interest of MFE, but not in the best interests of all other shareholders.

In addition to the aforementioned effects, the Executive Board and the Supervisory Board are convinced that, following the split-up proposed by MFE, further companies (like SevenVentures, which operates the successful “Media for Equity” and “Media for Revenue” models, or marktguru) would also have to be spun off. In concrete terms, this would impact companies whose divestment can be expected to result in a **significant loss of advertising synergies** in the mid double-digit million Euro range between the ProSiebenSat.1 Group and the spun-off investments, resulting in a direct destruction of value. If – as requested by MFE –

all portfolio companies of the Commerce & Ventures and Dating & Video segments were transferred to the new company together with all assets, this would result in a corresponding reduction in the enterprise value of ProSiebenSat.1. While net debt would remain unchanged, the equity value of ProSiebenSat.1 Media SE would therefore decrease accordingly. As a result, the market capitalization of the remaining company would probably be extremely low, which would also have a **negative impact on the attractiveness of the ProSiebenSat.1 share**.

Moreover, the Executive Board and the Supervisory Board are convinced that the new entity resulting from the spin-off as an investment holding company would not have an attractive equity story for institutional investors in the capital market. Since this company would consist of many very different business models and financial profiles, this would probably result in a considerable **conglomerate discount**, likely leading to further divestments and thus to a break-up of the spun-off company. There would also be a risk that the tradability of the share would be restricted due to the low free float, but, in any case, that trading in smaller positions could lead to significant share price reactions.

Based on these considerations, the Executive Board and the Supervisory Board have concluded that they do not recommend such a split-up and instead plan to focus clearly on the value-maximizing sale of the relevant investments over the next 12 to 18 months, subject to the market conditions.

Changes in the composition of the Supervisory Board would lead to potential conflicts of interest and overrepresentation of the large minority shareholders

MFE has requested that Supervisory Board member Prof. Dr. Rolf Nonnenmacher, who is also Chairman of the Audit Committee, be replaced with the former Italian EY auditor Simone Scettri. MFE has also nominated the former Italian Citibank investment banker Leopoldo Attolico as a candidate for the Supervisory Board. PPF in turn has proposed Christoph Mainusch as a candidate.

Rolf Nonnenmacher is one of the most renowned German auditors and a recognized expert in the fields of accounting, internal control and risk management systems, and auditing. As a former Chairman of the Government Commission on the German Corporate Governance Code and long-standing Chairman of the Audit Committees of DAX-listed companies, he has obtained outstanding knowledge and experience in all audit committee tasks and is highly respected in professional circles.

According to MFE, Simone Scettri held senior management positions at EY in Italy for almost 20 years until 2022. EY Germany was the auditor for ProSiebenSat.1 Group and Jochen Schweizer mydays from 2019 to 2023. During this time, EY did not raise any objections to the violations of the German Payment Services Supervision Act (Zahlungsdiensteaufsichtsgesetz – ZAG) at Jochen Schweizer mydays. ProSiebenSat.1 Media SE will have to examine whether to file a claim against EY. This harbors the obvious **risk of a conflict of interest** for Simone Scettri.

With Katharina Behrends and Klára Brachtlová, the Supervisory Board already has two members who have direct and close ties to MFE and PPF, respectively. Furthermore, MFE proposed Thomas Ingelfinger as a candidate for election to the Supervisory Board last year, and the Supervisory Board approved this request after examining Thomas Ingelfinger's qualifications and his independence in accordance with the German Corporate Governance Code as well as considering the size of MFE's shareholding in the company. If the Annual General Meeting were to follow the proposals by MFE and PPF, **the majority of Supervisory**

Board members would have close ties to the company's two largest shareholders or would have been proposed by them, even though the two shareholders together do not hold a majority of the company's share capital.

Restriction of authorized capital reduces options for action

MFE has requested to cancel the current authorized capital and to replace it with a new, significantly restricted authorized capital. As a result, certain options for a capital increase with the exclusion of pre-emptive rights – which are generally customary in the market – would be deleted. This would deprive the company of the ability to raise new capital quickly and flexibly or using new shares as consideration for potential acquisitions. The Executive Board and the Supervisory Board are convinced that this would not be in the interest of the company and its shareholders. It would rather serve MFE's exclusive interest to prevent a percentage dilution of MFE's shareholding in the company through measures that make sense for the company and all of its shareholders.

Amendments to the Articles of Incorporation can lead to business-critical delays

As is common practice in Germany, the rules of procedure for the Executive Board of ProSiebenSat.1 Media SE stipulate certain transactions for which the Executive Board requires the approval of the Supervisory Board. This ensures already today that the Supervisory Board is involved in key corporate decisions, which is customary in listed companies. Based on MFE's proposed amendments to the Articles of Incorporation, certain transactions that currently require Supervisory Board approval according to the rules of procedure would instead be stipulated in the Articles of Incorporation. This would effectively remove them from the Supervisory Board's control over the form of these approval requirements. Such a transfer of approval requirements to the Articles of Incorporation would prevent the Supervisory Board from adapting the aforementioned approval requirements to changed circumstances or conditions in the future without consulting the Annual General Meeting. This would deprive the Supervisory Board of its important task of monitoring transactions requiring approval, particularly in listed companies. The Executive Board and the Supervisory Board therefore reject the amendment to the Articles of Incorporation proposed by MFE.

To summarize, the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE are of the opinion that the aforementioned proposals do not contribute to increasing the value of the company, but – on the contrary – entail the risk of a reduction in value for the company and its shareholders.

All further information such as requests for additions, countermotions and the statements of ProSiebenSat.1 Media SE can be found at: https://www.prosiebensat1.com/en/annual-general-meeting

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