STRÖER SE & CO. KGAA, COLOGNE

FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT 2023

FINALIST
German Sustainability Award 2024

STRÖER

Ströer SE & Co. KGaA, Cologne
Balance sheet as at December 31, 2023

ASSETS

	Dec. 31, 2023 EUR	Dec. 31, 2022 EUR
NON-CURRENT ASSETS		
Intangible assets		
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	3,723,800.08	6,497,815.46
	3,723,800.08	**6,497,815.46**
Property, plant, and equipment		
Land, land rights, and buildings, including buildings on third-party land	12,495,047.96	12,652,582.50
Other equipment, furniture, and fixtures	8,349,195.88	8,082,377.03
Prepayments and assets under construction	1,275,952.33	228,667.76
	22,120,196.17	**20,963,627.29**
Financial assets		
Shares in affiliates	654,359,419.21	654,359,419.21
Loans to affiliates	110,448,069.17	100,441,021.09
Equity investments	1,575,523.75	1,326,658.84
Other loans	4.00	4.00
	766,383,016.13	**756,127,103.14**
	792,227,012.38	**783,588,545.89**
CURRENT ASSETS		
Receivables and other assets		
Trade receivables	433,997.70	484,402.18
Receivables from affiliates	1,524,932,525.08	1,555,150,954.47
Receivables from other investees and investors	2,748.90	10,911.78
Other assets	13,179,300.14	10,588,735.84
	1,538,548,571.82	**1,566,235,004.27**
Cash on hand and bank balances	14,812,694.49	13,304,903.09
	1,553,361,266.31	**1,579,539,907.36**
PREPAID EXPENSES	**5,661,295.41**	**4,979,223.25**
	2,351,249,574.10	**2,368,107,676.50**

EQUITY AND LIABILITIES

	Dec. 31, 2023 EUR	Dec. 31, 2022 EUR
EQUITY		
Subscribed capital	55,706,313.00	56,691,571.00
Nominal value of treasury shares	0.00	-610,331.00
Issued capital	55,706,313.00	56,081,240.00
- Conditional capital: EUR 16,697,901.00 (prior year: EUR 14,885,923.00)		
Capital reserves	655,454,384.92	650,575,312.92
Retained earnings		
Other retained earnings	343,823,450.45	363,904,240.63
Accumulated profit	290,027,645.87	281,457,152.43
	1,345,011,794.24	**1,352,017,945.98**
PROVISIONS		
Tax provisions	16,135,299.11	28,665,668.85
Other provisions	27,823,743.37	26,347,616.49
	43,959,042.48	**55,013,285.34**
LIABILITIES		
Liabilities to banks	763,384,362.68	753,852,777.37
Trade payables	2,996,891.25	5,182,208.55
Liabilities to affiliates	177,126,478.39	182,466,761.41
Other liabilities	1,048,866.32	754,162.08
- thereof for taxes: EUR 727,049.32 (prior year: EUR 401,633.23)		
	944,556,598.64	**942,255,909.41**
DEFERRED TAX LIABILITIES	**17,722,138.74**	**18,820,535.77**
	2,351,249,574.10	**2,368,107,676.50**

Ströer SE & Co. KGaA, Cologne
Income statement for 2023

	2023 EUR	2022 EUR
Revenue	40,989,128.60	33,139,045.79
Other operating income	10,424,056.55	24,821,466.51
- thereof income from currency translation: EUR 23,503.58 (prior year: EUR 438,780.71)		
Cost of materials		
Cost of purchased services	-8,533,790.65	-9,187,384.36
Personnel expenses		
Wages and salaries	-21,310,374.36	-20,455,345.44
Social security and pension costs	-3,611,634.60	-3,451,910.60
- thereof for old-age pensions: EUR 25,924.75 (prior year: EUR 21,764.35)		
Amortization, depreciation, and impairment of intangible assets and property, plant, and equipment	-6,394,726.82	-8,356,345.18
Other operating expenses	-58,152,283.24	-52,467,771.97
- thereof expenses from currency translation: EUR 81,220.45 (prior year: EUR 71,329.83)		
Income from equity investments	741,099.94	3,300,000.00
- thereof from affiliates: EUR 0.00 (prior year: EUR 3,300,000.00)		
Income from profit transfer agreements	184,608,611.20	247,631,235.04
Income from other securities and loans classified as non-current financial assets	5,882,826.11	2,395,211.37
- thereof from affiliates: EUR 5,772,433.91 (prior year: EUR 2,341,639.16)		
Other interest and similar income	42,574,311.11	5,090,722.90
- thereof from affiliates: EUR 42,573,167.00 (prior year: EUR 5,086,264.33)		
- thereof income from unwinding the discount: EUR 0.88 (prior year: EUR 0.00)		
Impairment of financial assets	0.00	-10,000.00
Interest and similar expenses	-41,211,567.00	-14,955,456.37
- thereof to affiliates: EUR 7,058,998.88 (prior year: EUR 1,178,678.83)		
- thereof expenses from unwinding the discount: EUR 5.00 (prior year: EUR 16.96)		
Income taxes	-29,241,139.03	-51,084,066.09
- thereof income/expense from the change in the recognition of deferred taxes EUR 1,098,397.03 (income) (prior year: expense of EUR 18,820,535.77))		
Post-tax profit or loss	**116,764,517.81**	**156,409,401.60**
Other taxes	-1,736,871.94	47,750.83
Profit for the period	**115,027,645.87**	**156,457,152.43**
Profit carryforward from the prior year	175,000,000.00	125,000,000.00
Accumulated profit	**290,027,645.87**	**281,457,152.43**

Ströer SE & Co. KGaA, Cologne
Notes to the financial statements for 2023

A. General

Ströer SE & Co. KGaA, Cologne ('Ströer KGaA'), was established by transforming Ströer SE, Cologne (Cologne local court, HRB no. 82548), by way of a change in legal form in accordance with the resolution adopted by the extraordinary shareholder meeting on September 25, 2015. Its articles of association are dated June 23, 2016 and were last amended on January 31, 2024. It was entered in commercial register B of Cologne local court under HRB no. 86922 on March 1, 2016.

These separate financial statements were prepared in accordance with sections 242 et seq. and sections 264 et seq. of the German Commercial Code (HGB) and in accordance with the relevant provisions of the German Stock Corporation Act (AktG). The provisions for large corporations apply.

The income statement is structured in accordance with the nature-of-expense method.

B. Accounting policies

The following accounting policies, which essentially remained unchanged in comparison to the prior year, were used to prepare the separate financial statements.

Intangible assets and **property, plant, and equipment** are recognized at cost and, where applicable, are amortized/depreciated on a straight-line basis over their useful lives.

Amortization/depreciation is based on the following useful lives:

- Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets
  3 to 10 years
- Land, land rights, and buildings, including buildings on third-party land
  35 years
- Other equipment, furniture, and fixtures
  3 to 13 years

Low-value assets with an individual net value not exceeding EUR 250.00 are written off/fully expensed in the year of acquisition, with their immediate disposal being assumed. For reasons of efficiency, a collective item is recognized for assets with an individual net value of more than EUR 250.00 but no greater than EUR 1,000.00 and depreciated at a flat rate of 20% p.a. in the year of acquisition and in each of the following four years. All other depreciation on additions to property, plant, and equipment is recognized pro rata. Depreciation of the collective item amounted to EUR 67k in 2023 (prior year: EUR 100k).

Under **financial assets**, equity investments are recognized at the lower of cost and fair value, while loans are recognized at nominal value. Interest-free or low-interest loans are discounted to their present value.

Receivables and other assets are recognized at their nominal value. Specific loss allowances are recognized for items subject to risk, while a general loss allowance is recognized for general credit risk. Interest-free and low-interest receivables due in more than one year are discounted.

Payments made before the reporting date that constitute expenses for a certain period after this date are recognized as **prepaid expenses**.

Tax provisions and **other provisions** are recognized for all contingent liabilities and losses expected to be incurred from onerous contracts. They are recognized at the settlement value deemed necessary according to prudent business judgment (i.e. including future cost and price increases). Provisions with a residual term of more than one year are discounted.

Liabilities are recorded at the settlement value.

To determine **deferred taxes** arising due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, prepaid expenses, and deferred income in the statutory accounts and their tax carrying amounts or due to tax loss carryforwards, these differences are valued using the Company-specific tax rate of 31.388% at the time they are reversed; the amounts of any resulting tax charge or benefit are not discounted. Deferred tax assets and liabilities are offset.

Foreign currency assets and liabilities are translated using the middle spot rate on the reporting date. If they have residual terms of more than one year, the realization principle (section 252 (1) no. 4 half-sentence 2 HGB) and the historical cost principle (section 253 (1) sentence 1 HGB) are applied.

All entities that are fully consolidated in Ströer KGaA's consolidated financial statements are classified as **affiliates**.

C. Notes to the balance sheet

1. Non-current assets

The change in the individual non-current asset items, including amortization, depreciation, and impairment for the financial year, is shown in the statement of changes in non-current assets.

	COST					ACCUMULATED AMORTIZATION, DEPRECIATION, AND IMPAIRMENT					NET CARRYING AMOUNTS	
	Jan. 1, 2023 EUR	Additions EUR	Disposals EUR	Reclassifications EUR	Dec. 31, 2023 EUR	Jan. 1, 2023 EUR	Additions EUR	Reversals EUR	Reclassifications EUR	Dec. 31, 2023 EUR	Dec. 31, 2023 EUR	Dec. 31, 2022 EUR
INTANGIBLE ASSETS												
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	27,276,451.07	189,668.95	0.00	0.00	27,466,120.02	20,778,635.61	2,963,684.33	0.00	0.00	23,742,319.94	3,723,800.08	6,497,815.46
	27,276,451.07	**189,668.95**	**0.00**	**0.00**	**27,466,120.02**	**20,778,635.61**	**2,963,684.33**	**0.00**	**0.00**	**23,742,319.94**	**3,723,800.08**	**6,497,815.46**
PROPERTY, PLANT, AND EQUIPMENT												
Land, land rights, and buildings, including buildings on third-party land	12,725,803.03	129,617.98	0.00	0.00	12,855,421.01	73,220.53	287,152.52	0.00	0.00	360,373.05	12,495,047.96	12,652,582.50
Other equipment, furniture, and fixtures	26,732,066.05	3,333,121.41	540,914.29	89,170.19	29,613,443.36	18,649,689.02	3,143,889.97	529,331.51	0.00	21,264,247.48	8,349,195.88	8,082,377.03
Prepayments and assets under construction	228,667.76	1,177,308.76	40,854.00	-89,170.19	1,275,952.33	0.00	0.00	0.00	0.00	0.00	1,275,952.33	228,667.76
	39,686,536.84	**4,640,048.15**	**581,768.29**	**0.00**	**43,744,816.70**	**18,722,909.55**	**3,431,042.49**	**529,331.51**	**0.00**	**21,624,620.53**	**22,120,196.17**	**20,963,627.29**
FINANCIAL ASSETS												
Shares in affiliates	654,359,419.21	0.00	0.00	0.00	654,359,419.21	0.00	0.00	0.00	0.00	0.00	654,359,419.21	654,359,419.21
Loans to affiliates	100,441,021.09	10,257,048.08	250,000.00	0.00	110,448,069.17	0.00	0.00	0.00	0.00	0.00	110,448,069.17	100,441,021.09
Equity investments	1,326,658.84	248,864.91	0.00	0.00	1,575,523.75	0.00	0.00	0.00	0.00	0.00	1,575,523.75	1,326,658.84
Other loans	21,515,000.00	0.00	0.00	0.00	21,515,000.00	21,514,996.00	0.00	0.00	0.00	21,514,996.00	4.00	4.00
	777,642,099.14	**10,505,912.99**	**250,000.00**	**0.00**	**787,898,012.13**	**21,514,996.00**	**0.00**	**0.00**	**0.00**	**21,514,996.00**	**766,383,016.13**	**756,127,103.14**
	844,605,087.05	**15,335,630.09**	**831,768.29**	**0.00**	**859,108,948.85**	**61,016,541.16**	**6,394,726.82**	**529,331.51**	**0.00**	**66,881,936.47**	**792,227,012.38**	**783,588,545.89**

a) Intangible assets

The item 'Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets' mainly comprise expenditure on the purchase of software.

b) Land, land rights, and buildings, including buildings on third-party land

Land and buildings includes the head office building at Ströer Allee 1, which the Company acquired in 2022 and which is reported at the purchase price including acquisition-related costs less depreciation and impairment.

c) Financial assets

The financial assets of Ströer KGaA increased by EUR 10,256k to EUR 766,383k as at December 31, 2023. This increase was largely the result of the growth in intragroup loans that were only partly offset by loan repayments.

2. Receivables and other assets

	Dec. 31, 2023 EUR k	Dec. 31, 2022 EUR k
Trade receivables	434	484
thereof due in more than one year	0	0
Receivables from affiliates	1,524,933	1,555,151
thereof due in more than one year	0	0
Receivables from other investees and investors	3	11
thereof due in more than one year	0	0
Other assets	13,179	10,589
thereof due in more than one year	36	36
	1,538,549	**1,566,235**

Receivables from affiliates related to the profit-and-loss transfer agreement with Ströer Media Deutschland GmbH, Cologne ('SMD') (EUR 69,467k; prior year: EUR 95,941k), and to the profit-and-loss transfer agreements with Ströer Digital Publishing GmbH, Cologne ('SDP') (EUR 51,912k; prior year: EUR 78,459k), with Ströer Sales Group GmbH, Cologne ('SSG') (EUR 34,130k; prior year: EUR 47,213k), with Ströer Digital Commerce GmbH, Cologne ('SDC') (EUR 17,490k; prior year: EUR 328k), with BlowUP Media GmbH, Cologne ('BUM') (EUR 6,056k; prior year: EUR 4,917k), and Ströer Content Group GmbH, Cologne ('SCG') (EUR 5,554k; prior year: EUR 20,774k). There were also trade receivables of EUR 11,974k (prior year: EUR 9,266k). In addition, there were receivables from cash pooling of EUR 999,799k (prior year: EUR 972,308k) with SMD, of EUR 196,512k (prior year: EUR 185,139k) with SCG, of EUR 68,478k (prior year: EUR 77,806k) with SDC, of EUR 59,330k (prior year: EUR 60,718k) with SSG, of EUR 3,999k (prior year: EUR 2,284k) with Ströer X GmbH, Leipzig, and of EUR 232k (prior year: liability of EUR 1,556k) with Statista GmbH, Cologne.

3. Equity

a) Subscribed capital

The Company's subscribed capital decreased from EUR 56,691,571.00 to EUR 55,706,313.00 in 2023. This decrease was chiefly due to the decision by Ströer Management SE on August 8, 2023 to reduce the subscribed capital of Ströer KGaA from EUR 56,691,571.00 to EUR 55,601,583.00 by retiring 1,089,988 treasury shares. The exercising of 104,730 stock options had the opposite effect, increasing the Company's subscribed capital to EUR 55,706,313 as at December 31, 2023. The subscribed capital was thus divided into 55,706,313 no-par-value bearer shares as at December 31, 2023. They have a nominal value of EUR 1.00 each and are fully paid up.

The following disclosures are mainly taken from the articles of association of Ströer KGaA.

b) Treasury shares

In accordance with the resolution passed by the shareholder meeting on November 4, 2020, the Company is authorized, in the period up to and including November 3, 2025, to purchase treasury shares for any permissible purpose in an amount equivalent to no more than 10% of the Company's share capital at the time of adoption of the resolution or – if this figure is lower – at the time the authorization is exercised. The shares purchased on the basis of this authorization, together with other shares of the Company that the Company has already purchased and still owns, or that are attributable to the Company pursuant to sections 71a et seq. AktG, must not exceed 10% of the share capital at any time. The authorization must not be used for the purpose of trading in treasury shares. In each instance, the general partner decides whether the purchase is to be made through the stock exchange, by way of a public purchase offer to all shareholders, by way of a public invitation to the Company's shareholders to tender their shares, or by another means that is in compliance with the principle of equal treatment (section 53a AktG).

Based on the authorization from the annual shareholder meeting on November 4, 2020, Ströer KGaA decided on September 28, 2022 to carry out a share buyback program with a total maximum repurchase volume of EUR 50,000,000.00. The volume of EUR 50,000,000.00 represented the likely maximum number of shares that could be acquired over the subsequent six months within the regulatory limits. The Company launched the program on October 3, 2022. A total of 610,331 treasury shares had been purchased under the program by December 31, 2022. The average purchase price for these shares was approximately EUR 42.35 per share. Between January 1, 2023 and April 21, 2023, a further 479,657 treasury shares were purchased under the program. The average purchase price for these shares was approximately EUR 50.36 per share. The share buyback program ended on April 21, 2023. Between October 3, 2022 and April 21, 2023, a total of 1,089,988 shares were repurchased under the program. The average purchase price for all of these shares was approximately EUR 45.87 per share.

The nominal share in subscribed capital of all the treasury shares repurchased came to EUR 1,089,988, or 1.923%. In accordance with section 71b AktG, however, shares held by the Company on the day of the shareholder meeting do not confer any voting rights and are not dividend-bearing. This share buyback program was intended to enable shareholders of Ströer KGaA to share in the Company's profit. This flexible instrument represented an addition to our capital allocation options that include dividend payments.

On August 8, 2023, Ströer Management SE decided to reduce the subscribed capital of Ströer KGaA from EUR 56,691,571.00 to EUR 55,601,583.00 by retiring the 1,089,988 treasury shares.

2019 approved capital

Subject to the approval of the Supervisory Board, the general partner is authorized until June 18, 2024 to increase the Company's share capital once or several times by a maximum of EUR 5,652,657.00 in total by issuing up to 5,652,657 new no-par-value bearer shares for contributions in cash and/or in kind (2019 approved capital).

The shareholders must as a matter of principle receive a pre-emption right. The legal pre-emption right may also be granted by way of the new shares being acquired by a bank or an entity that operates in accordance with section 53 (1) sentence 1 or section 53b (1) sentence 1 (7) of the German Banking Act (KWG), subject to the requirement that they are offered indirectly to shareholders for subscription in accordance with section 186 (5) AktG. However, the general partner is authorized, subject to the approval of the Supervisory Board, to exclude the shareholders' legal pre-emption rights for one or more capital increases within the scope of the approved capital:

(i) in order to exclude fractional amounts from the shareholders' pre-emption rights;

(ii) if the capital increase is made in return for contributions in kind including for, but not limited to, the purpose of acquiring entities, parts of entities, or equity investments in entities;

(iii) if the capital increase is made in return for cash contributions and the issue price of the new shares is not significantly below – in accordance with section 203 (1) and (2) and section 186 (3) sentence 4 AktG – the market price of shares of the same class and voting rights already listed on the stock market on the date on which the final issue price is determined, and the portion of the share capital attributable to the new shares issued in accordance with this clause (iii), subject to the exclusion of pre-emption rights pursuant to section 186 (3) sentence 4 AktG, does not exceed 10% of the total share capital at the time that such authorization becomes effective or is exercised. The proportional amount of the share capital attributable to new or treasury shares issued or sold since June 19, 2019, subject to the simplified exclusion of pre-emption rights in accordance with, or analogously to, section 186 (3) sentence 4 AktG, must be added to this maximum amount, as must the proportional amount of the share capital attributable to shares with attaching warrants and/or conversion rights/option obligations and/or mandatory conversion requirements from debt securities or participation rights issued since June 19, 2019, applying section 186 (3) sentence 4 AktG analogously; and/or

(iv) to the extent necessary to issue pre-emption rights for new shares to holders of bonds with warrants or beneficial owners of convertible bonds or participation rights with conversion rights or warrants that are issued by the Company or entities that it controls or in which it holds a majority stake in the scope to which they would be entitled after exercising the warrants or conversion rights or after fulfilling the mandatory conversion requirement.

The shares issued under the above authorization subject to the exclusion of shareholders' pre-emption rights in capital increases in return for cash contributions or contributions in kind may not exceed 10% of the share capital either at the time such authorization becomes effective or – if this figure is lower – at the time it is exercised. The proportionate amount of the share capital attributable to those shares that are issued during the term of this authorization under another authorization subject to the exclusion of pre-emption rights must be deducted from this maximum amount of 10%. Likewise, rights that were issued during the term of this authorization until the date of their exercise under other authorizations, subject to the exclusion of pre-emption rights, and that carry the ability or obligation to subscribe to the Company's shares must also be deducted.

Subject to the approval of the Supervisory Board, the general partner decides on the content of the share rights, the issue price, the consideration to be paid for the new shares, and the other conditions of share issue.

After a full or partial increase in the share capital from approved capital or after expiry of the authorization period, the Supervisory Board is authorized to make amendments to the articles of association that only affect the wording.

2015 conditional capital

The share capital is subject to a conditional increase of a maximum of EUR 1,217,901.00 by issuing a maximum of 1,217,901 no-par-value bearer shares (2015 conditional capital). This conditional capital increase, however, may not exceed the remaining amount and the remaining number of shares under the conditional capital increase pursuant to article 6b (1) of the articles of association of Ströer SE on the date on which the change in the legal form of Ströer SE to a partnership limited by shares pursuant to the conversion resolution dated September 25, 2015 took effect. The sole purpose of the conditional capital increase is for the Board of Management to grant, as authorized by resolution of the shareholder meeting dated September 25, 2015, rights to holders of stock options under the 2015 Stock Option Plan. The conditional capital increase will only be implemented to the extent that the holders of stock options granted under the authorization of the shareholder meeting on September 25, 2015 exercise these stock options and that the Company does not settle the stock options in cash. The new shares are eligible for dividend from the beginning of the financial year for which no resolution on the appropriation of profit has been adopted by the shareholder meeting at the time of their issue.

Subject to the approval of the Supervisory Board, the general partner is authorized to determine the further details of the conditional capital increase unless stock options and shares are to be granted to members of the general partner's Board of Management. If this is the case, the Supervisory Board will determine the further details of the conditional capital increase. The Supervisory Board is authorized to amend the articles of association to reflect the scope of the capital increase from the 2015 conditional capital.

2019 conditional capital

The share capital is subject to a conditional increase of a maximum of EUR 2,200,000.00 by issuing a maximum of 2,200,000 no-par-value bearer shares (2019 conditional capital). The sole purpose of the conditional capital increase is for rights to be granted, as authorized by the shareholder meeting on June 19, 2019, to holders of stock options under the 2019 Stock Option Plan. The conditional capital increase will only be implemented to the extent that the holders of stock options granted under the authorization of the shareholder meeting on June 19, 2019 exercise these stock options and that the Company does not settle the stock options in cash or by granting treasury shares.

The new shares are eligible for dividend from the beginning of the financial year for which no resolution on the appropriation of profit has been adopted by the shareholder meeting at the time of their issue. The general partner is authorized to determine the further details of the conditional capital increase unless stock options and shares are to be granted to members of the general partner's Board of Management. If this is the case, the Supervisory Board of the general partner will determine the further details of the conditional capital increase. The Company's Supervisory Board is authorized to amend the articles of association to reflect the scope of the capital increase from the 2019 conditional capital.

2022 conditional capital

The Company's share capital is subject to a conditional increase of a maximum of EUR 11,330,000.00 by issuing a maximum of 11,330,000 new no-par-value bearer shares (2022 conditional capital). The purpose of the conditional capital increase is to grant no-par-value bearer shares to holders/beneficial owners of convertible bonds and/or bonds with warrants that are being issued by the Company or an investee as a result of the authorization granted under item 7 on the agenda of the shareholder meeting on June 22, 2022. New no-par-value bearer shares are issued at a particular conversion or option price determined by the aforementioned authorization resolution. The conditional capital increase will only be implemented to the extent that conversion or option rights are exercised or holders/beneficial owners who are obliged to do so fulfill their obligation to exercise their conversion rights and provided that a cash settlement is not granted or use is not made of treasury shares or new shares issued from approved capital. The new no-par-value bearer shares are eligible for dividend from the beginning of the financial year in which they are formed as a result of the exercise of warrants or conversion rights or after fulfillment of the mandatory conversion requirements. Subject to the approval of the Supervisory Board, the general partner is authorized to determine the further details of the conditional capital increase.

2023 conditional capital

The share capital is subject to a conditional increase of a maximum of EUR 1,950,000 by issuing a maximum of 1,950,000 no-par-value bearer shares (2023 conditional capital). The sole purpose of the conditional capital increase is for rights to be granted, as authorized under item 7 on the agenda by the shareholder meeting on July 5, 2023, to holders of stock options under the 2023 Stock Option Plan. The conditional capital increase will only be implemented to the extent that the holders of stock options granted under the authorization of the shareholder meeting on July 5, 2023 exercise these stock options and that the Company does not settle the stock options in cash or by granting treasury shares.

The new shares are eligible for dividend from the beginning of the financial year for which no resolution on the appropriation of profit has been adopted by the shareholder meeting at the time of their issue. The general partner is authorized to determine the further details of the conditional capital increase unless stock options and shares are to be granted to members of the general partner's Board of Management. If this is the case, the Supervisory Board of the general partner will determine the further details of the conditional capital increase.

The Company's Supervisory Board is authorized to amend the articles of association to reflect the scope of the capital increase from the 2023 conditional capital.

c) Capital reserves

In 2023, the Company's capital reserves increased by EUR 4,879k as a result of stock options being exercised.

As at the reporting date, the Company therefore had capital reserves of EUR 655,454k (of which EUR 621,003k pursuant to section 272 (2) no. 1 HGB and EUR 34,451k pursuant to section 272 (2) no. 2 HGB), which exceeds 10% of the subscribed capital.

d) Retained earnings

In 2023, a total of 479,657 treasury shares were acquired at an acquisition cost of EUR 24,155k. Of this amount, EUR 480k represented the nominal share in subscribed capital. The remaining amount of EUR 23,675k was deducted from retained earnings.

In accordance with the resolution of the shareholder meeting on July 5, 2023, a total of EUR 3,594k of the accumulated profit for 2022 was transferred to retained earnings.

All in all, the Company's retained earnings decreased by EUR 20,081k in 2023, from EUR 363,904k to EUR 343,823k.

e) Accumulated profit

By resolution of the shareholder meeting on July 5, 2023, a sum of EUR 102,863k was distributed as a dividend (EUR 1.85 per dividend-bearing no-par-value share) and a sum of EUR 3,594k was transferred to other retained earnings. The remainder of the accumulated profit for 2022 of EUR 175,000k was carried forward to the next accounting period.

4. Tax provisions

Tax provisions predominantly consisted of provisions for trade tax of EUR 6,611k (prior year: EUR 3,357k) and provisions for corporate income tax of EUR 7,851k (prior year: EUR 25,214k). They also included other tax provisions of EUR 1,674k (prior year: EUR 94k) for VAT-related matters identified during the 2013–2016 tax audit and wage-tax related matters for 2017–2022.

5. Other provisions

Other provisions can be broken down as follows:

	EUR k
Outstanding invoices	22,362
Potential losses and litigation risks	1,857
Financial statement and audit costs	1,576
Personnel provisions	853
Other provisions resulting from disposals	739
Miscellaneous	437
Total	**27,824**

6. Liabilities

A breakdown of liabilities by remaining term is presented in the following statement of changes in liabilities:

		Thereof due in		
	Total amount EUR k	**up to 1 year EUR k**	**1 to 5 years EUR k**	**more than 5 years EUR k**
Liabilities to banks	763,384 *(prior year: 753,853)*	150,384 *(prior year: 27,853)*	175,000 *(prior year: 288,000)*	438,000 *(prior year: 438,000)*
Trade payables	2,997 *(prior year: 5,182)*	2,997 *(prior year: 5,182)*	0 *(prior year: 0)*	0 *(prior year: 0)*
Liabilities to affiliates	177,127 *(prior year: 182,467)*	177,127 *(prior year: 182,467)*	0 *(prior year: 0)*	0 *(prior year: 0)*
Other liabilities	1,049 *(prior year: 754)*	1,049 *(prior year: 754)*	0 *(prior year: 0)*	0 *(prior year: 0)*
	944,557 ***(prior year: 942,256)***	**331,557** ***(prior year: 216,256)***	**175,000** ***(prior year: 288,000)***	**438,000** ***(prior year: 438,000)***

Liabilities to banks of EUR 444,202k were secured by way of joint and several liability of entities of the Ströer KGaA Group (guarantors) as evidenced by an independent guarantee.

Of the liabilities to affiliates, EUR 136,153k (prior year: EUR 139,456k) was attributable to cash pooling with companies in the Ströer Group. Once again, short-term loans were granted in the reporting year by Ströer Connections GmbH, Berlin (formerly: StayFriends GmbH) (EUR 26,000k; prior year: EUR 21,700k), Yieldlove GmbH, Hamburg (EUR 3,500k; prior year: EUR 3,500k), Hamburger Verkehrsmittel-Werbung GmbH, Hamburg (EUR 3,500k; prior year: EUR 3,500k), Business Advertising GmbH, Düsseldorf (EUR 2,150k; prior year: EUR 4,750k), Permodo GmbH, Munich (EUR 1,321k; prior year: EUR 1,321k), and OPS Online Post Service GmbH, Berlin (EUR 350k; prior year: EUR 350k). This item also included trade payables of EUR 4,153k (prior year: EUR 1,501k).

7. Deferred taxes

Deferred taxes at the level of Ströer KGaA (tax group parent) were calculated on the basis of a tax rate of 31.388% (prior year: 31.172%). This comprises corporate income tax of 15%, the solidarity surcharge on corporate income tax of 5.5% (15.825% in total), and average trade tax of 15.563%.

As in the past, deferred taxes are attributable to the consolidation of the tax bases of the subsidiaries in the tax group at the level of Ströer KGaA, the tax group parent.

In 2022, deferred tax liabilities had exceeded deferred tax assets by EUR 18,821k overall. Pursuant to section 274 (1) sentence 1 HGB, this net figure for deferred tax liabilities had to be recognized on the balance sheet.

In 2023, deferred tax liabilities exceeded deferred tax assets by EUR 17,722k overall. Pursuant to section 274 (1) sentence 1 HGB, this net figure for deferred tax liabilities must be recognized on the balance sheet.

As at December 31, 2023, the deferred tax assets essentially arose from the different treatment of goodwill and from the difference in how provisions are recognized for tax purposes.

Deferred tax liabilities mainly arose from the temporary differences in respect of equity investments.

The deferred tax liabilities are offset against the deferred tax assets. A breakdown of deferred taxes is presented in the table below:

EUR k	Dec. 31, 2023	Change	Dec. 31, 2022
Deferred tax assets	12,817	-371	13,188
Deferred tax liabilities	30,539	-1,469	32,009

D. Notes to the income statement

1. Revenue

In 2023, revenue amounted to EUR 40,989k (prior year: EUR 33,139k) and was generated in Germany, mainly from commercial, motor vehicle, cycle-to-work, and IT services rendered for subsidiaries of the Ströer Group (EUR 32,668k; prior year: EUR 24,178k) and from rental income (EUR 8,271k; prior year: EUR 8,924k).

2. Other operating income

Other operating income included income of EUR 1,500k from payments received in respect of receivables that had previously been written down and out-of-period income of EUR 342k resulting from the reimbursement of costs for prior years.

3. Personnel expenses

Extraordinary expenses of EUR 454k were incurred for severance payments and paid leave for employees.

4. Other operating expenses

Other operating expenses included out-of-period expenses of EUR 1,427k for services received in prior years but billed in 2023. These primarily consisted of out-of-period expenses for IT advisory services from 2022, for which SMD billed the Company (EUR 491k), and vehicle costs for prior years (EUR 216k).

5. Income taxes

Due to the Company's function as tax group parent, all of the tax bases of the subsidiaries in the tax group are transferred to the Company. In this context, trade tax add-backs, restrictions on the deduction of interest expense, and rules on minimum taxation give rise to taxable income/trade earnings.

Income taxes included amounts totaling EUR 1,408k relating to prior years.

In order to address concerns about inequality in the distribution of profits and the taxation of large multinational companies, various agreements were reached on a global level, including an agreement between 135 countries on the introduction of a global minimum tax rate of 15%.

The Ströer Group falls under the scope of Pillar 2 as it reports revenue of more than EUR 750m in its consolidated financial statements and operates in 26 jurisdictions.

The Ströer Group mainly operates in Germany, which has enacted new legislation to implement the global minimum tax. However, the Group does not expect to be subject to the minimum rate of tax with respect to its operations in Germany, where the statutory corporate tax rate comes to around 31%. The Ströer Group also operates in Bulgaria, Kosovo, and Croatia, where the nominal tax rate is less than 15%. Following analysis and after applying the country-by-country reporting (CbCR) safe harbor tests, however, the minimum tax rate does not currently apply in these countries either.

E. Other notes

1. Contingent liabilities and other financial obligations

a) Contingent liabilities

In connection with the acquisition of Ströer DERG Media GmbH, Kassel, Ströer KGaA issued an indefinite guarantee to Deutsche Bahn AG for the obligations of Ströer DERG Media GmbH under the advertising space agreement. These particularly relate to expenses for advertising media intended for the installation and operation of digital real-time systems for information and entertainment and the upgrading of existing advertising media. Over the term of the long-term agreement, the investment volume comes to roughly EUR 20m plus ongoing operating and maintenance costs and overheads. The level of the ongoing costs depends, on the one hand, on the scope and duration of implementation and, on the other, on the use of existing electronic media structures within the Ströer Group.

Under the agreement on the exercise of advertising rights for public spaces of the City of Ravensburg between the City of Ravensburg and DSM dated May 23, 2015, Ströer KGaA assumed a guarantee of EUR 300k that runs until December 31, 2024.

Under the agreement on the exercise of advertising rights for public spaces of the City of Ulm between the City of Ulm and DSM dated July 21, 2017, Ströer KGaA assumed a guarantee of EUR 1,500k that runs until December 31, 2033.

In December 2023, DSM Deutsche Städte Medien GmbH entered into two agreements with Stuttgarter Straßenbahnen AG on the exercise of advertising rights. Under these agreements, Ströer KGaA assumed guarantees totaling EUR 2,600k that run until December 31, 2040.

Under the rental agreement concluded between Deka Immobilien Investment GmbH, Frankfurt am Main, and the tenant STRÖER media brands AG, Berlin, with effect from July 1, 2015 for the building at Torstrasse 49 in Berlin, Ströer KGaA assumed an indefinite guarantee in an amount of EUR 107k.

Under the rental agreement concluded with FAKT RUHRTURM GmbH, Essen, for the building at Huttropstrasse 60 in Essen dated January 14, 2014, Ströer KGaA assumed an indefinite guarantee on November 22, 2017 for the tenant Avedo Essen GmbH, Essen, in an amount of EUR 55k.

Under the rental agreement dated December 1, 2017 between MS Immobilien Fonds-Objekt Leipzig GmbH & Co. KG, Stuttgart, and Avedo Leipzig West GmbH, Leipzig, Ströer KGaA assumed an indefinite guarantee of EUR 79k.

For the rental agreement from 2012 and its addendum from 2016 concluded between Blue Building Grundstücks GbR, Bonn, and Avedo Köln GmbH, Cologne, Ströer KGaA assumed an indefinite guarantee of EUR 114k.

In connection with a rental agreement concluded between Statista GmbH, Cologne, and Immobilienverwaltungsgesellschaft der ver.di GmbH, Berlin, in December 2021, Ströer KGaA assumed a guarantee of EUR 52k that runs until December 31, 2026.

Statista Inc., New York, USA, entered into a rental agreement with Dixon Hughes Goodman LLP, New York, USA, on December 21, 2021. For this rental agreement, Ströer KGaA assumed a guarantee for an amount equivalent to EUR 2,262k (USD 2,500k) that runs until April 30, 2025.

On June 5, 2018, Ströer KGaA assumed an absolute guarantee vis-à-vis Deutsche Bank AG for Omnea GmbH, Berlin, of EUR 300k. The guarantee is indefinite.

Statista GmbH agreed a line of credit with Commerzbank AG that covers payments made by credit card, for example. For this line of credit, Ströer KGaA assumed an indefinite guarantee of up to EUR 600k.

For an agreement concluded between Ranger Marketing & Vertriebs GmbH, Düsseldorf, and Telekom Deutschland GmbH, Bonn, on campaign-based direct marketing, Ströer KGaA assumed an indefinite absolute guarantee for all of Telekom's existing and future claims under the data protection agreements. The liability amount is not capped and it is not possible to estimate the extent of a potential claim.

Other guarantees and indemnities covering a total of EUR 87k were also in place as at December 31, 2023, but individually the amounts were not high enough for them to be considered material.

Ströer KGaA has issued letters of comfort for Ströer SSP GmbH, Munich (December 19, 2017), Statista GmbH, Cologne (November 29, 2023), Edgar Ambient Media Group GmbH, Hamburg (November 16, 2023), Regiohelden GmbH, Stuttgart (November 16, 2023), Content Fleet GmbH, Hamburg (November 8, 2023), Ströer Connections GmbH, Berlin (November 7, 2023), Business Advertising GmbH, Düsseldorf (November 21, 2023), KWS Verkehrsmittelwerbung GmbH, Stuttgart (July 27, 2022), Ströer Core GmbH & Co. KG, Leverkusen (November 29, 2023), nxt statista Management GmbH, Hamburg (December 5, 2023), nxt statista GmbH & Co. KG, Hamburg (December 5, 2023), and PosterSelect Media-Agentur GmbH, Cologne (November 30, 2023).

The letter of comfort for Ströer SSP GmbH is for an indefinite term and unlimited amount.

The letter of comfort for KWS Verkehrsmittelwerbung GmbH is limited in time until the end of December 31, 2025 and is for an amount of EUR 500k.

Each of the other letters of comfort is limited in time until the end of December 31, 2024 and is for an unlimited amount.

We currently deem the risk of a claim under the above guarantees and letters of comfort to be low because each of the underlying obligations can be met by the respective subsidiary of Ströer KGaA and a claim is therefore unlikely.

b) Total amount of other off-balance-sheet financial obligations

In addition to the contingent liabilities, there are other financial obligations amounting to EUR 60,631k. These obligations relate to the following matters:

The Company has other financial obligations from the rental and leasing of administrative and warehouse buildings at various locations, particularly Cologne, Hamburg, and Munich. The remaining terms can be broken down as follows:

- Up to 1 year: EUR 11,936k
- 1 to 5 years: EUR 34,096k
- More than 5 years: EUR 3,102k

The buildings were rented or leased to avoid the cash outflows and financing that would have been required if the buildings had been purchased. However, these benefits result in fixed and contractually agreed payment obligations over the contractual term.

There are other financial obligations relating to other rental agreements and leases for other furniture and fixtures and for software:

Lease payments:

- Up to 1 year: EUR 419k
- 1 to 5 years: EUR 300k

Other financial obligations also arise in connection with leased cars.

Lease payments:

- Up to 1 year: EUR 4,671k
- 1 to 5 years: EUR 6,107k

2. Related party transactions

The following significant transactions with related parties were conducted:

Type of relationship Type of transaction	Subsidiaries EUR k	Other related parties EUR k
Provision of services	1,311	530
Provision of other services	549	478
Purchase of other services	229	11,275
Repayment of loans granted	250	0
Repayment of loans received	2,600	0

The subsidiaries are fully included in Ströer KGaA's consolidated financial statements but are not directly or indirectly wholly owned.

Other related parties comprise companies that are not fully included in Ströer KGaA's consolidated financial statements and companies in which persons on a Ströer KGaA governing board have an equity interest.
Furthermore, other related parties include companies that can exercise significant influence over Ströer KGaA and key management personnel.
The Company provides services in connection with subletting, IT services, central procurement, and personnel services.

In addition, the Company provides other services in the form of interest-bearing loans to subsidiaries and in connection with subletting.

The purchase of other services mainly relates to expenses for intragroup charging by subsidiaries.

For information on further transactions with the Board of Management and the Supervisory Board, please refer to our disclosures in E.4.

3. Audit and consulting fees

The auditor's fees are disclosed in Ströer KGaA's consolidated financial statements and are therefore not published here in line with the exemption for groups afforded by section 285 no. 17 HGB.

The fees for audit services by the auditing firm KPMG AG Wirtschaftsprüfungsgesellschaft related primarily to the audit of the separate financial statements, including the combined management report, of Ströer KGaA and the consolidated financial statements, plus various audits of the annual financial statements of its subsidiaries including statutory additions to the audit engagement. Audit-related services relate to the provision of miscellaneous assurance services under separate contracts. Other services relate to expenses for advisory services in connection with other financial matters.

4. Board of Management and Supervisory Board

The composition of the Board of Management of the general partner, Ströer Management SE, Düsseldorf ('Board of Management') and the Supervisory Board of Ströer KGaA is shown in the following table, along with the statutory supervisory boards and comparable oversight bodies to which the members of the Board of Management and Supervisory Board also belong:

Name	Membership of statutory supervisory boards	Membership of comparable oversight bodies
Board of Management		
Udo Müller (Co-CEO)		
Christian Schmalzl (Co-CEO)		Internet Billboard a.s., Ostrava, Czech Republic Monogram Network Inc., L.A., USA
Henning Gieseke (CFO)		
Supervisory Board		
Christoph Vilanek CEO freenet AG, Büdelsdorf (Chairman)	CECONOMY AG, Düsseldorf eXaring AG, Munich Ströer Management SE, Düsseldorf VNR Verlag für die Deutsche Wirtschaft AG, Bonn	Shelly Group AG, Sofia, Bulgaria
Ulrich Voigt Chief Executive Officer of Sparkasse KölnBonn, Cologne (Deputy Chairman)	Landesbank Berlin Holding AG, Berlin Landesbank Berlin AG, Berlin Ströer Management SE, Düsseldorf	
Dr. Karl-Georg Altenburg Founding partner at CirCap GP SARL, Luxembourg	Ströer Management SE, Düsseldorf	MedShr Ltd., London, UK
Martin Diederichs Attorney Partner at the law firm Heidland Werres Diederichs Rechtsanwälte Partnerschaftsgesellschaft mbB, Cologne	Pison Montage AG, Dillingen Ströer Management SE, Düsseldorf	DSD Steel Group GmbH, Saarlouis
Professor Stephan Eilers Partner at Freshfields Bruckhaus Deringer Rechtsanwälte Steuerberater PartG mbB, attorney (since July 5, 2023)	Rudolf Bunte Beteiligungs-SE, Papenburg Ströer Management SE, Düsseldorf	Meyer Werft Holding GmbH & Co. KG, Papenburg, Meyer Turku OY, Turku, Finland
Andreas Güth Regional manager at Eisenbahn- und Verkehrsgewerkschaft in Kassel (EVG)		
Andreas Huster Chairman of the works council of tricontes360 Gera GmbH, Gera (until April 1, 2023)	tricontes360 Verwaltung Hamburg GmbH, Hamburg	

Sabine Hüttinger Head of Portfolio Service Center Region East at Ströer Deutsche Städte Medien GmbH, Cologne		
Christian Kascha Team and project leader for research and consulting projects at Statista GmbH, Cologne		
Simone Kollmann-Göbels Senior Vice President Procurement & Real Estate at Ströer SE & Co. KGaA, Cologne		
Elisabeth Lepique Managing Partner at Luther Rechtsanwalts- gesellschaft mbH, attorney, tax accountant	Ströer Management SE, Düsseldorf	Berliner Stadtreinigung Anstalt des öffentlichen Rechts, Berlin
Barbara Liese-Bloch Managing Director of MONOFIL-TECHNIK Gesellschaft für Synthese Monofile mbH, Hennef		
Tobias Meuser Portfolio Manager at Ströer Deutsche Städte Medien GmbH, Cologne		
Christian Sardiña Gellesch Regional Manager Portfolio West at Ströer Deutsche Städte Medien GmbH, Cologne (since June 28, 2023)		
Dr. Kai Sauermann Auditor / tax accountant, shareholder-managing director of SEJ GmbH-Steuerberatungsgesellschaft, Cologne (until July 4, 2023)	Ströer Management SE, Düsseldorf ETRIS Bank GmbH, Wuppertal	
Tobias Schleich Chairman of the works council of Ströer Digital Media GmbH, Hamburg		
Stephan Somberg Labor Union Secretary (ver.di)		
Petra Sontheimer Management coach and organizational consultant at cidpartners GmbH, Bonn		

Until December 31, 2018, the employment contracts for the members of the Board of Management of the unlisted Ströer Management SE were between the board member concerned and Ströer KGaA; since January 1, 2019, the contracts have been with Ströer Management SE. Since 2019, Ströer Management SE has paid remuneration directly to the members of its Board of Management, but then charged the amount on to Ströer KGaA in accordance with article 9 (3) sentence 2 of the latter's articles of association. Disclosures are made below on the structure and amount of the remuneration of the Board of Management and Supervisory Board of Ströer Management SE and Ströer KGaA.

Mr. Müller, Mr. Schmalzl, and Mr. Gieseke exercised their Board of Management functions on a full-time basis.

The total remuneration for the Board of Management's performance of its duties amounted to EUR 17,548k for 2023 (prior year: EUR 11,118k). This included share-based payments with a fair value of EUR 7,065k at the time of grant (prior year: EUR 67k). In 2023, the active members of the Board of Management were granted 1,520,000 stock options (prior year: 20,000) under the 2019 and 2023 Stock Option Plans.

In 2023, the members of the Supervisory Board were granted total remuneration of EUR 509k (prior year: EUR 477k) for their work on the Supervisory Board. The remuneration of the individual Supervisory Board members is disclosed in the remuneration report.

Short-term benefits primarily comprise salaries, remuneration in kind, and performance-based remuneration components that are not paid until the following financial year. Long-term benefits comprise performance-based remuneration components granted to the Board of Management – excluding share-based payments – that are only paid in later years.

Of all the long-term benefits (LTI), a sum of EUR 5,350k is due for payment in 2024.

Stock Option Plan:
Under the Stock Option Plan resolved upon by the shareholder meeting in 2015 (2015 SOP), the Board of Management was granted no options in 2023, bringing the total to 1,097,846 options, of which 106,892 options expired in 2023.

In 2019, another Stock Option Plan (2019 SOP) was resolved upon, under which the Board of Management was granted 20,000 options in 2023, bringing the total to 1,580,000, of which 1,520,000 options expired in 2023. In 2023, another Stock Option Plan (2023 SOP) was resolved upon, under which the Board of Management was granted 1,500,000 options in 2023, bringing the total to 1,500,000 options.

The option rights can be exercised at the earliest at the end of a four-year vesting period beginning on the option grant date. The options have a contractual term of seven or eight years. The Company has the right to settle the options in cash instead of granting new shares. The right to exercise the stock options is dependent on the fulfillment of a certain length of service (vesting period), the

Company's share price, and a minimum EBITDA (adjusted) for the Group of EUR 250m (2015 SOP), EUR 600m (2019 SOP), or EUR 625m (2023 SOP). The gain that can be achieved by option holders from exercising their stock options must not exceed three times the relevant exercise price.

As at the grant date, the fair value of the stock options granted is determined using a Black-Scholes model and taking into account the conditions at which the stock options were issued.

The weighted average fair value of all options granted under the 2015 SOP was EUR 14.82 (prior year: EUR 8.09). The weighted average fair value of all options granted under the 2019 SOP was EUR 6.09 (prior year: EUR 5.16). The weighted average fair value of all options granted under the 2023 SOP was EUR 4.63 (prior year: EUR 0.00).

As at December 31, 2023, a total of EUR 17,905k (prior year: EUR 16,227k) was recognized as provisions for all potential future short-term and long-term bonus entitlements of the Board of Management, of which EUR 155k (prior year: EUR 424k) was attributable to current share-based payment entitlements.

5. Employees

In 2023, there was an average of 283 salaried employees (prior year: 282) and eleven temporary members of staff (prior year: 11).

6. List of shareholdings

The disclosures pursuant to section 285 no. 11 HGB on the Company's equity investments as defined by section 271 (1) HGB and the disclosures pursuant to section 285 no. 11b HGB on equity investments in large corporations exceeding 5% of the voting rights are presented in the following list of shareholdings:

	Equity interest as at Dec. 31, 2023 %	Equity as at Dec. 31, 2023 EUR k	Profit or loss in 2023 EUR k
Direct equity investments			
BlowUP Media GmbH, Cologne	100.0	1,105	*6,056
eValue 2nd Fund GmbH, Berlin (in liquidation)	33.3	**1,942	**1,899
Internet BillBoard a.s., Ostrava, Czech Republic	100.0	1,045	381
Ströer Content Group GmbH, Cologne	100.0	50	*5,570
Ströer Digital Commerce GmbH, Cologne	100.0	25	*17,490
Ströer Digital Publishing GmbH, Cologne	100.0	111,982	*51,912
Ströer Media Deutschland GmbH, Cologne	100.0	121,245	*69,467
Ströer Polska Sp. z.o.o., Warsaw, Poland	100.0	14,219	316
Ströer Sales Group GmbH, Cologne	100.0	50	*34,130
Indirect equity investments			
ad.audio GmbH, Hamburg	20.0	-1,094	-1,113
Adscale Laboratories Ltd., Christchurch, New Zealand	100.0	1,832	410
ahuhu GmbH, Unterföhring	80.0	801	725
Ambient-TV Sales & Services GmbH, Hamburg	70.0	2,847	2,796
andré media West GmbH, Cologne	60.0	-960	157
ARGE Außenwerbung Schönefeld GbR, Berlin	50.0	9	9
Asam Betriebs-GmbH, Beilngries	100.0	8,510	*17,106
ASAMBEAUTY GmbH, Unterföhring	100.0	450	*8,754
ASAMBEAUTY TRADING (SHANGHAI) CO., LTD., Shanghai, China	100.0	38	-31
ASAMBEAUTY US INC., Hollywood, USA	100.0	-4,114	-207
Avedo Albania SHPK, Tirana, Albania	100.0	64	68
Avedo Bulgaria EOOD, Plovdiv, Bulgaria	100.0	62	80
AVEDO Essen GmbH, Essen	100.0	982	*608
Avedo Frankfurt Oder GmbH, Frankfurt Oder	100.0	125	100
AVEDO Gelsenkirchen GmbH, Gelsenkirchen	100.0	25	*97
Avedo Hellas M.A.E., Thessaloniki, Greece	100.0	1,553	280
Avedo Itzehoe GmbH, Itzehoe	100.0	494	469
Avedo II GmbH, Pforzheim	100.0	1,131	*1,775
Avedo Kosovo L.L.C., Pristina, Kosovo	100.0	536	25
Avedo Köln GmbH, Cologne	100.0	515	*-693
Avedo Leipzig GmbH, Leipzig	100.0	965	*-1,864
AVEDO Leipzig West GmbH, Leipzig	100.0	25	*116
Avedo Neubrandenburg GmbH, Neubrandenburg	100.0	0	-557
Avedo München GmbH, Munich	100.0	204	*-107
Avedo Palma S.A.U., Palma de Mallorca, Spain	100.0	2,784	410
Avedo Rostock GmbH, Rostock	100.0	2,989	*1,640
BHI Beauty & Health Investment Group Management GmbH, Unterföhring	51.0	36,841	*30,751
blowUP media Belgium BVBA, Antwerp, Belgium	100.0	2,445	817

blowUP media Benelux B.V., Amsterdam, Netherlands	100.0	9,172	2,174
blowUP media U.K. Ltd., London, UK	100.0	7,041	2,434
Business Advertising GmbH, Düsseldorf	65.7	1,582	542
Business Power GmbH, Düsseldorf	100.0	83	-127
Contacter Sarl, Tunis, Tunisia	100.0	11	-22
Content Fleet GmbH, Hamburg	100.0	3,961	1,641
Courtier en Economie d'Energie S.A.S.U., Metz, France	100.0	-921	-937
Dea Holding S.r.l., Bergamo, Italy	51.0	24,550	1,450
Dea S.r.l., Bergamo, Italy	100.0	118	27
DERG Vertriebs GmbH, Cologne	100.0	50	*341
Diciotto Plus S.r.l., Bergamo, Italy	100.0	30	13
Diler Power Italia S.r.l., Bergamo, Italy	100.0	166	85
DSA Schuldisplay GmbH, Hamburg	51.0	47	138
DSMDecaux GmbH, Munich	50.0	17,552	15,994
DSM Deutsche Städte Medien GmbH, Frankfurt am Main	100.0	607,512	*84,784
DSM Krefeld Außenwerbung GmbH, Krefeld	51.0	1,507	37
DSM Rechtegesellschaft mbH, Cologne	100.0	25	*71,500
DSM Werbeträger GmbH & Co. KG, Cologne	100.0	30,826	445
DSM Zeit und Werbung GmbH, Cologne	100.0	1,453	*769
ECE flatmedia GmbH, Hamburg	75.1	50	*12,439
Edgar Ambient Media Group GmbH, Hamburg	82.4	3,961	6,338
FA Business Solutions GmbH, Hamburg	50.0	821	787
Fahrgastfernsehen Hamburg GmbH, Hamburg	100.0	1,610	202
Hamburger Verkehrsmittel-Werbung GmbH, Hamburg	75.1	205	*1,462
HanXX Media GmbH, Cologne	51.0	76	39
iBillBoard Internet Reklam Hizmetleri ve Bilisim Teknolojileri A.S., Istanbul, Turkey	96.0	-54	-58
iBillBoard Poland Sp. z.o.o., Warsaw, Poland	100.0	-187	7
INFOSCREEN GmbH, Cologne	100.0	8,227	*93,515
InnoBeauty GmbH, Unterföhring	100.0	200	*-16
Institute for Digital Out of Home Media GmbH, Munich	45.0	**21	**-4
Instytut Badań Outdooru IBO Sp. z.o.o., Warsaw, Poland	50.0	172	28
Interactive Media CCSP GmbH, Cologne	100.0	100,334	*11,774
ITwo S.r.l., Bergamo, Italy	100.0	1,231	1,150
Klassenfreunde.ch GmbH, Alpnach, Switzerland	100.0	328	22
Klassträffen Sweden AB, Karlskoga, Sweden	100.0	204	1
KWS Verkehrsmittelwerbung GmbH, Stuttgart	100.0	921	329
M.Asam GmbH, Unterföhring	100.0	6,764	*13,762
MBR Targeting GmbH, Berlin	100.0	2,626	14
PosterSelect Mediaagentur GmbH (formerly: Media-Direktservice GmbH)	100.0	3,687	-4,958
mediateam Stadtservice GmbH / Ströer Media Deutschland GmbH in GbR, Berlin	50.0	18	18
Neo Advertising GmbH, Hamburg	100.0	503	19
nxt statista GmbH & Co. KG (formerly: LSP Digital GmbH & Co. KG, Hamburg)	100.0	1,797	500

nxt statista Management GmbH, Hamburg	100.0	30	0
Omnea GmbH, Berlin	100.0	3,244	2,011
OPS Online Post Service GmbH, Berlin	100.0	805	0
optimise-it GmbH, Hamburg	100.0	0	-243
OS Data Solutions GmbH & Co. KG, Hamburg	100.0	1,163	1,159
OS Data Solutions Verwaltung GmbH, Hamburg	100.0	25	1
"Outsite Media GmbH", Mönchengladbach	51.0	1,266	1,266
Permodo GmbH, Düsseldorf	100.0	52	*7,808
PrintSafari.com GmbH, Berlin	100.0	-766	-252
PrintSafari.com Inc., Ashburnham, USA	100.0	107	-34
Ranger France S.A.S.U., Paris, France	100.0	5,426	517
Ranger Marketing & Vertriebs GmbH, Düsseldorf	100.0	24,781	*46,604
RegioHelden GmbH, Stuttgart	100.0	7,754	1,948
Retail Media GmbH, Cologne	100.0	25	*372
Sales Holding GmbH, Düsseldorf	100.0	26,607	*38,904
Seeding Alliance GmbH, Cologne	70.0	124	*676
Service Planet GmbH, Düsseldorf	100.0	985	*230
Services PrintSafari.com Canada Inc., Montreal, Canada	100.0	-241	-9
SIGN YOU mediascreen GmbH, Oberhausen	100.0	575	37
SMD Rechtegesellschaft mbH, Cologne	100.0	25	*41,764
SMD Werbeträger GmbH & Co. KG, Cologne	100.0	18,438	203
SRG Rechtegesellschaft mbH, Cologne	100.0	25	*30,793
SRG Werbeträger GmbH & Co. KG, Cologne	100.0	14,331	145
Statista Australia Pty. Ltd., North Sydney, Australia	100.0	15	6
Statista GmbH, Cologne	100.0	-68,989	-20,763
Statista Inc., New York, USA	100.0	11,145	2,393
Statista India Private Limited, Gurugram, India	100.0	79	-32
Statista Japan Ltd., Tokyo, Japan	100.0	36	8
Statista Ltd., London, UK	100.0	-513	372
Statista Pte. Ltd., Singapore, Singapore	100.0	788	290
Statista S.a.r.l., Paris, France	100.0	710	136
Ströer Connections GmbH, Berlin (formerly: StayFriends GmbH, Berlin)	100.0	23,562	5,446
Ströer Content Group Product & Tech GmbH, Cologne	100.0	19	-6
Ströer Content Group Sales GmbH, Cologne	100.0	25	*229
Ströer Content Group X GmbH, Cologne (formerly: SA1 Immobilien GmbH, Cologne)	100.0	29	*68
Ströer Core GmbH & Co. KG, Leverkusen	100.0	11,661	6,159
Ströer Core Verwaltungs GmbH, Leverkusen	100.0	28	1
Ströer DERG Media GmbH, Kassel	100.0	5,492	*3,450
Ströer Deutsche Städte Medien GmbH, Cologne	100.0	500	*278
Ströer Digital Group GmbH, Cologne	100.0	94,014	*5,090
Ströer Digital Media GmbH, Hamburg	100.0	12,692	*2,677
Ströer media brands apps d.o.o., Zagreb, Croatia	100.0	177	34
Ströer media brands GmbH, Berlin	100.0	2,335	*5,669

Ströer News Publishing GmbH, Cologne	100.0	305	*653
Ströer Next Publishing GmbH, Cologne	100.0	25	*-270
Ströer Sales & Services GmbH, Cologne	100.0	272	*24,600
STRÖER SALES France S.A.S.U., Paris, France	100.0	23,189	680
Ströer Social Publishing GmbH, Berlin	100.0	25	*1,408
Ströer SSP GmbH, Munich	100.0	-10,637	-5,157
Ströer Technical Service sp. z o.o., Warsaw, Poland	100.0	-1	-2
Ströer Werbeträgerverwaltungs GmbH, Cologne	100.0	25	*4
Ströer X GmbH, Leipzig	100.0	39,517	*34,895
Tom S.r.l., Bergamo, Italy	100.0	1,906	1,815
Trombi Acquisition SARL, Paris, France	100.0	-971	27
X-City Marketing Hannover GmbH, Hannover	50.0	12,698	1,714
Yieldlove GmbH, Hamburg	100.0	25	*3,256
Yieldlove SAS, Paris, France	100.0	-72	-82

*Profit or loss before profit-or-loss transfer.

**Prior-year figures.

7. Consolidated financial statements

The Company prepares the consolidated financial statements for the largest and smallest group of entities. The consolidated financial statements are published in the Company Register.

8. General partner

Ströer Management SE, Düsseldorf, which is the general partner, reported subscribed capital of EUR 120k as at December 31, 2023.

9. Proposal for the appropriation of profit

The general partner proposes, subject to the approval of and discussion with the Supervisory Board, that the accumulated profit of EUR 290,027,645.87 disclosed in the separate financial statements as at December 31, 2023 be appropriated as follows:

- Distribution of a dividend of EUR 1.85 per dividend-bearing no-par-value share, which makes EUR 103,056,679.05 in total (with 55,706,313 no-par-value shares) Allocation of EUR 1,970,966.82 to retained earnings
- Carryforward of the remaining EUR 185,000,000.00 to the next accounting period

10. Subsequent events

There were no material events after the close of the financial year that have a significant financial effect.

11. Declaration pursuant to section 161 AktG on the German Corporate Governance Code

The Board of Management of the general partner of Ströer KGaA, Ströer Management SE, Düsseldorf, and the Supervisory Board of Ströer KGaA submitted the annual declaration of compliance with the German Corporate Governance Code in accordance with section 161 AktG on December 12, 2023 and made it permanently available to shareholders on the Company's website at https://ir.stroeer.com/investor-relations/corporate-governance/.

Cologne, March 15, 2024
Ströer SE & Co. KGaA
represented by: Ströer Management SE (general partner)

Udo Müller Christian Schmalzl Henning Gieseke

Responsibility statement

To the best of our knowledge, and in accordance with the applicable financial reporting principles, the separate financial statements give a true and fair view of the net assets, financial position, and financial performance of the Company, and the combined management report of the Company and the Group includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected future development of the Company.

Cologne, March 15, 2024
Ströer SE & Co. KGaA
represented by: Ströer Management SE (general partner)

Udo Müller Christian Schmalzl Henning Gieseke

Exhibit 1 to the notes to the financial statements of Ströer SE & Co. KGaA, Cologne

Disclosures pursuant to section 160 (1) no. 8 of the German Stock Corporation Act (AktG)

The Company received the following notifications:

	Reporting threshold	Date threshold reached	Reason for notification: Purchase/sale of		voting rights pursuant to sections 33 and 34 WpHG		instruments as defined by section 38 (1) no. 1 WpHG		instruments as defined by section 38 (1) no. 2 WpHG	
Notifying party		Date	Shares bearing voting rights	Instruments	%	Absolute	%	Absolute	%	Absolute
DWS Investment GmbH, Frankfurt / Main, Germany	threshold not reached	March 29, 2023	x	-	2.99	1,694,153	-	-	-	-
ValueAct Holdings GP, LLC, Wilmington, Delaware, USA [1)]	3%, exceeded	May 9, 2023	x	-	14.98	8,490,008	-	-	-	-
JPMorgan Chase & Co., Wilmington, Delaware, USA [1)]	3%, exceeded	July 21, 2023	x	x	11.83	6,709,006	-	-	0.51	289,406
Udo Müller, Berlin, Germany	threshold not reached	August 31, 2021	x	-	41.68	23,620,191	-	-	-	-
Dirk Ströer, Cologne, Germany	threshold not reached	August 31, 2021	x	-	41.68	23,620,191	-	-	-	-
Allianz Global Investors GmbH, Frankfurt / Main, Germany	10%, fell below	November 2, 2020	x	-	9.99	5,652,476	-	-	-	-

[1)] Notification of the complete chain of subsidiaries starting with the ultimate controlling person or entity.

COMBINED MANAGEMENT REPORT OF THE COMPANY AND THE GROUP

The references to page numbers in this combined management report of Ströer SE & Co. KGaA, Cologne, (‘Ströer KGaA’) and of the Group relate to the numbering in the annual report.

Due to rounding differences, totals in tables or charts may differ slightly from the total of the figures in an individual column.

Combined management report of the Company and the Group[1]

[1] Any references to webpages in the combined management report were not included in the audit.
By contrast with the figures for the financial year, the disclosures for the quarters in the combined management report contain unaudited information.

[2] This section is not included in the audit conducted by the independent auditor.

COMBINED MANAGEMENT REPORT

The references made in this combined management Report of Str.er SE & Co. KGaA (hereinafter referred to as Str.er KGaA) to page numbers refer to the numbering in the annual report.

BACKGROUND AND STRATEGY OF THE STRÖER GROUP

Strategy

In 2023, Ströer continued to forge ahead with its OOH+ strategy, which is based on the strong and resilient core out-of-home (OOH) business supported by the related digital and dialogue media businesses. Under the strategy, Ströer is focusing on its home market of Germany.

In spite of ongoing geopolitical tensions, a comparatively high level of inflation, and an economy that is clouding over, Ströer further cemented its market position in out-of-home advertising in Germany. Its strategic capital expenditure on digital OOH infrastructure has proven key to ensuring sustained growth in value.

The advertising market in Germany contracted in the first five months of 2023 but stabilized noticeably toward the end of the year. Over 2023 as a whole, it grew slightly by 0.3%, whereas it had contracted by 3.4% in 2022. However, there was a huge difference between the individual advertising categories. OOH, for example, saw its growth accelerate significantly in 2023, fueled in particular by digital out-of-home advertising. In the period January to December 2023, the OOH category grew by 11.2% overall. At the other end of the scale, revenue in the TV category dropped by 3.5%. This puts the flexibility and reach of out-of-home advertising into sharp relief.

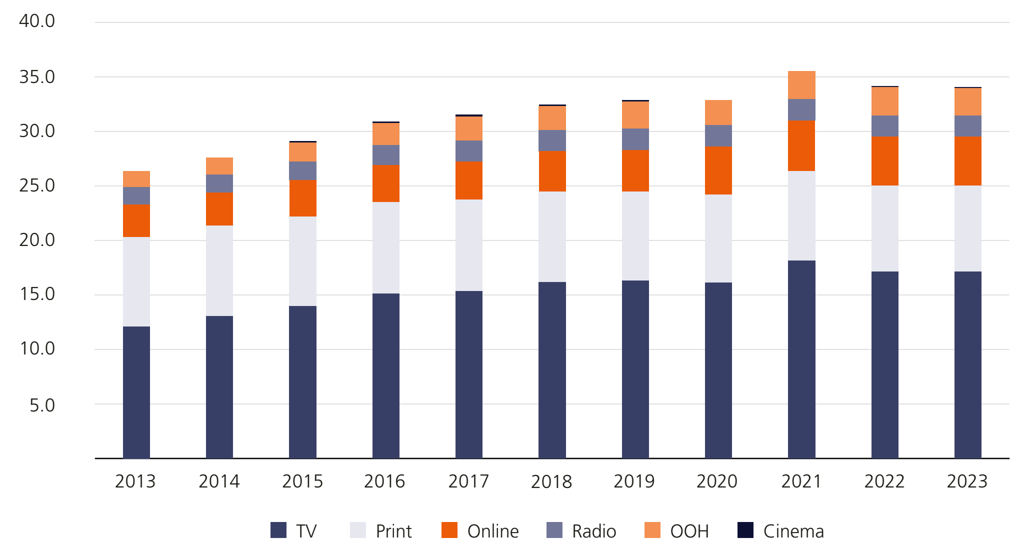
With OOH advertising infrastructure going more and more digital, increasing automation and the ability to book advertising space programmatically are key drivers of growth. Programmatic marketing has picked up markedly, which opens up new sales channels and allows inventories to be used more efficiently (available at short notice, granular, can be packaged dynamically) and more effectively thanks to additional technological possibilities, including dynamic advertising formats (e.g. the integration of up-to-date information such as sports results, weather forecasts, warnings, and share prices).

Ströer draws on the expertise of the Ströer Digital Group, one of Germany's leading online marketers, to develop programmatic OOH technology.

The advent of programmatic marketing for digital advertising inventory and computer-based bookings has blurred the lines between the different advertising formats. Digital out-of-home advertising is becoming an integral element of the growing range of digital advertising channels. Coupled with the increasing digitalization of advertising media, this is breaking down barriers to entry for advertisers considering the use of OOH marketing, especially for smaller potential advertisers. Ultimately, the programmatic booking of its digital inventory allows Ströer to reach new customer groups and thereby tap new advertising budgets.

Performance of the German advertising market, 2013–2023

EUR b



Source: Nielsen Media Germany GmbH, gross advertising spend. All figures adjusted (excluding direct mailing). As at January 2024.

Ströer has aligned its portfolio of products more broadly and more deeply with national, regional, and local customers from a wide variety of different industries and sectors. This helps us to make the business resilient even in times of crisis.

Advertising is sold both through a national sales organization that serves customers and their agencies centrally from all major cities and through a regional and local sales organization that is able to provide a personal service, either in person or remotely, to even the smallest customers. Innovative sales-support, CRM, and bidding systems facilitate the work of all sales segments and enable resources and inventory to be managed on a centralized basis.

Business model

Ströer is a provider of out-of-home and online advertising space and of manifold aspects of dialogue marketing. It focuses on the German advertising market. It also operates 'data as a service' services (DaaS, brought together under the Statista brand) and an online cosmetics store (via the AsamBeauty brand).

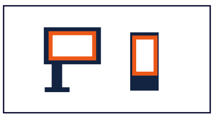
Segments and organizational structure

General

In 2023, the Ströer Group's three reporting segments were Out-of-Home Media, Digital & Dialog Media, and DaaS & E-Commerce.

The segments operate independently in the market, working in close cooperation with the Group holding company Ströer SE & Co. KGaA.

Ströer reporting segments since 2021



OOH Media
(incl. Public Video)

Digital & Dialog Media

DaaS & E-Commerce

This cooperation extends, in particular, to the strategy used for the overall management of the Ströer Group and to sales activities in the national, regional, and local advertising markets, as well as to Group functions such as human resources, IT, governance, security, finance, legal, strategy & innovation, and corporate communications. It enables the targeted sharing of knowledge among the individual segments. This frequently spawns new offerings for our customers and consolidates and expands existing customer relationships.

Financing and liquidity are also managed centrally in the Ströer Group. This means that the segments are well funded and supplied with sufficient liquidity, giving the operating units the flexibility they need to exploit and invest in market opportunities as soon as they arise.

Out-of-Home Media

The Out-of-Home Media segment incorporates all of Ströer's analog out-of-home advertising spaces (OOH) and all of its digital out-of-home advertising spaces (DOOH).

Basis of the out-of-home advertising business

The out-of-home advertising business has a portfolio of contracts with private and public-sector owners of land and buildings. Of particular importance are contracts with municipalities because they lead to Ströer developing smart and bespoke communications solutions that can enhance the cityscape or enable additional services to be provided.

The contracts in place with Deutsche Bahn, the ECE group, and numerous providers of local public transportation are also important. The product portfolio covers almost all forms of advertising in public spaces.

There are also a multitude of contracts with private partners. These contracts generally provide for the payment of a fixed lease. The majority of the concession contracts with municipalities, by contrast, entail revenue-based lease payments, with minimum or guaranteed lease payments also being agreed.

Increasing the targeted use of digital technologies at existing and new advertising locations continued to be a cornerstone of the strategy in 2023. Ströer's involvement with the German Federal Association for City and Town Marketing (BCSD) is one of the ways in which it is playing its part in the digitalization of towns and cities. The objective is to use Ströer's infrastructure and capabilities to simplify communication in public spaces and provide smart municipal services to help people to go about their increasingly digitalized daily lives.

Advertising media marketed under DOOH contracts can be broken down into three categories:

- **Premium public video roadside screens**
  All digital advertising spaces that are installed along a road and are more than 2m² in size
- **Premium indoor screens**
  Premium digital advertising spaces with a screen size of at least 60", installed in train stations, public transportation systems, shopping malls, and airports
- **Longtail**
  All digital indoor advertising spaces, often in a smaller format and usually in retail settings

Ströer has a large and long-established portfolio of advertising media on roadsides, at train stations, on public transportation, and in pedestrian areas, meaning it can offer each customer the right product, whether on a local, regional, or national basis. Designs are refined and optimized on an ongoing basis and are always adapted to local needs and requirements.

Digital municipal information systems play a key role in the DOOH business. These systems can be used to inform and warn large numbers of people quickly. Ströer's advertising installations are included in federal and regional government plans for dealing with emergencies and are used in test exercises.

To this end, Ströer engages in intensive dialogue with many German municipalities about the future and the development of Germany's towns and cities.

Digital out-of-home advertising: flexible usage and marketing

The flexible use of digital out-of-home advertising spaces for campaigns makes it possible to market them across all sales channels. Moreover, fully digitalized logistics enable very flexible and granular solutions to be offered, from bundles and networks to individual spaces, from campaigns spanning a longer period to specifically timed campaigns.

Available inventories (yields) can also be marketed at very short notice. The underlying technology needed for this at all sales levels is being continually expanded, for example to accommodate flexible creative developments or to time adverts to run depending on particular circumstances relevant to the product.

Digital & Dialog Media

Ströer Digital Media

Besides OOH, Ströer also provides solutions for online advertising in the context of proprietary and third-party content. The scalable products marketed on this basis range from branding and storytelling to performance, native advertising, and social media.

In the area of display and mobile marketing, Ströer Digital Media has a large number of direct customers, its own websites, and an automated technology platform (for both the demand and the supply side).[1]

The websites include the news portal t-online.de as well as special interest portals such as giga.de, familie.de, desired.de, and kino.de. Ströer has pooled its marketing capacity for direct customers and now has marketing rights for more than 1,600 digital offerings.

Ströer X (Avedo/Ranger)

In 2017, Ströer acquired the Avedo Group – which it renamed Ströer X in 2022 – and the Ranger Group.

Ströer X's call center business focuses on customer experience and sales. Over the last few years, Ströer X has become one of the largest providers of performance-based direct sales via call centers in Germany and via nearshore locations in Greece and Spain, for example.

The Ranger Group is a field sales specialist providing performance-guided direct sales services on behalf of its clients. The company sells products to retail and business customers on behalf of its clients in sectors such as telecommunications, energy, retail, financial services, and media.

DaaS & E-Commerce

Statista

Statista is a global database for statistics and reports that offers its users access to information on over 80,000 different topics, including business, politics, society, media, technology, and science. Proprietary data is supplemented with data from other sources, such as market research institutes, governmental organizations, trade associations, and businesses.

Statista's business model is becoming increasingly international, and this has played a key part in the firm's success in the past two years. The US was Statista's biggest sales market in 2023.

[1] Demand-side platforms (DSPs) and supply-side platforms (SSPs).

Once again, Statista focused on expanding its product offering and further improving its services in 2023. At the heart of this were efforts to increase the range of statistics on offer and to make it easier for customers to find the data and statistics that they are looking for. Over the course of 2023, these efforts saw Statista roll out Research AI, an AI-based layer that allows users to use natural language in search requests. Going forward, this will allow Statista to tap into new categories of customers besides data-mining experts across all of its markets. The first beta tests and customer launch tests were successfully completed at the end of 2023.

AsamBeauty

AsamBeauty is a company offering premium beauty products. Its own brands include M. Asam®, ahuhu organic hair care, YOUTHLIFT®, FLORA MARE™, and Kräuterhof® and offer a wide variety of facial, body, and hair care products, and make-up. AsamBeauty's extensive product range is developed and produced in Germany. It focuses on the combination of selected plant-based ingredients with innovative active ingredients and different forms of application.

In 2023, AsamBeauty/the BHI Group (Beauty and Health Investment Group GmbH) increased its revenue by 28% to EUR 202m. This substantial revenue growth stemmed from the e-commerce, telesales, and brick-and-mortar retail sales channels and, in particular, from international distribution business in the People's Republic of China.

Strategic environment

Ströer's OOH+ strategy focuses on the OOH Media and Digital & Dialog Media segments, as we believe they offer significant medium- and long-term opportunities for growth and excellent opportunities for value creation. They have a highly diversified portfolio of rights and are particularly demanding in terms of operational excellence. It is critical that managers and product developers have a thorough knowledge of their local market in these segments. Mostly they are not globally scalable as there are major differences between countries, particularly in OOH, in terms of market structure, language, culture, and regulatory requirements.

The core segment of Out-of-Home Media, in particular, is seeing sustained growth thanks to the integration of digital businesses. The digital transformation is giving rise to granular, flexible, and dynamic OOH products, which are available through new automated platforms that facilitate programmatic advertising.

Historically, the heterogeneous nature of Germany's urban landscape meant that the OOH business had limited standardization options. Indeed, in this environment, the economies of scale that could come from the business becoming more international are limited by the fact that each rights contract is bespoke, with differing building regulations compounding the issue.

Ströer's success in implementing the OOH+ strategy is derived from in-depth proprietary knowledge, individual quality standards in management and execution, made-to-measure customer solutions for maximum satisfaction, and direct customer contact at all levels of the business.

In order to make the most of capital expenditure on its own portfolio, Ströer continually optimizes capacity utilization and the value added by the portfolio. The opportunities resulting from the digitalization of infrastructure enable the 'historical dividend' to be optimally monetized in the form of long-standing proprietary rights and products.

In organizational terms, this means considerable elasticity and scope – centrally supported by new CRM and ERP systems, as well as a continual process of optimization thanks to artificial intelligence – to cater to the needs of large national advertisers and their agency partners, which are increasingly looking for automated, programmatic, and data-driven solutions with a high degree of flexibility. The support offered to small and medium-sized regional customers centers around direct advice and solutions from a single source, provided by Ströer's growing local sales organization.

In the opinion of the Board of Management of the general partner, Ströer is therefore very well placed to be able to continue operating successfully in the German advertising market over the long term.

Advertising market

According to data from Nielsen Media Research, the gross advertising market (all media) was largely unchanged year on year in 2023, its volume merely edging up from EUR 33.7b to EUR 33.8b. Month-on-month performance across the year was also largely similar, with May and September through December being the strongest months. In structural terms, the market share of OOH and online advertising grew, whereas the share of the market accounted for by TV declined. It was down from 50.9% in 2022 to 49.0% in 2023, which equates to a contraction of almost 2%. OOH's share of the market, by contrast, increased from 7.8% to 8.6%. Despite lower circulation figures, print media (magazines, newspapers) held steady with a market share of more than 23%. Radio also held steady with market share of below 6%. Cinema has virtually lost its significance as an advertising medium with a share of the market well below 1%.

Product development

A major success factor for the Group is its range of continuously evolving technology solutions, which enables it to operate at local and regional level and in direct marketing. Technologies for the precise targeting of campaigns and the professional management of anonymized data are becoming increasingly critical to success. They enable the seamless integration of brand marketing and performance marketing.

Statista's online portal, along with its statistics and databases, is also a key focus of our development work. Ongoing efforts are aimed at further enhancing the range of statistics on offer and making it easier for customers to find the data and statistics that they are looking for.

In addition to the development of digital applications and software solutions, Ströer is also focusing on the development of the next generation of OOH advertising media. Ströer's development center in Cologne is responsible for product innovations, working in close collaboration with the Shanghai office and other partners. This enables products to be tailored to the specific circumstances of local and regional partners.

In 2023, the Ströer Group capitalized own development costs totaling EUR 32.9m. A significant portion thereof related to the aforementioned development activities of the Statista Group and to the marketing of digital advertising. Amortization and impairment of internally generated intangible assets came to EUR 24.2m in total. The capitalization rate stood at around 70%.

Value-based management

The Ströer Group's central aim is to achieve a sustained, long-term increase in value. To this end, it uses financial and non-financial key performance indicators to manage the Group. These key performance indicators are defined internally and follow the Group's reporting structure. They are used as management and monitoring instruments but are not defined in the International Financial Reporting Standards (IFRS). The Group's main key performance indicators are organic revenue growth and EBITDA (adjusted). Other key performance indicators are adjusted consolidated profit or loss for the period, free cash flow (before M&A transactions), return on capital employed (ROCE), and the leverage ratio.

Revenue growth is one of the key indicators for measuring the growth of the Ströer Group. It is therefore also an important metric for managing the individual segments, and growth expectations and revenue targets are set for each individual segment as part of the budgeting and medium-term planning process. Progress toward these targets is continuously monitored throughout the year, with both organic revenue growth and nominal revenue growth being tracked. At the start of 2022, the Ströer Group changed the way it calculates organic revenue growth.→ For further information on the calculation of organic revenue growth, see page 19. Additional revenue from newly acquired companies is now only included in the calculation of organic revenue growth after one year. Disposals are treated in the same way. In addition, adjustments are made for exchange rate effects in the calculation of organic revenue growth. Under the new method, organic revenue growth in the Ströer Group came to 7.5% in 2023 (prior year: 9.3%).

EBITDA (adjusted) – consolidated profit or loss for the period before interest, taxes, depreciation, amortization, and impairment, and adjusted for exceptional items (e.g. capital structure measures, restructuring measures, and other exceptional items) – is another key performance indicator and gives an insight into the Group's long-term earnings performance. → For further information on the calculation of EBITDA (adjusted) and adjusted consolidated profit or loss for the period, see page 19. EBITDA (adjusted) is a standard capital market metric for determining enterprise value using a multiples-based method. Furthermore, EBITDA (adjusted) is a key input for determining the leverage ratio to be reported to the lending banks on a quarterly basis. However, the effects of IFRS 16 on both EBITDA (adjusted) and net debt are eliminated from this calculation.

Adjusted consolidated profit or loss for the period is one of the main indicators for determining the dividend to be proposed to the shareholder meeting by the Board of Management and the Supervisory Board. In line with its shareholder value-based strategy, Ströer strives to pursue a dividend policy – to the extent permitted under German commercial and company law – under which 50% to 75% of the adjusted consolidated profit for the period is paid as a dividend to its shareholders.

Free cash flow (before M&A transactions) is another key performance indicator used by the Group. It is calculated from the cash flows from operating activities less net cash paid for investments, i.e. the sum of cash received from and paid for intangible assets and property, plant, and equipment. Free cash flow (before M&A transactions) therefore represents the cash earnings power of the Company and is thus the principal metric for guiding investment, financing, and dividend policy.

One of the main aims of the Ströer Group is to increase the return on capital employed (ROCE) on a sustained basis. To achieve this and monitor target attainment on an ongoing basis, Ströer has developed a management and financial control system.

ROCE is defined as EBIT (adjusted) divided by capital employed. EBIT (adjusted) is calculated as follows: consolidated profit or loss for the period before interest and taxes, write-downs arising from purchase price allocations, and impairment losses, and adjusted for exceptional items. Capital employed comprises total intangible assets, property, plant, and equipment, and current assets less non-interest-bearing liabilities (trade payables and other non-interest-bearing liabilities). The arithmetic mean of these values at the start of the year and the end of the year is calculated. ROCE provides Ströer with a tool that enables value-based management of the Group and its segments. Positive value added, and thus an increase in the Company's value, is achieved when ROCE exceeds the cost of capital of the cash-generating unit (CGU).

Net debt and the leverage ratio are also key performance indicators for the Group.→ For further information on net debt, see page 31. The leverage ratio is an important factor for the capital markets, which use it to assess the quality of the Company's financial position. The leverage ratio is the ratio of net debt (excluding IFRS 16 lease liabilities) to EBITDA (adjusted) (also adjusted for the effects of IFRS 16). Net debt is the sum of liabilities from the facility agreement, from note loans, and from other financial liabilities less cash.

The Company uses workforce-related key figures, such as headcount at Group level on the reporting date, as non-financial indicators.

Reconciliation: organic revenue growth

The following table presents the reconciliation to organic revenue growth. For 2023, it shows that the increase in revenue (excluding foreign exchange rate effects) of EUR 131.4m and restated revenue for the prior year of EUR 1,759.2m gives rise to organic growth of 7.5%.

EUR k	2023	2022
Revenue for prior year (reported)	**1,771,942**	**1,627,323**
Entities sold	–12,733	–10,050
Revenue for prior year (adjusted)	**1,759,210**	**1,617,273**
Foreign exchange rate effects	–1,266	–51
Organic revenue growth	131,362	150,804
Revenue for current year (adjusted)	**1,889,305**	**1,768,026**
Acquisitions	25,024	3,916
Revenue for current year (reported)	**1,914,330**	**1,771,942**

Reconciliation: EBITDA (adjusted)

The segment performance indicator EBITDA (adjusted) is adjusted for certain exceptional items. The Group has defined the following as exceptional items: expenses and income from changes in the investment portfolio (e.g. transaction costs for due diligence, legal advice, recording by a notary, purchase price allocations), reorganization and restructuring measures (e.g. costs for integrating entities and business units, adjustments for exceptional items arising from material restructuring and from performance improvement programs), and capital structure measures (e.g. material fees for amending and adjusting loan agreements, including external consulting fees), and other exceptional items (e.g. costs for potential legal disputes, currency effects, other non-cash valuation effects).

The exceptional items are broken down into individual classes in the table below:

EUR k	2023	2022
Expenses and income from changes in the investment portfolio	1,240	2,257
Expenses and income from capital structure measures	–19	–113
Reorganization and restructuring expenses	–11,116	–4,928
Other exceptional items	–4,707	3,597
Total	**–14,601**	**813**

In 2023, expenses and income from changes in the investment portfolio principally reflected the income of EUR 2,133k from the sale of grapevine marketing GmbH, Munich.

The reorganization and restructuring expenses in 2023 mainly related to new restructuring at Ströer Digital Publishing GmbH (EUR 6,003k) and restructuring measures at various Group companies such as the Statista Group (EUR 1,093k).

Other exceptional items represented an expense of EUR 4,707k in 2023 (prior year: income of EUR 3,597k). The year-on-year change was chiefly due to expenses under the stock option plan of EUR 3,543k, whereas in the prior year the stock option plan had given rise to income of EUR 9,285k. That prior-year income had mainly been the result of stock options for which the conditions of exercise were no longer met. An impairment loss of EUR 5,810k on the equity-accounted investment tricontes360 GmbH had the opposite effect on this item in 2022.

The reconciliation from segment figures to Group figures contains information on Group units that do not meet the definition of a segment ('reconciliation items'). They mainly relate to all costs for central functions, such as the Board of Management, corporate communications, accounting, and financial planning and reporting less their income from services rendered.

The following table shows the reconciliation of segment earnings to the figures included in the consolidated financial statements:

EUR k	2023	2022
Total segment earnings – EBITDA (adjusted)	**600,432**	**571,490**
Reconciliation items	–31,591	–30,090
EBITDA (adjusted)	**568,841**	**541,401**
Adjustments	–14,601	813
EBITDA	**554,239**	**542,214**
Depreciation (right-of-use assets under leases (IFRS 16))	–201,347	–197,040
Amortization and depreciation (other non-current assets)	–115,405	–102,505
Impairment losses (including goodwill impairment)	–6,650	–3,962
Net finance income/costs	–65,811	–27,894
Profit or loss before taxes	**165,027**	**210,813**

Reconciliation of the consolidated income statement to the management accounting figures

EUR m	Income statement in accordance with IFRS 2023	Reclassification of amortization, depreciation, and impairment	Reclassification of exceptional items	Income statement for management accounting purposes	Amortization and depreciation from purchase price allocations	Exchange rate effects from intragroup loans	Tax normalization	Elimination of exceptional items and impairment losses	Adjusted income statement 2023	Adjusted income statement 2022
Revenue	**1,914.3**			**1,914.3**					**1,914.3**	**1,771.9**
Cost of sales	–1,117.6	275.5	0.4	–841.6					–841.6	–758.3
Selling expenses	–318.8									
Administrative expenses	–262.0									
Total selling and administrative expenses	–580.8	47.9	10.3	–522.6					–522.6	–484.9
Other operating income	33.0									
Other operating expenses	–26.1									
Total other operating income and other operating expenses	6.9		3.8	10.8					10.8	5.4
Share of the profit or loss of investees accounted for using the equity method	7.9			7.9					7.9	7.3
EBITDA (adjusted)				**568.8**					**568.8**	**541.4**
Amortization, depreciation, and impairment		–323.4		–323.4	18.8			2.1	–302.5	–276.2
EBIT (adjusted)				**245.4**	**18.8**			**2.1**	**266.4**	**265.2**
Exceptional items[1]			–14.6	–14.6				14.6	0.0	0.0
Net finance income/costs	–65.8			–65.8		–0.8		–1.2	–67.8	–30.2
Income taxes	–52.6			–52.6			–3.0		–55.6	–63.4
Consolidated profit or loss for the period	**112.4**	**0.0**	**0.0**	**112.4**	**18.8**	**–0.8**	**–3.0**	**15.6**	**143.0**	**171.5**

[1] For further information on exceptional items, please refer to the section 'Reconciliation: EBITDA (adjusted)' on page 19.

Management and control

As at December 31, 2023, the Board of Management of the general partner, Ströer Management SE, Düsseldorf, comprised three members: Mr. Udo Müller (Co-CEO), Mr. Christian Schmalzl (Co-CEO), and Mr. Henning Gieseke (CFO). The following overview shows the responsibilities of each member of the Board of Management in the Group:

Name	Appointed until	Responsibilities
Udo Müller	July 2025	Co-CEO Corporate strategy M&A Public affairs & government relations Internal/external corporate communications OOH infrastructure development & inventory management OOH R&D
Christian Schmalzl	July 2025	Co-CEO OOH marketing, national OOH marketing, regional/local OOH foreign equity investments Digital marketing & digital services Digital publishing Direct & Dialog Media Data as a Service & E-Commerce Human resources
Henning Gieseke	December 2028	Chief Financial Officer (CFO) Group purchasing Corporate IT Group accounting & treasury Shared service center & tax Group financial planning and reporting Investor relations & ESG Governance, risk & compliance Legal

The members of the Board of Management collectively bear responsibility for managing the Group.

In addition to the Board of Management, there is an executive committee whose role is to professionalize and support governance and to embed key topics within the culture of the Ströer Group. The committee holds regular meetings to discuss fundamental issues and ensure that the entire Group has a uniform strategic focus.

In terms of the composition of the Supervisory Board, Andreas Huster left the Supervisory Board with effect from April 1, 2023. By resolution of the Cologne local court dated June 28, 2023, Mr. Christian Sardiña Gellesch was appointed to the Supervisory Board with effect from the same date.

The terms of office of Supervisory Board members and shareholder representatives Dr. Karl-Georg Altenburg and Ms. Barbara Liese-Bloch ended at the end of the shareholder meeting on July 5, 2023. They were both nominated as candidates for the Supervisory Board and were re-elected with 95% (Dr. Altenburg) and 74% (Ms. Liese-Bloch) of the votes. Furthermore, the shareholder representative Dr. Kai Sauermann stepped down from the Supervisory Board with effect from the end of the shareholder meeting on July 5, 2023. Professor Stephan Eilers was elected in Dr. Sauermann's place, receiving 99% of the votes cast.

The Supervisory Board of Ströer SE & Co. KGaA comprises 16 members in accordance with section 278 (3) and section 95 et seq. of the German Stock Corporation Act (AktG) in conjunction with article 10 (1) of the articles of association of Ströer SE & Co. KGaA. The Supervisory Board consists of the eight shareholder representatives Mr. Christoph Vilanek (chairman), Mr. Ulrich Voigt (deputy chairman), Dr. Karl-Georg Altenburg, Ms. Elisabeth Lepique, Mr. Martin Diederichs, Ms. Barbara Liese-Bloch, Professor Stephan Eilers, and Ms. Petra Sontheimer, and the eight employee representatives Mr. Christian Sardiña Gellesch, Ms. Sabine Hüttinger, Mr. Andreas Güth, Mr. Christian Kascha, Ms. Simone Kollmann-Göbels, Mr. Tobias Meuser, Mr. Tobias Schleich, and Mr. Stephan Somberg.

For more information on the cooperation between the general partner and the Supervisory Board and on other standards of corporate management and control, see the corporate governance declaration pursuant to section 289f of the German Commercial Code (HGB), which also includes the declaration of compliance with the German Corporate Governance Code pursuant to section 161 AktG. All documents are published on the website of Ströer **(www.stroeer.com/investor-relations)**.

For 2023, Ströer SE & Co. KGaA will once again prepare a Group non-financial report[2] pursuant to section 315b HGB and a remuneration report. Both reports are available on our website at: **https://ir.stroeer.com/investor-relations/financial-reports/**.

Markets and factors

The Ströer Group’s business model means that it operates in the markets for out-of-home advertising and online and mobile marketing and in the dialogue marketing, e-commerce, and data-driven services segments. In out-of-home advertising, the Group’s economic situation is naturally affected by the advertising markets that it serves, which in turn are highly sensitive to macroeconomic developments and changes in the behavior of consumers and advertisers. A distinction should be made between the behavior of national (often also international) advertisers and the behavior of regional or local advertisers. International advertisers’ advertising spend often responds to global economic conditions, in some cases – such as during the pandemic – in a countercyclical way. National, regional, and local advertisers are guided primarily by their domestic economy, making these customers’ advertising budgets significantly less volatile.

The way in which municipalities grant advertising concessions, general advertising bans for certain products (e.g. tobacco in the past), and energy saving regulations can have a particular impact on out-of-home advertising. Regulatory frameworks, especially the General Data Protection Regulation (GDPR), are an important factor affecting online advertising and dialogue marketing.

In the out-of-home advertising industry, customers are increasingly placing bookings with shorter lead times. Thanks to the advancing digitalization of its out-of-home inventory, Ströer is increasingly able to offer its products on a more granular basis and at much shorter notice using programmatic platforms. This is breaking down barriers to entry for customers looking for out-of-home advertising campaigns and also allowing Ströer to target entirely new types of customer, including customers who buy ad impressions programmatically via our platforms. Order intake reflects the seasonal fluctuations seen in the broader media market. There is generally a concentration of out-of-home activities in the second and fourth quarters, around Easter and Christmas. On the cost side, changes in lease payments, personnel expenses, and other overheads (including electricity, building, and maintenance costs) are a key factor. The microprocessor shortage and the disruption to global supply chains had little effect on the speed and costs of installations in the DOOH network in 2023. Ströer achieved its installation targets by taking proactive measures in its warehousing.

Due to the high degree of automation, advance booking times by customers in the online segment have got even shorter than in out-of-home advertising and are often as little as a few minutes before posting. By far the greatest revenue-generating activity falls in the fourth quarter for online business. A key factor for online advertising is the further penetration of the market using automated programmatic platforms, where Ströer makes its digital inventory for out-of-home advertising available online. Apart from the commission paid to website operators, the main cost drivers are personnel and IT operating expenses (data centers, security systems, etc.).

Dialogue marketing is less seasonal, although the second half of the year tends to be stronger. Due to the long-term nature of relationships and the high level of customer loyalty as well as the relatively long lead times, the service business in dialogue marketing is characterized by relatively low volatility. The factors shaping revenue growth lie in employee productivity and an increase in headcount (recruitment, training, development). In the service business, productivity always depends on the working days effectively available each month. Seasonal fluctuations are therefore limited to December due to the generally lower productive working time given the public holiday and vacation days. In the area of field sales, the addition of new areas of application gives rise to countercyclical revenue effects. The sharp fluctuations in the availability of workers are among the key factors here.

[2] Unaudited.

The regulatory environment also impacts on the economic situation of the Ströer Group. If regulatory amendments are made in the area of out-of-home advertising, Ströer will be able to soften the impact on its business volume through appropriate marketing and sales activities thanks to the usual lead times applicable to changes in legislation.

The regulatory environment in the online advertising segment is mainly determined by data privacy aspects at national and European level.

On the e-commerce front, the internationalization of the business model means that it is influenced by increasing regulation in other markets, including non-European markets. The same applies to data-driven information services.

Overall, we believe that the Ströer Group is very well positioned to benefit from the medium- to long-term market trends of increasing mobility, digitalization, and urbanization, thanks to its integrated portfolio. The expectation is that the market will focus ever more directly on media users and their patterns of usage, which involves more media consumption via mobile devices in the private, professional, and public spheres.

ECONOMIC REPORT[1]

Business environment

Macroeconomic developments in 2023

Under the OOH+ strategy, Ströer focuses on its home market of Germany, which is of key importance as around 90% of the Company's revenue is generated there. Aside from this, the Ströer Group has out-of-home activities in Poland and international activities through Statista, Asam, and Ranger. Overall, however, the international business still carries much less significance.

Throughout 2023, the Ströer Group's business held up well in an economic environment that was persistently challenging. The German economy, for example, was marked by stagnation as well as high, albeit falling, rates of inflation during the whole of 2023. The impact of the massive erosion of consumer purchasing power, which was caused by surging energy prices and led to reduced consumer spending, was the main reason why the economic picture was weaker than had generally been expected at the beginning of the year. The significant slowdown in the growth of the global economy and the dampening effects of geopolitical tension and crises added to the downward pressure and saw German exports contract by 1.2%[2] in 2023 after two years of strong expansion.

The trend in gross value added varied across the individual segments of the economy in 2023: Economic output related to production in industry (excluding construction) decreased significantly, by 2.0%[3]. This was primarily due to much lower energy production output. Manufacturing, which makes up nearly 85%[4] of production in industry (excluding construction), also registered a price-adjusted decline in 2023 (down by 0.4%[5]). The automotive industry and the manufacture of other transportation equipment made the biggest positive contributions here. By contrast, the energy-intensive branches of industry such as chemicals and metals, which had been particularly strongly affected by the rising energy prices in 2022, saw their output and added value fall again last year. Household consumption declined by 0.8%[6] in price-adjusted terms compared with 2022, which meant that it was down by a further 1.5%[7] on the pre-pandemic level of 2019. High consumer prices are likely to have been the main reason for this trend. Expenditure dropped most notably in areas where prices in 2023 either persisted at the high levels seen in 2022 or increased even further. There was a particularly sharp decline in price-adjusted expenditure on durable goods, such as furnishings and household appliances, which was down by 6.2%[8]. General government consumption expenditure was also lower in 2023 (down by 1.7%)[9], for the first time in nearly 20 years. Muted global economic growth and weak domestic demand also had an effect on foreign trade last year, which declined despite falling prices. The price-adjusted contraction of imports (down by 3.0%)[10] was bigger than that of exports (down by 1.8%)[11]. This resulted in a positive trade balance that boosted gross domestic product (GDP).

Overall, according to the calculations of the Federal Statistical Office (Destatis), Germany's price-adjusted GDP for 2023 was 0.3%[12] lower than in the prior year. After adjustment for calendar effects, the decline in economic output came to 0.1%[13].

The subdued economic conditions were reflected in a sluggish labor market in which employment growth was down and unemployment[14] was up a little. The number of employees on reduced working hours rose again slightly compared with the pre-pandemic level, but the overall number of people in employment remained high at 45.9 million[15] (2022: 45.6 million)[16]. The labor market is likely to remain static for now. There is currently no indication that employment is set to slump[17]. The unemployment rate at the end of 2023 was 5.7% (prior year: 5.3%)[18].

The inflation rate declined further toward the end of the year and stood at 3.7%[19] in December, which was much lower than the average for 2023 of 5.9%[20]. Energy prices continued to dampen inflation because they had been at such a high level in the prior year. Expectations of the pace of further falls in inflation therefore remain subject to uncertainty.

[1] By contrast with the figures for the financial year, the disclosures for the quarters contain unaudited information.
[2] Destatis – press release on gross domestic product, January 15, 2024.
[3] Destatis – press release on gross domestic product, January 15, 2024.
[4] Destatis – press release on gross domestic product, January 15, 2024.
[5] Destatis – press release on gross domestic product, January 15, 2024.
[6] Destatis – press release on gross domestic product, January 15, 2024.
[7] Destatis – press release on gross domestic product, January 15, 2024.
[8] Destatis – press release on gross domestic product, January 15, 2024.
[9] Destatis – press release on gross domestic product, January 15, 2024.
[10] Destatis – press release on gross domestic product, January 15, 2024.
[11] Destatis – press release on gross domestic product, January 15, 2024.
[12] Destatis – press release on gross domestic product, January 15, 2024.
[13] Destatis – press release on gross domestic product, January 15, 2024.
[14] BMF – Federal Ministry of Finance's monthly report, December 2023.
[15] German Federal Employment Agency – press material, January 3, 2024.
[16] German Federal Employment Agency – press material, January 3, 2024.
[17] BMF – Federal Ministry of Finance's monthly report, December 2023.
[18] German Federal Employment Agency – press material, January 3, 2024.
[19] Destatis – press release on inflation rate in 2023, January 16, 2024.
[20] Destatis – press release on inflation rate in 2023, January 16, 2024.

Performance of the out-of-home and online advertising industry in 2023[21]

Challenging macroeconomic conditions meant that gross advertising spend presented a mixture picture in 2023 and was only slightly higher than in the prior year. According to data collected by Nielsen, overall gross advertising expenditure in Germany rose by 0.3% year on year in 2023. There were considerable differences, however, between the individual advertising categories. Of the four major advertising formats – TV, online, print, and OOH – TV saw the biggest decline in revenue (down by 3.5%; prior year: down by 5.5%). As the largest category, it was therefore once again the main reason for the weak performance of the advertising market as a whole. According to figures from Nielsen, the web/online category was up by around 3.8% (prior year: down by 3.9%). Performance within the print segment was uneven. For example, advertising spend in the popular magazines subsegment was down by 8.1% (prior year: down by 2.5%), whereas for newspapers it was up by 7.8% (prior year: down by 4.5%). Overall, the category grew by 2.1% compared with 2022 (prior year: down by 3.8%). Out-of-home advertising saw by far the biggest increase in advertising spend, with a year-on-year rise of 11.2% (prior year: up by 2.1%) that significantly exceeded the growth rate for the wider market. As a result, the out-of-home advertising segment continued to gain market share, which increased from 7.8% in 2022 to an all-time high of 8.6% in 2023.

Market growth of top four advertising categories in 2023 vs. 2022[22]

Total	OOH	TV	Print	Online
0.3%	11.2%	–3.5%	2.1%	3.8%

In our view, however, the gross advertising data provided by Nielsen only indicates trends and can only be used to a limited extent to draw conclusions about net figures due to differing definitions and market territories.

Exchange rates in 2023

In spite of Statista and Asam’s international business activities, the effects of exchange rates on the Ströer Group’s business were negligible because the Group is primarily focused on its core German market.

In 2023, the main exchange rate of relevance to our business was the euro to the US dollar. The US dollar started the year with an exchange rate of EUR/USD 1.08. Over the course of the year, the US dollar generally weakened against the euro and ended 2023 at EUR/USD 1.11.

Financial performance of the Group

Overall assessment of the economic situation by the Board of Management of the general partner

All in all, the Board of Management believes that the Ströer Group can look back on a successful year, particularly given the macroeconomic headwinds in 2023. The strong momentum in the individual units’ operating business was central to the Group’s performance. Buoyed by that momentum, the Group reported substantial revenue growth, ultimately achieving record revenue of EUR 1,914.3m (prior year: EUR 1,771.9m). This very satisfying growth was countered, above all, by the leap in interest rates in the capital markets, which pushed up finance costs considerably. General cost increases driven by the macroeconomic conditions also dampened some of the impressive achievements in the operating business.

From the perspective of the Board of Management, the Group maintained a good balance of assets and liabilities and remained on a solid financial footing in 2023. In terms of external financing, Ströer has secured long-term access at all times to a comprehensive pool of liquidity with freely available lines of credit thanks, in particular, to a new credit facility of EUR 650.0m that it entered into in December 2022. The strength of its internal financing capability also came to the fore once more with markedly improved free cash flow before M&A transactions, although that cash flow would have been significantly higher still had it not been for the increased interest payments. Despite the challenging macroeconomic conditions, the leverage ratio remained at a comfortable level. This positive general picture was completed by the Group’s equity ratio (adjusted for the lease liabilities accounted for in accordance with IFRS 16) of more than 25%.

Overall, we believe the Ströer Group is very well positioned – both in operational and in financial terms – to be able to tackle future challenges and flexibly make use of opportunities arising from the structural changes occurring in the media market.

Comparison of forecast and actual business performance

The forecasts we made for 2023 were based on a cautiously optimistic assessment of economic conditions going forward. However, annual forecasts are naturally subject to major uncertainties, particularly so during times of economic upheaval. Nonetheless, the targets originally set for 2023 were largely achieved.

[21] Nielsen gross advertising spend in 2023.
[22] Nielsen gross advertising spend in 2023.

	Projected results for 2023	Actual results in 2023
Organic revenue growth	Moderate organic growth (2022: 9.3%)	7.5%
EBITDA (adjusted)	Largely stable growth (2022: EUR 541.4m (+5.5%))	EUR 568.8m (+5.1%)
ROCE	Comparable with prior year (2022: 20.0%)	18.8%
Adjusted consolidated profit or loss for the period	Slight year-on-year decline (2022: EUR 171.5m)	EUR 143.0m (–16.6%)
Free cash flow before M&A transactions (incl. IFRS 16 payments for the principal portion of lease liabilities)	Growth in line with EBITDA (adjusted) (2022: EUR 50.4m)	EUR 80.6m (+59.8%)
Leverage ratio	In line with or slightly above the prior year (2022: 2.20)	2.24

Financial performance of the Group

Consolidated income statement

EUR m	2023	2022
Revenue	1,914.3	1,771.9
EBITDA	554.2	542.2
EBITDA (adjusted)	568.8	541.4
EBIT	230.8	238.7
Net finance income/costs	-65.8	–27.9
Profit or loss before taxes	165.0	210.8
Income taxes	-52.6	–59.0
Consolidated profit or loss for the period	112.4	151.8

In 2023, the Ströer Group advanced its **revenue** by EUR 142.4m, or 8.0%, to EUR 1,914.3m (prior year: EUR 1,771.9m), which – in spite of the macroeconomic headwinds and a generally weak advertising market – was a clear new record. Organic growth came to 7.5% (prior year: 9.3%).

The following table shows the change in external revenue by segment:

EUR m	2023	2022
Out-of-Home Media	755.9	741.1
Digital & Dialog Media	807.7	736.6
DaaS & E-Commerce	350.7	294.2
Total	**1,914.3**	**1,771.9**

The geographical breakdown of consolidated revenue did not change materially in structural terms in 2023. Revenue in Germany rose from EUR 1,589.9m to EUR 1,717.5m. Revenue outside Germany also increased year on year, climbing by EUR 14.8m to EUR 196.9m (prior year: EUR 182.0m). A total of 10.3% of revenue was therefore generated outside Germany (prior year: 10.3%).

The Ströer Group's revenue is subject to considerable seasonal fluctuations, as is revenue in the rest of the overall media industry. This impacts the level of revenue and earnings for the Group over the course of the year. While the fourth quarter is generally characterized by significantly higher revenue and earnings contributions, the first quarter in particular tends to be somewhat weaker. And things were no different in 2023, although in 2022 the slowing economy toward the end of the year had dampened the positive fourth-quarter effect somewhat.

There were various reasons for the rise in the **cost of sales** of EUR 102.1m to EUR 1,117.6m (prior year: EUR 1,015.5m), including the considerable improvement in the operating business, general cost increases driven by the macroeconomic conditions, and newly acquired activities. The principal factors that contributed to this rise were increased personnel expenses, additional revenue-based fees in dialogue marketing (door-to-door), our additional activities in the call center business, and higher procurement expenses in the AsamBeauty business due to an increase in volumes and prices. **Gross profit** amounted to EUR 796.8m in 2023 (prior year: EUR 756.5m).

Selling and administrative expenses, meanwhile, rose by EUR 38.3m to EUR 580.8m in the reporting period (prior year: EUR 542.5m). While the Group saw a moderate increase in personnel expenses across all business units in sales and administration, this increase was partly offset by a decline in selling expenses in the AsamBeauty business. Expressed as a percentage of revenue, selling and administrative expenses improved slightly to stand at 30.3% (prior year: 30.6%). In the same period, **other operating income** came to EUR 33.0m, which was EUR 10.0m lower than in 2022 (prior year: EUR 43.0m). This was due in part to lower gains on the sale of subsidiaries as well as the reversal of provisions. Conversely, **other operating expenses** increased by EUR 6.3m year on year to stand at EUR 26.1m (prior year: EUR 19.8m). Some of the increase stemmed from the recognition of provisions for restructuring. The Group's **share of the profit or loss of investees accounted for using the equity method** increased by EUR 6.4m to a profit of EUR 7.9m (prior year: profit of EUR 1.5m). Besides the much improved performance of the operating business, this rise was also due to the fact that the 2022 figure had been adversely affected by an impairment loss in the dialogue marketing business.

Ultimately, the Ströer Group – undeterred by a full year of macroeconomic challenges – nonetheless generated **EBIT** of EUR 230.8m in 2023, thereby easily surpassing the EUR 200.0m mark for the second time (prior year: EUR 238.7m). Adjusted for exceptional items, the success of the operating business was even more clearly reflected in **EBITDA (adjusted),** which rose by EUR 27.4m year on year to EUR 568.8m (prior year: EUR 541.4m). At 18.8%, the return on capital employed (ROCE) remained at a high level (prior year: 20.0%).

By contrast, **net finance costs** reflected the significant rise in capital market interest rates and amounted to EUR 65.8m (prior year: EUR 27.9m). Besides general funding costs for existing loan liabilities, net finance costs have notably consisted of expenses from unwinding the discount on lease liabilities since the introduction of IFRS 16. Of the aforementioned increase in net finance costs, EUR 13.5m was attributable to the unwinding of the discount on IFRS 16 lease liabilities and the remainder of the increase of EUR 24.5m was largely due to the rise in interest rates on loan liabilities.

The Ströer Group's tax expense was impacted by considerable net finance costs and fell as a result. Some of the decline was offset by lower impairment losses on deferred tax assets, however, meaning that the **tax expense** ultimately fell by EUR 6.4m to EUR 52.6m (prior year: EUR 59.0m).

All in all, despite the persistently challenging economic climate and the adverse effects on net finance income, the Ströer Group achieved **consolidated profit for the period** of EUR 112.4m in 2023 (prior year: EUR 151.8m). **Adjusted consolidated profit for the period** stood at EUR 143.0m (prior year: EUR 171.5m).

Net assets and financial position

Overall assessment of the net assets and financial position

The Board of Management believes that the Ströer Group remains in a very strong position given its good balance of assets and liabilities and solid financial footing. In terms of its financial structure, Ströer can access robust external financing in the form of long-term commitments that provide a comfortable level of liquidity. A cornerstone of this financial structure is a new credit facility with a volume of EUR 650.0m that was agreed in December 2022 and has been committed until December 2028. In June 2023, the Ströer Group agreed an additional credit facility of EUR 75.0m for a period of at least two years. Including the cash balance, the Group had available funding of EUR 335.6m at its disposal as at the reporting date (prior year: EUR 301.5m). This stable, long-term external financing was complemented by the Group's internal financing strength. Its consistent internal financing capability is reflected in free cash flow before M&A transactions, which – in spite of the macroeconomic headwinds – improved to EUR 271.9m (prior year: EUR 248.3m). And this cash flow would have been significantly higher still had it not been for the increased interest payments. The leverage ratio (defined as the ratio of net debt to EBITDA (adjusted)) of 2.24 (prior year: 2.20) remains very sound in the Board of Management's opinion. This overall picture was completed by the Group's stable equity ratio (adjusted for the lease liabilities accounted for in accordance with IFRS 16) of more than 25%.

Main features of the financing strategy

Ströer is steadfastly pursuing a conservative and long-term financing strategy. Securing financial flexibility is a top priority for the Group. We ensure this by taking appropriate account of criteria such as market capacity, investor diversification, flexibility of drawdown options, covenants, and maturity profile when selecting financial instruments.

The main objectives of the Ströer Group's financial management include:

- Safeguarding liquidity and ensuring its efficient management throughout the Group
- Maintaining and continuously optimizing the Group's financing capabilities
- Reducing financial risk, including by using financial instruments
- Optimizing the cost of capital for debt and equity

The financing of the Ströer Group is structured in such a way that it provides us with a sufficient degree of flexibility to react appropriately to changes in the market or competition. Further important financing objectives are the ongoing optimization of our financing costs and loan covenants and the diversification of our investors.

As part of our financing, we ensure that our financial liabilities have an appropriate maturity profile and that the portfolio of banks and financial intermediaries with which we work is balanced and stable. We operate on the basis of binding standards that ensure transparency and fairness for lenders. One of our priorities is to establish long-term and sustainable relationships with our lending banks.

The external financing at our disposal and our financial flexibility are mainly based on two instruments. The first instrument comprises note loans that Ströer SE & Co. KGaA placed on the capital markets in October 2017 and June 2022 and which amounted to EUR 113.0m and EUR 203.0m respectively as at December 31, 2023. These loans consist of several tranches that originally had terms of three, five, or seven years and mature between October 2024 and June 2029. An amount of EUR 175.5m is subject to fixed interest rates ranging between 139bp and 277bp; the floating rates on the loans range between 70bp and 110bp plus Euribor. Thanks to the large number of banks involved in these note loans, our investor base is highly diversified.

The second instrument mainly comprises a new credit facility of EUR 650.0m that was arranged with a banking syndicate in December 2022 and may be extended by a further EUR 100.0m if required. This new facility replaced the previous credit facility of EUR 600.0m dating from 2016. The facility's variable interest rate is in line with the market at Euribor plus a margin that ranges between 80bp and 175bp depending on the leverage ratio. The documentation also reflects the Ströer Group's investment-grade status. The facility has been committed for a fixed term ending in December 2028 with the option to be extended by a further year if required. The total volume of EUR 650.0m is structured as a flexible revolving facility with bilateral credit lines, giving the Ströer Group a high level of financial flexibility.

In June 2023, the Ströer Group also agreed an additional credit facility of EUR 75.0m in total with three of the banks in the aforementioned syndicate. This supplementary facility has been committed for a fixed term ending in June 2025 and can be extended by a further year if required. The facility's variable interest rate is also in line with the market at Euribor plus a margin that ranges between 80bp and 175bp in the first year depending on the leverage ratio. The margin increases across the term and in the third year ranges between 170bp and 265bp. The total volume of EUR 75.0m has been structured as a flexible revolving facility. The facility was unutilized as at December 31, 2023.

For both financing instruments, that is the note loans and the credit facilities, the loans were granted without collateral. The financial covenants relate to the leverage ratio, which is set at 3.25 in all agreements and was comfortably met as at the end of the year. The costs incurred in connection with setting up the two financing instruments will be amortized over the term of the respective agreements. Overall, this provides the Ströer Group with very flexible and stable long-term financing in our opinion. As at December 31, 2023, the Group had available funding at its disposal of EUR 335.6m (prior year: EUR 301.5m) from unutilized credit lines under the two credit facilities, including a cash balance of EUR 72.3m (prior year: EUR 79.9m).

As at the reporting date, no single bank accounted for more than 20% of all loan amounts drawn down in the Ströer Group, ensuring a well-diversified supply of credit. As part of the financing strategy, the Board of Management also regularly examines the possibility of hedging interest-rate risk by also using fixed-interest derivatives.

Our cash management is focused on managing our liquidity and optimizing the cash flows within the Group. The financing requirements of subsidiaries, if they cannot be covered from their own internal funds, are primarily met by intercompany loans, such as those extended through the automated cash pooling process. In exceptional circumstances, credit lines are also agreed with local banks in order to meet legal, tax, or operational requirements. In accordance with these guiding principles, the subsidiaries were once again mainly financed via the Group holding company in 2023. Where legally possible, any liquidity surpluses in the individual entities are pooled at Group level. Through the Group holding company, we ensure that the financing requirements of the individual Group entities are adequately covered at all times.

The Ströer Group's leverage ratio increased only marginally to 2.24 in the reporting year (prior year: 2.20) despite extensive investment in growth and the challenging economic conditions created by the war in Ukraine. In 2023, Ströer SE & Co. KGaA and its Group entities complied with all loan covenants and obligations under financing agreements.

The continuously increasing capital requirements imposed on banks are having a significant impact on their lending. As a result, we regularly consider whether and how we can diversify our financing structure, which is based heavily on banks at present, in favor of more capital market-oriented debt. In this context, we periodically examine various alternative financing options (such as issuing corporate bonds) in order to optimize the maturity profile of our financial liabilities where possible.

Financial position

Liquidity and investment analysis

The Ströer Group's cash flows in the reporting period are presented below:

EUR m	2023	2022
Cash flows from operating activities	**401.1**	**410.9**
Cash received from the disposal of intangible assets and property, plant, and equipment	1.9	1.1
Cash paid for investments in intangible assets and property, plant, and equipment	–131.1	–163.6
Cash received and cash paid in relation to investees accounted for using the equity method and to financial assets	1.6	6.3
Cash received from and cash paid for the sale and acquisition of consolidated entities	3.1	7.8
Cash flows from investing activities	**–124.5**	**–148.4**
Cash flows from financing activities	**–284.2**	**–246.0**
Change in cash	–7.6	16.5
Cash at the end of the period	**72.3**	**79.9**
Free cash flow before M&A transactions (incl. IFRS 16 payments for the principal portion of lease liabilities)	80.6	50.4
Free cash flow before M&A transactions	**271.9**	**248.3**

At EUR 401.1m, **cash flows from operating activities** did not fully reflect the improvement in operating business in 2023 as it was eclipsed by substantial adverse effects (prior year: EUR 410.9m). Although the renewed improvement in EBITDA (up by EUR 12.0m) did reflect the positive momentum in the Group's operating business, considerably higher loan interest payments (EUR 24.8m), higher IFRS 16-related interest payments[1] (EUR 13.5m), and additional income tax payments (EUR 22.3m) all had a tangible adverse impact on cash flows from operating activities. Conversely, changes in working capital (up by EUR 31.3m) – which had weighed much more heavily on cash flows in the prior year – and elimination of non-cash income (up by EUR 13.2m) had a positive effect.

The Group's **cash flows from investing activities** fell by EUR 24.0m to EUR 124.5m in 2023 (prior year: EUR 148.4m). This decline was chiefly attributable to somewhat lower investment in digital advertising media compared with the prior year, when investment had been stepped up for a time in order to rapidly digitalize particularly lucrative advertising locations. Furthermore, investment in the prior year had included the acquisition of the Group's headquarters in Cologne for around EUR 11.2m. These effects had been partly offset by more cash received from M&A transactions in connection with the disposal of a Turkish subsidiary in the prior year, whereas in 2023, the overall cash received from M&A transactions was lower.

Overall, the Group reported much improved **free cash flow before M&A transactions** of EUR 271.9m (prior year: EUR 248.3m). Including IFRS 16 payments for the principal portion of lease liabilities, it came to EUR 80.6m, which was EUR 30.2m higher than the prior-year figure of EUR 50.4m.

As in the past, **cash flows from financing activities** were heavily influenced by the payment of dividends as well as IFRS 16 payments for the principal portion of lease liabilities. The latter decreased because the IFRS 16 payments[1] for the interest portion of lease liabilities increased – as a result of higher capital market interest rates – which meant that the payments for the principal portion decreased. Furthermore, the Ströer Group concluded its share buyback program in 2023 with repurchases of almost EUR 24.4m. The Group had launched the program in the fourth quarter of 2022 with a nominal volume of EUR 50.0m. In the prior year, the gross figures for both borrowing and loan repayments had been higher as Ströer had entered into a new syndicated loan (EUR 650.0m) and placed a new note loan in 2022 (EUR 203.0m). These new loans were used to repay some of the existing borrowing. Overall, cash flows from financing activities came to a net outflow of EUR 284.2m in 2023 (prior year: net outflow of EUR 246.0m).

Cash stood at EUR 72.3m overall as at December 31, 2023 (prior year: EUR 79.9m).

Financial structure analysis

At the end of the reporting year, the Ströer Group's **financial liabilities** came to a total of EUR 1,723.2m and were thus up by EUR 21.5m year on year (prior year: EUR 1,701.7m). This was largely due to a sharp rise in interest payments as a result of higher capital market interest rates as well as additional payments under a share buyback program. In terms of the composition of financial liabilities, IFRS 16 lease liabilities decreased slightly – as they had in the prior year – whereas liabilities to banks saw a moderate increase. Within financial liabilities, there was also a shift from non-current to current liabilities as note loans of EUR 113.0m mature in October 2024.

The Ströer Group bases the calculation of its **net debt** on the loan agreements in place with its lending banks. The additional lease liabilities that have had to be recognized since the introduction of IFRS 16 are explicitly excluded from the calculation of net debt, both for the credit facilities and for the note loans. This is because the contracting parties do not believe that the financial position of the Ströer Group has changed as a result of the new standard being introduced. To maintain consistency, the positive impact of IFRS 16 on EBITDA (adjusted) is also excluded from the calculation of the leverage ratio.

[1] Due to the increase in interest rates, the higher IFRS 16-related interest payments (EUR 13.5m) theoretically reduced cash flows from operating activities. However, the higher IFRS 16-related interest payments merely represent a shift between the interest expense and the principal portion within the lease payments – which remain the same – such that the payments for the principal portion of lease liabilities in connection with IFRS 16, which are disclosed in cash flows from financing activities, were actually lower in 2023.

EUR m		Dec. 31, 2023	Dec. 31, 2022
(1)	Lease liabilities (IFRS 16)	852.1	876.6
(2)	Liabilities from credit facilities	440.3	414.1
(3)	Liabilities from note loans	315.5	333.3
(4)	Liabilities to purchase own equity instruments	28.8	27.3
(5)	Liabilities from dividends to be paid to non-controlling interests	10.6	2.5
(6)	Other financial liabilities	75.8	48.0
(1)+(2)+(3) +(4)+(5)+(6)	Total financial liabilities	1,723.2	1,701.7
(2)+(3)+(5)+(6)	Total financial liabilities excluding lease liabilities (IFRS 16) and liabilities to purchase own equity instruments	842.3	797.8
(7)	Cash	72.3	79.9
(2)+(3)+(5)+(6)-(7)	**Net debt**	**770.0**	**718.0**
Leverage ratio		**2.24**	**2.20**

The Ströer Group's net debt went up by EUR 52.0m to EUR 770.0m in 2023. The increase was primarily attributable to a sharp rise in interest payments as a result of higher capital market interest rates as well as additional payments under a share buyback program that ended in April 2023. This means that despite EBITDA (adjusted) also rising, the leverage ratio (defined as the ratio of net debt to EBITDA (adjusted)) increased marginally year on year to 2.24 (prior year: 2.20) but thus remained at a comfortable level.

The Group's **pension provisions** increased slightly by EUR 2.2m to EUR 33.1m in 2023 (prior year: EUR 31.0m) as a result of a changed interest-rate curve and the associated adjustment of the discount rate. Current and non-current **other provisions** also changed only marginally, declining by EUR 2.4m to EUR 117.1m (prior year: EUR 119.5m). **Trade payables** were up only slightly year on year at EUR 220.5m (prior year: EUR 218.1m). **Current other liabilities**, meanwhile, rose by EUR 14.0m to EUR 141.3m (prior year: EUR 127.3m), although the rise stemmed from a number of immaterial individual effects. By contrast, **current income tax liabilities** decreased significantly following much higher advance tax payments, falling by EUR 17.0m to EUR 27.6m (prior year: EUR 44.7m). At the same time, **deferred tax liabilities** fell moderately year on year and were down by EUR 6.8m to EUR 32.0m (prior year: EUR 38.8m).

The Ströer Group closed 2023 with **equity** of EUR 444.9m (prior year: EUR 473.7m). Whereas the distribution of a dividend to the shareholders of Ströer SE & Co. KGaA and the share buyback reduced equity, the Ströer Group's profit for 2023 of EUR 112.4m had the opposite effect. The equity ratio fell from 17.2% as at December 31, 2022 to 16.2% as at December 31, 2023. Adjusted for the lease liabilities accounted for in accordance with IFRS 16, the equity ratio was 25.1% as at the reporting date (prior year: 26.4%).

Capital costs
In the Ströer Group, the cost of capital relates to the risk-adjusted required rate of return and, for the purpose of measurement in the consolidated financial statements, is determined in accordance with the capital asset pricing model and the weighted average cost of capital (WACC) approach. The cost of equity is the return expected by shareholders, as derived from capital markets information. We use yields on long-term corporate bonds as the basis for borrowing costs. In order to take account of the different return/risk profiles of our main activities, we calculate individual cost of capital rates after income taxes for each of our business segments.

Net assets

Consolidated statement of financial position

EUR m	Dec. 31, 2023	Dec. 31, 2022
Assets		
Non-current assets	2,342.1	2,359.9
Current assets	399.0	396.2
Total assets	**2,741.1**	**2,756.2**
Equity and liabilities		
Equity	444.9	473.7
Non-current liabilities	1,453.8	1,583.1
Current liabilities	842.4	699.3
Total equity and liabilities	**2,741.1**	**2,756.2**

Analysis of the asset structure
At the end of the reporting year, the Group's **non-current assets** were EUR 17.8m lower than in the prior year at EUR 2,342.1m (prior year: EUR 2,359.9m). Intangible assets declined because additions were outweighed by amortization. Investment in advertising media and other property, plant, and equipment, by contrast, was slightly higher than the related depreciation, but this effect was offset by IFRS 16 right-of-use assets, which saw significantly higher depreciation than additions.

Current assets, meanwhile, were only slightly higher than in 2022 at EUR 399.0m (prior year: EUR 396.2m). Whereas inventories increased further as a result of continued growth in the AsamBeauty business, trade receivables and cash decreased, albeit within their usual ranges.

Thanks to the strong market position of the Ströer Group, the **assets not reported in the statement of financial position** include a broad-based portfolio of long-standing customer relationships. Of these customer relationships, only a small proportion that arose from acquisitions and have not yet been fully amortized are recognized as an asset.

Financial performance of the segments

Out-of-Home Media

EUR m	2023	2022	Change	
Segment revenue, thereof	**856.4**	**790.9**	**65.5**	**8.3%**
Classic OOH	497.0	497.9	–0.8	–0.2%
Digital OOH	299.3	233.7	65.6	28.1%
OOH Services	60.1	59.3	0.8	1.3%
EBITDA (adjusted)	**391.2**	**373.0**	**18.2**	**4.9%**
EBITDA margin (adjusted)	**45.7%**	**47.2%**	**–1.5 percentage points**	

At EUR 856.4m, the **revenue** generated by the OOH Media segment in 2023 was substantially higher than in 2022 (prior year: EUR 790.9m). Ströer, with its highly attractive portfolio of advertising media and strong sales performance, consistently bucked the general market trend over the course of 2023 and far outperformed the generally stagnant advertising market. It recorded its strongest revenue growth in the fourth quarter.

The **Classic OOH** product group offers traditional out-of-home advertising products to our customers. Its revenue was on a par with the prior year at EUR 497.0m in 2023 (prior year: EUR 497.9m). However, out-of-home advertising of certain tobacco products had still been permitted by law in the prior year and had mainly been displayed using traditional advertising media. Adjusted for this effect, revenue from traditional out-of-home advertising products was slightly higher year on year. The growth in traditional out-of-home advertising products in the fourth quarter compared with the prior-year period is particularly encouraging. Revenue in the **Digital OOH** product group, which consists of our digital out-of-home products (particularly public video and roadside screens), jumped by EUR 65.6m to EUR 299.3m in the reporting period. Our attractive network of digital advertising media saw strong year-on-year growth on the back of improved capacity utilization and the further strategic expansion of our roadside screen portfolio. Ever more customers are opting for programmatic placement of advertising using our digital advertising media. Revenue in the **OOH Services** product group was up year on year at EUR 60.1m in the reporting period (prior year: EUR 59.3m), despite the sale of a smaller, non-core business activity in the fourth quarter. This product group includes the local marketing of digital products to small and medium-sized customers as well as complementary activities that are a good fit with the customer-centric offering in the out-of-home advertising business.

The segment increased its earnings too, reporting higher **EBITDA (adjusted)** of EUR 391.2m in the reporting period (prior year: EUR 373.0m) and an **EBITDA margin (adjusted)** of 45.7% (prior year: 47.2%).

Digital & Dialog Media

EUR m	2023	2022	Change	
Segment revenue, thereof	**815.8**	**743.7**	**72.0**	**9.7%**
Digital	418.7	387.6	31.0	8.0%
Dialog	397.1	356.1	41.0	11.5%
EBITDA (adjusted)	**155.0**	**177.8**	**–22.8**	**–12.8%**
EBITDA margin (adjusted)	**19.0%**	**23.9%**		**–4.9 percentage points**

Revenue in the Digital & Dialog Media segment rose by EUR 72.0m to EUR 815.8m in 2023. The **Digital** product group, which encompasses our online advertising business and our programmatic marketing activities, reported revenue of EUR 418.7m in the reporting period, which was up significantly on the prior-year figure of EUR 387.6m. In the prior year, the revenue figure had contained our peripheral digital activities in Turkey, which we sold in mid-2022. Adjusted for this effect, the Digital product group's growth was even more pronounced. The **Dialog** product group comprises our call center activities and direct sales activities (door to door). Its revenue rose sharply again in 2023, jumping by EUR 41.0m to EUR 397.1m. Our door-to-door sales business, in particular, grew substantially once again. The call center business also notched up significant growth thanks in part to having acquired more locations around the middle of the year.

The challenging market environment, particularly for our very profitable online advertising business, was reflected in earnings. Overall, the segment generated **EBITDA (adjusted)** of EUR 155.0m in the reporting period (prior year: EUR 177.8m) and an **EBITDA margin (adjusted)** of 19.0% (prior year: 23.9%).

DaaS & E-Commerce

EUR m	2023	2022	Change	
Segment revenue, thereof	**350.9**	**294.4**	**56.5**	**19.2%**
Data as a Service	148.8	136.2	12.7	9.3%
E-Commerce	202.0	158.2	43.8	27.7%
EBITDA (adjusted)	**54.3**	**20.7**	**33.5**	**>100.0%**
EBITDA margin (adjusted)	**15.5%**	**7.0%**		**8.4 percentage points**

In 2023, the DaaS & E-Commerce segment recorded a significant increase in **revenue**, which was up by EUR 56.5m to EUR 350.9m. The **Data as a Service** product group saw a EUR 12.7m rise to EUR 148.8m owing to continued growth both in Germany and internationally with new and existing customers. The **E-Commerce** product group, which encompasses AsamBeauty's business, generated a further substantial EUR 43.8m increase in revenue to EUR 202.0m. All sales channels contributed to this positive trend.

Overall, the segment was able to more than double the level of earnings reported a year earlier, with its **EBITDA (adjusted)** climbing to EUR 54.3m in the reporting period (prior year: EUR 20.7m). This is particularly encouraging in light of the ongoing targeted investment in the dynamic expansion of the platforms. All in all, the **EBITDA margin (adjusted)** was much higher than in the prior year at 15.5% (prior year: 7.0%).

INFORMATION ON STRÖER SE & CO. KGAA

The management report of Ströer SE & Co. KGaA and the group management report for 2023 have been combined pursuant to section 315 (5) HGB in conjunction with section 298 (2) HGB. The separate financial statements and the combined management report of the Company and the Group are published at the same time in the electronic German Federal Gazette.

Description of the Company

Ströer SE & Co. KGaA operates as the holding company. It exclusively performs Group management duties and renders administrative and other services for the Group. These include, in particular, finance and Group accounting, corporate and capital market communications, IT services, Group financial planning and reporting, risk management, legal, and compliance.

The following figures and disclosures relate to the separate financial statements of Ströer SE & Co. KGaA, which were prepared in accordance with the provisions of HGB and AktG. Profit or loss for the period is the most important performance indicator for the Company.

Financial performance

Given the macroeconomic headwinds in 2023, the **Ströer Group** can look back on an overall successful year with considerable growth in its operating business. The Group significantly increased both its revenue and EBITDA (adjusted) year on year. However, this upward trend was severely hampered, above all, by the leap in interest rates in the capital markets, which pushed up finance costs considerably. General cost increases, which were largely driven by the macroeconomic conditions, also dampened some of the growth in the Group's operating business.

This overall trend, compounded by the aforementioned leap in interest rates, also saw **Ströer SE & Co. KGaA**'s profit for the period decline considerably compared with 2022. The prior-year figures had been boosted by exceptional items such as the gain on the disposal of a Turkish subsidiary, although that had been tempered by negative exceptional items in net tax income for 2022. Ultimately, however, the Company generated notably lower profit for the period of EUR 115.0m in 2023 (prior year: EUR 156.5m), although that was still significantly higher than the profit before the COVID-19 pandemic.

In 2022, we had forecast that Ströer SE & Co. KGaA's profit for the period would be unchanged year on year in 2023. However, as profit for the period came to EUR 115.0m in 2023, the Company did not achieve its forecast.

EUR k	2023	2022
Revenue	40,989	33,139
Other operating income	10,424	24,821
Cost of materials	–8,534	–9,187
Personnel expenses	–24,922	–23,907
Amortization, depreciation, and impairment of intangible assets and property, plant, and equipment	–6,395	–8,356
Other operating expenses	–58,152	–52,468
Income from equity investments	741	3,300
Income from profit transfer agreements	184,609	247,631
Income from other securities and loans classified as non-current financial assets	5,883	2,395
Other interest and similar income	42,574	5,091
Impairment of financial assets	0	–10
Other interest and similar expenses	–41,212	–14,955
Income taxes	–29,241	–51,084
Post-tax profit or loss	**116,765**	**156,409**
Other taxes	–1,737	48
Profit for the period	**115,028**	**156,457**
Profit carryforward from the prior year	175,000	125,000
Accumulated profit	**290,028**	**281,457**

In its capacity as Group holding company, Ströer SE & Co. KGaA undertakes the procurement and administration of office space and company vehicles and provides other intragroup services for many of its Group companies. In 2023, the **revenue** generated from these intragroup services totaled EUR 41.0m and was thus EUR 7.9m higher than in the prior year (prior year: EUR 33.1m), which was essentially due to services provided in respect of company vehicles.

Conversely, **other operating income** decreased by EUR 14.4m to EUR 10.4m (prior year: EUR 24.8m). This decline was chiefly attributable to the fact that other operating income in 2022 had been boosted by the sale of a Turkish subsidiary with a gain on disposal of EUR 9.5m. Higher income from the reversal of provisions and higher income from payments received in respect of written-down receivables had also contributed to the prior-year income.

The **cost of materials**, meanwhile, which almost exclusively comprised rental expenses in 2023, was only marginally lower than in the prior year at EUR 8.5m (prior year: EUR 9.2m). The Company's **personnel expenses**, on the other hand, went up once again. Having stood at EUR 23.9m in 2022, they rose slightly to stand at EUR 24.9m in 2023 as a result of moderately higher expenses on the back of general salary increases.

Amortization, depreciation, and impairment of intangible assets and property, plant, and equipment came to around EUR 6.4m in 2023 (prior year: EUR 8.4m), which was almost EUR 2.0m lower than in the prior year. **Other operating expenses** rose moderately within their usual range and were up by EUR 5.7m overall to EUR 58.2m (prior year: EUR 52.5m). Only IT costs were of note in this item, increasing by EUR 3.3m all in all.

Income from equity investments of EUR 0.7m (prior year: EUR 3.3m) mainly comprised a dividend payment of EUR 0.5m by a subsidiary of Ströer SE & Co. KGaA in the Czech Republic. Intragroup **income from profit transfer agreements** also saw a tangible year-on-year decline of EUR 63.0m to EUR 184.6m (prior year: EUR 247.6m). Besides the challenging macroeconomic conditions, which also affected some of the Group's subsidiaries, this was primarily due to the sharp rise in capital market interest rates, which Ströer SE & Co. KGaA had passed on to its subsidiaries via intragroup loans. The substantial interest burden faced by the subsidiaries as a result led to much lower profit transfers to Ströer SE & Co. KGaA. Ströer SE & Co. KGaA's **other interest and similar income**, however, increased by EUR 37.5m to EUR 42.6m on the back of these intragroup loans. Against this backdrop, **income from other securities and loans classified as non-current financial assets** also picked up by EUR 3.5m year on year to stand at EUR 5.9m.

Ströer SE & Co. KGaA itself secures its funding through syndicated loans and note loans from the capital markets and – due to the adverse interest-rate movements – saw its **other interest and similar expenses** rise by EUR 26.3m to EUR 41.2m in 2023 (prior year: EUR 15.0m).

Nevertheless, the adverse effects of the rise in capital market interest rates reduced the tax base for the tax group. In the prior year, an excess of deferred tax liabilities over deferred tax assets had arisen due to temporary differences in respect of equity investments and due to the implementation of the German Corporate Income Tax Modernization Act (KöMoG), which had created an additional tax expense. At EUR 29.2m, **income taxes** were therefore EUR 21.8m lower than in the prior year (prior year: EUR 51.1m).

Despite the challenging economic climate and the extremely adverse interest-rate movements in the capital markets, Ströer SE & Co. KGaA nonetheless closed 2023 with **profit for the period** of EUR 115.0m. This did not match the previous record of EUR 156.5m from 2022, but profit for the period was nonetheless considerably higher than before the pandemic.

Net assets and financial position

In spite of the challenging macroeconomic conditions and adverse interest-rate movements in the capital markets, the net assets and financial position of Ströer SE & Co. KGaA was still sound at the end of 2023. Whereas non-current assets grew slightly, up by EUR 8.6m to EUR 792.2m, current assets declined by EUR 26.2m to EUR 1,553.4m. On the liabilities side of the statement of financial position, liabilities rose only marginally year on year, up by EUR 2.3m to EUR 944.6m, whereas provisions fell by EUR 11.1m to EUR 44.0m. Ströer SE & Co. KGaA's equity edged down by EUR 7.0m to EUR 1,345.0m in 2023 (prior year: EUR 1,352.0m). The distribution of a dividend to the shareholders of Ströer SE & Co. KGaA and payments made under a share buyback program were largely offset by the profit for the period generated in 2023. With a healthy equity ratio of 57.2% (prior year: 57.1%), the Company in our opinion continued to enjoy a solid and well-balanced financial position as at the reporting date.

EUR k	2023	2022
Assets		
Non-current assets		
Intangible assets and property, plant, and equipment	25,844	27,461
Financial assets	766,383	756,127
	792,227	**783,589**
Current assets		
Receivables and other assets	1,538,549	1,566,235
Cash on hand and bank balances	14,813	13,305
	1,553,361	**1,579,540**
Prepaid expenses	**5,661**	**4,979**
Total assets	**2,351,250**	**2,368,108**
Equity and liabilities		
Equity	**1,345,012**	**1,352,018**
Provisions		
Tax provisions	16,135	28,666
Other provisions	27,824	26,348
	43,959	**55,013**
Liabilities		
Liabilities to banks	763,384	753,853
Trade payables and other liabilities	4,046	5,936
Liabilities to affiliates	177,126	182,467
	944,557	**942,256**
Deferred tax liabilities	**17,722**	**18,821**
Total equity and liabilities	**2,351,250**	**2,368,108**

Analysis of the asset structure

Ströer SE & Co. KGaA's **intangible assets and property, plant, and equipment** were marginally down on their prior-year level at EUR 25.8m (prior year: EUR 27.5m) as capital expenditure did not quite match amortization and depreciation. Conversely, **financial assets** rose by EUR 10.3m to EUR 766.4m, largely as a result of additional loans to some of the Group's subsidiaries.

Receivables and other assets, meanwhile, came to a total of EUR 1,538.5m as at December 31, 2023, which was EUR 27.7m lower than in the prior year (prior year: EUR 1,566.2m). This reduction primarily reflected the decline in intragroup receivables from profit transfers by subsidiaries, whereas higher receivables from intragroup cash pools had a countervailing effect. **Bank balances** and **prepaid expenses**, by contrast, were both virtually unchanged year on year at EUR 14.8m (prior year: EUR 13.3m) and EUR 5.7m (prior year: EUR 5.0m) respectively. The latter included borrowing costs for the new credit facilities agreed in December 2022 and June 2023. These costs have been deferred and are being recognized pro rata over the term of each financing arrangement.

Financial structure analysis

As at the reporting date, **liabilities to banks** came to EUR 763.4m, a moderate increase of just EUR 9.5m year on year despite the growth trajectory of the Ströer Group (prior year: EUR 753.9m). By contrast, **trade payables and other liabilities** were largely unchanged compared with the prior year at EUR 4.0m, which was just under the prior-year level of EUR 5.9m. **Liabilities to affiliates** were also down year on year, totaling EUR 177.1m (prior year: EUR 182.5m).

Over the same period, the Company's **provisions** went down by EUR 11.1m to EUR 44.0m. This was chiefly the result of lower tax provisions, which – at just over EUR 16.1m (prior year: EUR 28.7m) – decreased considerably as a result of higher advance tax payments. Conversely, the Company's other provisions saw a marginal increase of EUR 1.5m to EUR 27.8m.

Deferred tax liabilities were slightly lower year on year at EUR 17.7m (prior year: EUR 18.8m) and were primarily attributable to temporary differences in respect of equity investments and to the implementation of KöMoG in 2022.

At the end of 2023, Ströer SE & Co. KGaA's **equity** came to EUR 1,345.0m, which was EUR 7.0m lower than the prior-year figure of EUR 1,352.0m. Both the distribution of a dividend of EUR 102.9m to the Company's shareholders and the cash payments of EUR 24.2m made under a share buyback program were essentially offset by the profit for the period of EUR 115.0m. At 57.2%, the equity ratio remained at a very comfortable level (prior year: 57.1%).

Liquidity analysis

In December 2022, Ströer SE & Co. KGaA agreed a new credit facility with a volume of EUR 650.0m, with the option to extend the volume by a further EUR 100.0m if required. The full volume of the credit lines is structured as a flexible revolving facility and has been committed until December 2028. There is also an option to extend the term by a further year. In June 2023, Ströer SE & Co. KGaA agreed an additional revolving credit facility with a volume of EUR 75.0m. This supplementary facility has been committed for a fixed term ending in June 2025 and can also be extended by a further year if required.

As at December 31, 2023, Ströer SE & Co. KGaA had freely available credit lines of EUR 263.3m in total (prior year: EUR 221.7m).

The Company's net financial assets amounted to EUR 709.7m as at December 31, 2023 (prior year: EUR 732.6m). The following overview shows the composition of the net financial assets of Ströer SE & Co. KGaA as at the reporting date:

EUR m	Dec. 31, 2023	Dec. 31, 2022
(1) Receivables from affiliates	1,524.9	1,555.2
(2) Loans to affiliates	110.4	100.4
(3) Cash on hand and bank balances	14.8	13.3
(1)+(2)+(3) Total financial assets	**1,650.2**	**1,668.9**
(4) Liabilities to banks	763.4	753.9
(5) Liabilities to affiliates	177.1	182.5
(4)+(5) Total financial liabilities	**940.5**	**936.3**
(1)+(2)+(3)–(4)–(5) Net financial assets	**709.7**	**732.6**
Equity ratio (%)	**57.2%**	**57.1%**

Because it is the holding company, Ströer SE & Co. KGaA's performance is closely linked to that of the entire Ströer Group. In view of the positive level of net financial assets, comfortable equity ratio, and the expectation that the results of the subsidiaries will improve in the medium term once the economic challenges have been overcome, we are confident that the Company, like the Group as a whole, is extremely well positioned to meet future challenges. The opportunities and risks for the Company are largely the same as the opportunities and risks for the Ströer Group.

Anticipated performance of the Company

Due to its role as group parent, Ströer SE & Co. KGaA's anticipated performance depends on that of the Group as a whole. The performance of the Group as a whole will in turn be influenced heavily by how the macroeconomic challenges play out. Based on the Group's expected financial performance in 2024, as presented in the 'Forecast', we expect the subsidiaries as a whole to deliver largely similar or moderately higher earnings contributions in 2024 than in 2023, depending on how the economy fares and on interest-rate movements in the capital markets. We therefore anticipate that Ströer SE & Co. KGaA's profit for the period will be on a par with 2023 or moderately higher.

Report on relationships with affiliated entities

Ströer SE & Co. KGaA submitted a voluntary report to the Supervisory Board and the independent auditors for review in accordance with section 312 AktG. The report closes with the following declaration by Ströer SE & Co. KGaA, represented by the Board of Management of Ströer Management SE:

'Our Company, Ströer SE & Co. KGaA, received appropriate consideration for each of the legal transactions stated in the report on relationships with affiliated entities. This assessment is based on the circumstances known to us at the time of the reportable transactions. No measures on which we would have to report were taken or omitted.'

SHARE INFORMATION[1]

Overall, 2023 was a good year on the stock markets and Germany's leading index, the DAX, closed the year at 16,752 points. This was only just below its record high of around 17,003 points, which it achieved in mid-December. With the DAX gaining 20.3% and the MDAX – Germany's mid-cap index – up by 8.0%, both indices put in a solid performance despite the mood on the stock markets darkening over the course of the year.

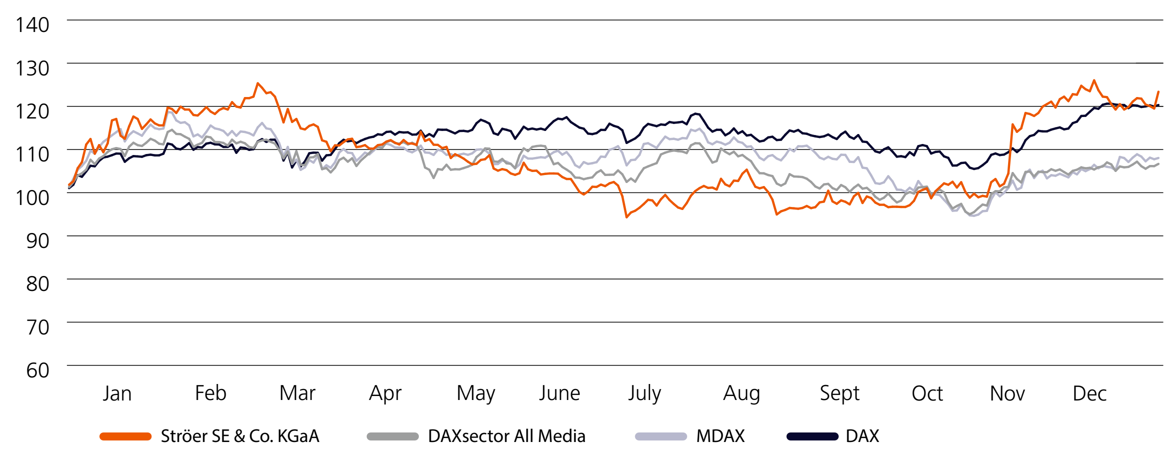
The international stock markets paid very close attention to movements in inflation and interest rates. Investor sentiment swung back and forth between fears that interest rates would remain high for a long time, or rise further, and hopes that interest rates were nearing their peak. This uncertainty led to price falls from the summer onward, albeit interspersed with spikes in the German indices. Toward the end of the year, however, hopes that interest rates would fall over the next few quarters dominated the mood. Spurred on by these expectations, the US stock markets rallied as the end of the year approached, which also gave the German indices a lift.

Having closed at 13,924 points on December 30, 2022, the DAX improved over the course of the year to close at 16,752 points on December 29, 2023. The MDAX, the index in which the shares of Ströer SE & Co. KGaA are included, also advanced over the same period and was up by 8.04% (prior year: down by 28.5%).

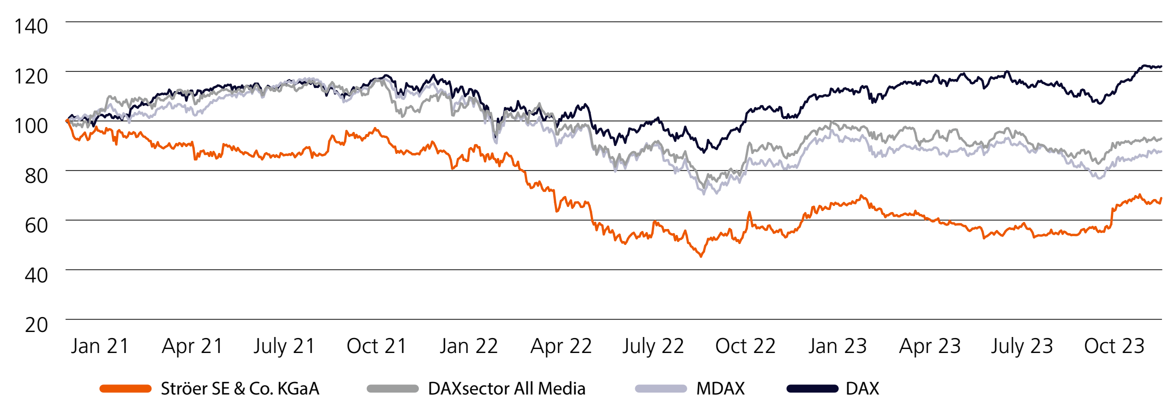
The DAXsector All Media index saw comparable growth to that of the MDAX and closed at 306 points, which was 6.7% higher (prior year: 19.4% lower) than the figure as at December 31, 2022 (287 points).

In this stock market environment, the shares of Ströer SE & Co. KGaA outperformed the DAX by some distance over the year, despite the impressive performance put in by the index. At the start of 2023, Ströer shares reached a temporary high of EUR 54.15. Around mid-2023, however, the share price fell due to conditions in the market and wider economy, reaching its low for the year of EUR 41.08 in July. Following publication of the figures for the third quarter of 2023, Ströer

Relative performance of Ströer shares in 2023 (indexed, %)



Relative performance of Ströer shares over a three-year period (indexed, %)



Source: Factset

[1] This section is not included in the audit conducted by the independent auditor.

shares substantially outperformed the DAX, the MDAX, and the DAXsector All Media index. As at December 31, 2023, the price for one of the Company's shares stood at EUR 53.75, which was only marginally below the high for the year of EUR 54.90 and up by roughly 23.4% on the closing price in 2022 (prior year: down by 37.1%). Taking into account the dividend of EUR 1.85 paid in July 2023, the total return was around 29.0%.

Over a three-year period, however, the total return was adversely affected by the shares' relatively weak performance during the pandemic. Declining by 24.8%, it fared worse than the MDAX (down by 11.9%) and DAX (up by 22.1%) during this period.

Ströer's dialogue with the capital markets

As in previous years, active and ongoing communication with investors and analysts had the utmost priority for the investor relations team at Ströer SE & Co. KGaA in 2023. Besides video conferences, the website, and the electronic mailing list, direct contact with investors and analysts was especially important. During a multitude of meetings at the Company's offices as well as at conferences and roadshows, the investor relations team and the Board of Management of the general partner presented Ströer, explained its strategy and potential, highlighted the objectives achieved during 2023, and personally answered questions from investors. Besides European centers of trade such as Frankfurt, Paris, and London, destinations in North America were also a focus once again in 2023.

To make capital markets activities as effective as possible, the investor relations team analyzes the Company's shareholder structure on an ongoing basis. The team then plans its activities accordingly, identifying target investor groups and defining tailored communication strategies for these groups. Another key communication channel is the website ir.stroeer.com, where Ströer promptly publishes capital-market-relevant information and details of its roadshows, including presentations, and makes all investor relations documents available for download.

Annual shareholder meeting

The shareholder meeting was held as a virtual event on July 5, 2023. In total, around 49 million no-par-value shares were represented, equivalent to around 87% of the share capital. Matters voted on included the distribution of a dividend of EUR 1.85 per dividend-bearing no-par-value share.

Stock exchange listing, market capitalization, and trading volume

Ströer SE & Co. KGaA shares are listed in the Prime Standard of the Frankfurt Stock Exchange and are included in the MDAX. Based on the closing share price on December 29, 2023, market capitalization came to around EUR 3.0b (prior year: EUR 2.5b). The average daily volume of Ströer shares traded on Xetra was approximately 59,000 shares in 2023 (prior year: 72,000 shares).

Share buyback program

On September 28, 2022, Ströer Management SE, the general partner of Ströer SE & Co. KGaA, decided to add a share buyback element to the capital allocation strategy of Ströer SE & Co. KGaA and to carry out an initial share buyback program with a total repurchase volume of up to EUR 50m. The volume of EUR 50m represented the maximum number of shares that could be acquired over a six-month period within the regulatory limits. The program was launched on October 3, 2022. In 2022, 610,331 shares were repurchased and in 2023, 479,657 shares were repurchased, meaning that the total number of shares purchased under the program came to 1,089,988. These shares have been retired, reducing shareholders' equity accordingly.

Analysts' coverage

Ströer SE & Co. KGaA is currently analyzed by 13 German and international banks, of which nine gave a recommendation of 'buy' and four gave a recommendation of 'hold' in their assessments at the end of the reporting year.

The latest broker assessments are available at → **www.stroeer.com/investor-relations** and are presented in the following table:

Investment bank	Recommendation
Warburg Research	Buy
Hauck & Aufhäuser	Buy
J.P. Morgan	Buy
Societe Generale	Buy
Deutsche Bank	Buy
Goldman Sachs	Hold
UBS	Buy
Barclays	Hold
HSBC	Buy
LBBW	Buy
Kepler Cheuvreux	Buy
Oddo BHF	Hold
Citi	Hold

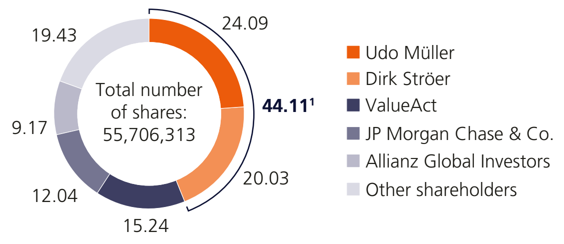
Shareholder structure

As at the end of 2023, Udo Müller, founder and Co-Chief Executive Officer, directly held 7.49% of the limited partner's shares in Ströer SE & Co. KGaA and held 16.60% indirectly through interposed subsidiaries (24.09% in total). Dirk Ströer indirectly held 20.03% through interposed subsidiaries. Udo Müller and Dirk Ströer are parties to a voting and pooling agreement, under which they are each entitled to 44.11% of the voting rights. The free float came to around 43.44%[2] as at December 31, 2023.

Based on the notifications received by the Company by December 31, 2023, Ströer was aware of the following parties that held more than 5% of the voting rights in Ströer SE & Co. KGaA: ValueAct Holdings GP, LLC 15.24%, JPMorgan Chase & Co. 12.04%, and Allianz Global Investors GmbH 9.17%. All information can be found on our website:www.stroeer.com/investor-relations

Shareholder structure of Ströer SE & Co. KGaA

As at December 31, 2023 (%)



[1] Based on a pooling agreement.

Dividend policy

In the reporting year, Ströer SE & Co. KGaA paid a dividend of EUR 1.85 per dividend-bearing no-par-value share.

Ströer SE & Co. KGaA intends to continue enabling its shareholders to share in any profit.

Key data for Ströer SE & Co. KGaA shares as at December 31, 2023

Share capital	EUR 55,706,313
Number of shares	55,706,313
Class	No-par-value bearer shares (each no-par-value share has a notional value of EUR 1.00 of the share capital)
First listing	July 15, 2010
ISIN (International Securities Identification Number)	DE0007493991
WKN (securities identification number)	749399
Stock exchange symbol	SAX
Reuters ticker symbol	SAXG.DE
Bloomberg ticker symbol	SAX/DE
Market segment	Prime Standard
Index	MDAX
2023 opening price[1]	EUR 43.96
2023 closing price[1]	EUR 53.75
Highest price in 2023[1]	EUR 56.05
Lowest price in 2023[1]	EUR 41.08

[1] XETRA price.

[2] As defined by Deutsche Börse.

EMPLOYEES

The digital transformation of the media industry places high demands on employees and on how they collaborate with each other. It also places high demands on the Ströer Group's customers. And above all, it requires technical know-how, creativity, and new ways of working. Ströer makes it possible for its employees to meet these demands because it offers long-established, collaborative, and agile ways of working, combined with flexible remote working and digital workflows.

These digital ways of working are firmly embedded in Ströer's working culture thanks, for example, to the chatbot 'Chatty', which answers specific HR, facilities, and procurement questions at any time of the day. The salary review process and the target agreement process, for example, are now also digital-forward processes.

The six-figure number of job applications received by Ströer in 2023 is testimony to the appeal of this agile working climate. Establishing a recruitment team has especially proven its worth, and the team has been able to appoint people even to hard-to-fill staff and leadership positions, including in IT. Our digital recommendations program, in which recommendations can also be forwarded online, proved to be a success again in 2023.

We also enhanced our employer brand. Thanks to the efforts of internal focus groups and following external surveys and management interviews, Ströer has a new slogan: 'Mach mehr draus', which roughly translates as 'make the most of it'. The employer brand project also called on employees to apply to become the face of Ströer, and the successful applicants can now be seen in our current campaigns. A new recruitment system was introduced at the same time and went live in October 2023.

The Ströer Group held its first groupwide onboarding day in the reporting year. It gave our new hires the opportunity to network and to talk to members of the Board of Management and HR managers. To round off the learning journey for new Ströer employees, this event is accompanied by a special onboarding page on the intranet containing links to everything new employees need to know about the Group.

Ströer offers lots of benefits and innovative structures for new and established employees, such as attractive modern offices, flexible working time models, the Ströer Strolche childcare facilities in Cologne, and the Jobbike and Joblunch salary-sacrifice schemes. In 2023, Ströer also introduced a Company-wide subsidy for the monthly Deutschlandticket, which can be used on all local public transportation across Germany.

As well as offering these tangible benefits, Ströer attaches great importance to health, for example. In 2023, it carried out the annual Healthy Workplace survey again in order to gather information about stress and workloads and to gauge employee satisfaction across the Group. The 2023 survey results indicated a 0.1 point improvement compared with the 2021 survey, with the Group receiving a very good Healthy Workplace score of 4.0 on a scale of 0 to 5.

Workforce information[1]

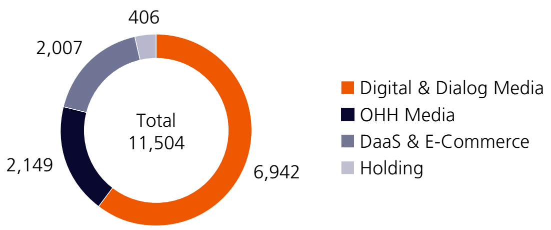
Headcount

At the end of 2023, the Ströer Group had 11,504 full-time and part-time employees (prior year: 10,576). The increase mainly reflects the Company's growth.

[1] This section contains unaudited information.

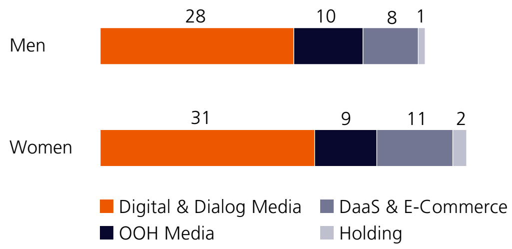
Employees by segment

As at Dec. 31, 2023



Gender structure by segment

2023 (%)



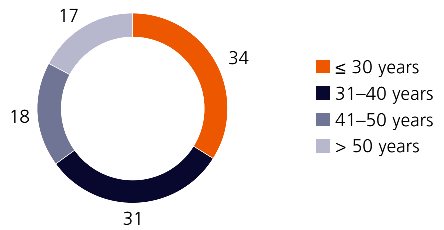
Length of service and age structure

As at the reporting date, employees had been working for the Ströer Group for an average of 4.6 years (prior year: 4.8 years).

Ströer has a well-balanced age structure overall and, through targeted training programs, is able to sustain employees' enthusiasm for the Company and retain them in the long term. New employees are supported by team members with extensive professional experience, who share their industry insight and knowledge of Ströer. Ströer is thus facilitating inter-generational collaboration.

Age structure in the Group

2023 (%)



Gender structure

Ströer had a well-balanced gender ratio in 2023. The proportion of female employees in the Group increased year on year. As at the end of 2023, 47% of the Ströer Group's employees were male and 53% were female, which was a slight change compared with the prior year when 48% were male and 52% were female. The gender balance is due in no small part to the attractive working time models and hybrid working arrangements that help staff reconcile work and family life, for example, and that make Ströer a modern company.

Values and social principles[2]

Ströer published the Ströer Social Charter in 2022. The values and social principles ('How we work') provide a framework of ethics for the entire Ströer Group. We have committed to upholding these values and principles, particularly in light of our responsibilities as an international group of companies. All employees must observe the Ströer Social Charter. This has been communicated to all employees and compulsory training has also been held. In addition, the topic of unconscious bias will be explored in more depth in 2024. Diversity was and remains a key pillar for collaboration within the Group. Ströer supports all aspects of diversity and promotes a culture of respect and fairness. This mindset is embodied in our internal LGBTQ+ networkk. Our regular Diversity Day raises awareness within the Company and we also draw attention to diversity externally by sponsoring the Welcoming Out initiative. The Company's internal network for women, EmpowHer, was also given a boost when Ströer took over the presidency of Mit Frauen in Führung. Ströer is a founding member of this association, which supports women in leadership roles. Ströer also demonstrates its support by taking part in panel discussions and through its involvement with 'Her Career'.

Training and development[3]

Vocational training and degree courses

In 2023, Ströer provided vocational training to a total of 166 talented young people throughout Germany. Besides traditional vocational training, Ströer also offers degree apprenticeship programs. These programs, which combine work with study, include bachelor's degrees and, since 2018, master's degrees. An important element of the programs is self-initiative, and this year the students and apprentices demonstrated just that by taking part in Diversity Challenge 2023, making it as far as the shortlist. They also took part in the Rockid.one project, which saw our Cologne-based students and apprentices give lessons at primary schools in the city together with a DASH robot.

[2] This section contains unaudited information.
[3] This section contains unaudited information.

Those who successfully complete the degree and vocational training programs of course have a good chance of being kept on by Ströer, which again hired many young talented employees in different departments and companies of the Group last year.

Continuing professional development and skills training

Ströer offers its employees opportunities to achieve their professional goals within the Ströer Group.

In recent years, the trainee programs have been continuously expanded so as to offer a wide variety of training and orientation opportunities to those starting out in their careers. Entry as a trainee is now possible in the following three areas: general management, HR, and sales.

Participants in the talent program made tremendous progress in their development in 2023, and many have taken their career to the next level within the Ströer Group. The fourth group of talented employees passed the baton to the fifth group in September. Employees were able to apply for the program in May 2023, and applicants were selected by the executive committee – the highest management level below the Board of Management of the general partner – on the basis of the documents submitted. The program includes workshops, training, informal discussions with members of the Board of Management, and collaborative projects for the duration of the program. The talented employees are mentored by senior managers who play the role of sparring partners.

Besides its trainee programs, the Ströer Group also offers online courses covering topics such as digital leadership for senior managers. The tried-and-tested workinars returned to an in-person format again in 2023, and new modules, including resilience training, were rolled out.

The new learning management system was enhanced and its content significantly expanded. The culture of learning and the thirst for knowledge that prevail at Ströer were enriched through the addition of getAbstract in 2023. getAbstract allows summarized versions of business books to be accessed at any time, and areas of learning can also be explored interactively.

OPPORTUNITIES AND RISKS

Opportunity and risk management system

We understand risk and opportunity to mean all deviations from the budget resulting from uncertain future events that, if they materialize, could have a negative or positive impact respectively on the achievement of the Company's targets or on the Company's ability to continue as a going concern. This includes sustainability issues that arise in relation to the environment, social matters, and corporate governance (ESG).

Risk management at the Ströer Group encompasses the entirety of all activities, thus ensuring a systematic approach to risk. The function of risk management is to identify and analyze risks at an early stage using a standardized system and to formulate action steps to optimize the balance of risk and opportunities. A key component of Ströer's risk management system is its groupwide early warning system for the detection of risk. The system complies with the statutory requirements in section 91 (2) AktG.

The Board of Management of the general partner is responsible for opportunity and risk management at Ströer SE & Co. KGaA, which forms an integral part of corporate governance. The ongoing management of opportunities and risks is also an integral component of the planning and control process.

Risk strategy

Our risk strategy is not centered on strictly avoiding risks but on ensuring that the business decisions we make are based on careful consideration of the opportunities and risks. At the same time, it is important to identify in good time risks that could jeopardize the continuation of the Company as a going concern so that prompt action can be taken to avoid or limit any such risks. Dealing openly and responsibly with risks is essential to our risk culture and is an approach which the Board of Management proactively communicates and puts into practice.

Risk-bearing capacity

A key indicator of the Ströer Group's risk-bearing capacity is the leverage ratio[1] because it is directly related to the Company's liquidity and because it is relevant as a credit metric for assessing the Company's ability to obtain further financing. A Monte Carlo simulation is therefore used to analyze all risks identified in the risk management process to determine their potential impact on the leverage ratio. The leverage ratio produced by the simulation after factoring in the risks should under no circumstances exceed the level defined by the Board of Management of the general partner as the maximum risk-bearing capacity.

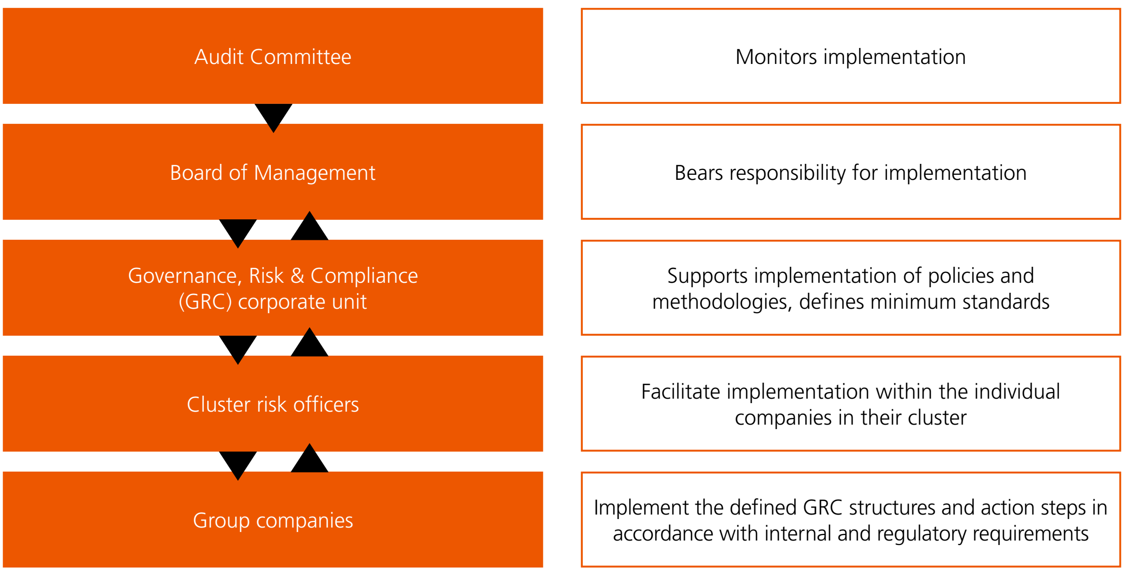
Risk management organization

Risk management is embedded in the Group from an organizational perspective through the Governance, Risk & Compliance (GRC) organization.

The Audit Committee of the Supervisory Board of Ströer SE & Co. KGaA monitors the internal control and risk management system.

The Board of Management of the general partner bears overall responsibility for implementing an internal control and risk management system that is appropriate and effective. It ensures that risks that could jeopardize the Company's ability to continue as a going concern or significantly hamper the achievement of its objectives are identified at an early stage, analyzed, managed,

Governance, Risk & Compliance organization



[1] Leverage ratio as defined in the facility agreement, before the impact of IFRS 16 and other exceptional items.

and monitored. It also helps to improve the identification and communication of risks in all departments and divisions and to raise awareness of these processes throughout the Ströer Group, thereby strengthening the risk culture.

The Board of Management is supported in these endeavors by the GRC corporate unit, which provides the necessary guidelines and policies as a basis for the operational and organizational structure of risk management. The risk management process follows a structured and standardized approach that uses centralized tools and methodologies to detect and analyze risk. The GRC corporate unit, assisted by cluster risk officers, is responsible for managing, monitoring, and reporting risk across the Group and provides training to ensure that the process is implemented consistently and in accordance with central policies.

Below the level of Group segments, multiple Group companies were amalgamated as clusters within the corporate governance structures and the role of cluster risk officer was created to facilitate implementation in the individual Group companies. The cluster risk officers manage the risk management process and the risk situation within their area of responsibility. Specifically, they monitor how risks are identified and analyzed within the relevant subsidiaries and how the risk-mitigation measures are being implemented.

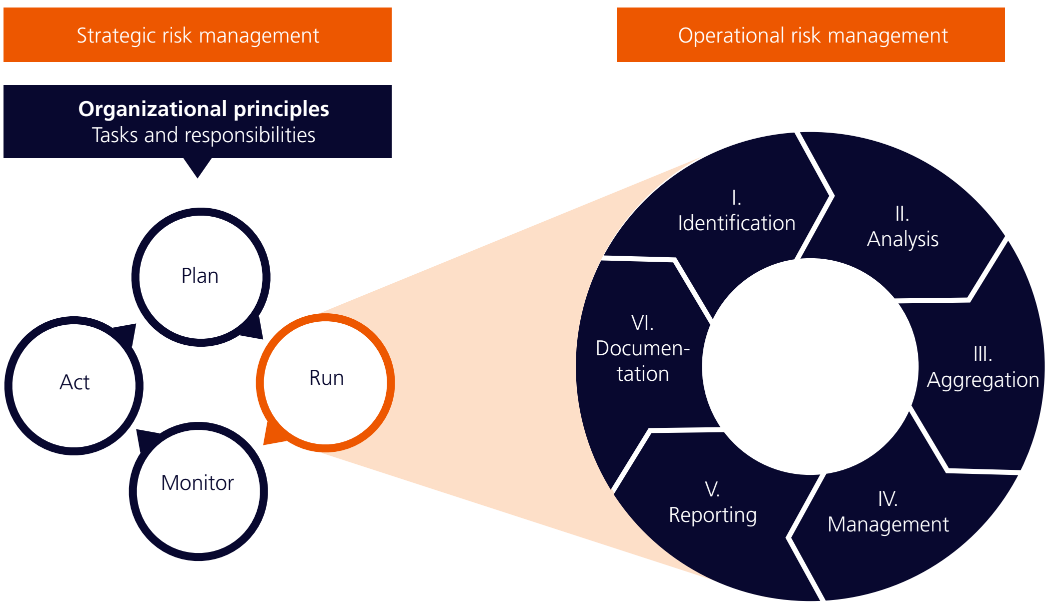
Opportunity and risk management at the Ströer Group is designed in such a way that the risks relevant to the individual segments, clusters, and companies of the Group are recorded as fully as possible. Therefore, the managing directors of the individual Group companies are obliged to implement appropriate structures and measures in accordance with legal and internal Group requirements and to ensure the operational risk management process. This allows risks to be documented appropriately and to the fullest extent possible at the level where they arise and are managed.

Risk management process

Ströer SE & Co. KGaA operates a comprehensive risk management system that comprises, as is customary, a strategic and an operational risk management process.

The strategic risk management process is primarily coordinated and implemented by the Board of Management of Ströer SE & Co. KGaA in conjunction with the GRC corporate unit. Together with the segment heads, the Board of Management identifies the risks impacting the business strategy and designs a consistent risk policy, including risk strategies and objectives, upon which operational risk management is based. The strategic risk management team is also responsible for analyzing and interpreting the operational risk management outcomes and formulating appropriate decisions, which, in turn, are discussed by the Board of Management and Audit Committee of Ströer SE & Co. KGaA and are incorporated into the annual strategy and planning process.

Risk management process



The operational risk management process is carried out on a semi-annual basis at cluster and Group company level. Its efficiency and effectiveness are ensured by the consistent application of the groupwide risk management methodology, which is codified in the relevant guidelines and policies issued by the GRC corporate unit, and by the use of standardized tools for documenting and analyzing risk. The risk management process is regularly reviewed in relation to current and future legal requirements and is enhanced on an ongoing basis, particularly in the areas of risk identification and analysis.

Identification

At a fundamental level, risk management involves the identification of material risks with regard to their impact on the achievement of the Company's objectives. The managing directors of the individual Group companies bear responsibility for the identification of all such material risks and are assisted in this task by the cluster risk officers. Each risk is assigned to a risk owner who has the responsibility and authority to monitor and manage the risk appropriately.

The GRC corporate unit conducts a review at least once a year, as part of an established process, to ensure that all Group companies are included in the risk management system. To facilitate comprehensive bottom-up risk reporting across the entire Group, each company is assigned to a particular cluster and therefore also to a particular cluster risk officer.

Analysis

Risks are analyzed in a two-stage process. In the first stage, the potential severity of the loss and its probability of occurrence are used to calculate an expected loss value, which serves as a starting point for categorizing the individual risks as critical, high, moderate, or low. This assessment is based on net risk, i.e. the level of risk after taking into account the measures in place to avoid or minimise the risk. The Group's average EBITDA[2] over four quarters is the metric used to assess and categorize the risk (see the chart 'Risk matrix based on expected loss value' below). In the second stage of the process, the risks are aggregated and modeled in simulations with reference to the risk-bearing capacity of Ströer SE & Co. KGaA.

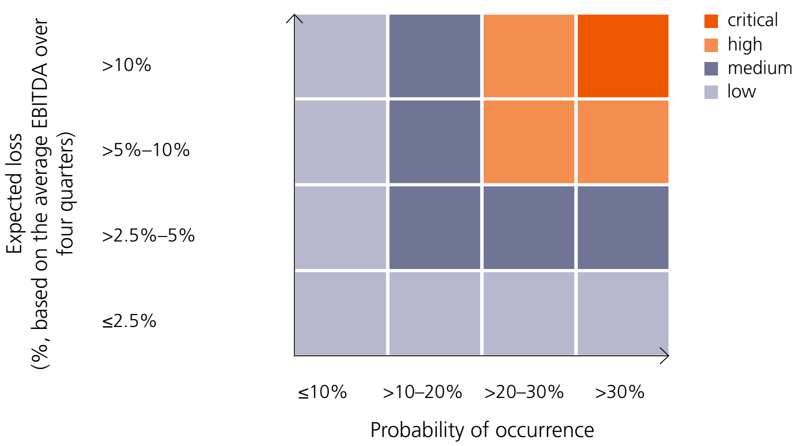
Aggregation, simulation, and assessment of risk-bearing capacity

Once the companies have identified individual risks, the cluster risk officers test their plausibility, aggregate them, and check for potential interdependencies.

The GRC corporate unit then uses a Monte Carlo simulation to analyze the overall risk situation of the Ströer Group with regard to its risk-bearing capacity. The simulation takes into account other possible intragroup interdependencies between individual risks. This identifies any developments that may result from the combined effects of multiple individual risks that would jeopardize the Group's ability to continue as a going concern.

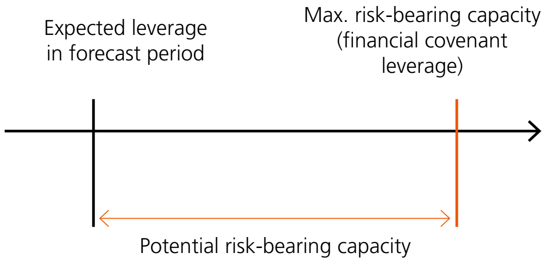
The Monte Carlo simulation calculates not only the impact of the identified risks on the risk-bearing capacity, taking into account their interdependencies, but also the impact of significant individual risks on the outcome of the simulation. For this purpose, we use a sensitivity analysis, which determines the impact of individual risks on the overall result of the risk simulation when other risk parameters remain constant.

Risk matrix based on expected loss value (analysis of individual risks)



[2] EBITDA as defined in the facility agreement, before the impact of IFRS 16 and other exceptional items.

Assessment of sensitivity



Risk sensitivity
Potential risk-bearing capacity
high >15%
medium >10–15%
low ≤10%

Management
If the identification and analysis of the risks affecting the Stroer Group reveals significant individual risks, further steps are taken to reduce the probability of occurrence or the expected loss. These steps are usually triggered when the results of the risk sensitivity analysis for individual risks exceed 15% of the aggregate potential risk-bearing capacity. If the 15% threshold is not reached, the risk is generally accepted on the basis of the most recent risk assessment and no further action is taken. However, the risk is still monitored to ensure that defined risk tolerances are not exceeded in the future.

Reporting
Monitoring and reporting are key components of a holistic risk management process. The objective is to take into account relevant changes to the risk position and monitor the effectiveness of any action that is taken. Moreover, the documentation and reporting of risks, and of action being taken to contain risks, ensure that the relevant decision-makers and decision-making bodies (particularly the Board of Management and the Audit Committee of the Supervisory Board) are always kept fully up to date with the Ströer Group’s risk position.

Ad hoc risk reports
In addition to the formal, half-yearly risk management process described above, risks are also identified, assessed, and mitigated on an ongoing basis by the cluster risk officers. If it is deemed necessary and appropriate due to current events or new information, risks are reported to the GRC corporate unit and the Board of Management outside of the half-yearly process.

Monitoring
At regular intervals, the internal audit function of Ströer SE & Co. KGaA provides an objective assessment of the appropriateness and effectiveness of the risk management system to the Board of Management and Audit Committee. The scope of its annual audit may also include the effectiveness of the risk management process and the degree of compliance with risk management guidelines and policies within selected departments or business units.

The appropriateness and effectiveness of the risk management system is reviewed on a regular basis by the internal audit function and is adapted by the central risk management function if necessary. In 2023, monitoring of the risk management system did not give any indication that its appropriateness and effectiveness could be limited. Additionally, an audit firm performed an audit of the appropriateness of the risk management system in accordance with audit standard IDW PS 981.

Nonetheless, there are always opportunities for improvement in the risk management and risk reporting process, and the Board of Management, the GRC corporate unit, and the cluster risk officers work together to realize these opportunities, most of which are about ensuring consistency in how risks are identified and analyzed.

The Board of Management, assisted by the GRC corporate unit, periodically reports to the Audit Committee of the Supervisory Board on the results and effectiveness of the risk management system and whether it complies with the relevant legal requirements.

Finally, Ströer SE & Co. KGaA’s auditor examined, in accordance with section 317 (4) HGB, whether the existing early-warning system for risk, which is incorporated into the risk management system, meets the requirements of section 91 (2) AktG.

Internal control system

The internal control system is an important part of the integrated Governance, Risk & Compliance organization in the Ströer Group. We understand the internal control system to be the policies, procedures, and measures established by management and aimed at the organizational implementation of management decisions to ensure that the business is operated efficiently and effectively, internal and external financial reporting is carried out properly and reliably, and the Ströer Group is operated in compliance with relevant legal provisions.

Furthermore, the internal control system is intended to help the reporting system to convey a true and fair view of the net assets, financial position, and financial performance of the Ströer Group. The internal control system, however, is designed to go beyond controls in the financial reporting process and covers all material business processes, including those related to sustainability and non-financial reporting.

The Ströer Group's internal control system, consisting of the internal management and monitoring system, is based on the internationally recognized framework set out by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Ströer Group's internal control system (ICS) is refined on an ongoing basis, particularly with regard to the increasing documentation requirements in respect of controls and the regular implementation of controls. It forms an integral part of the accounting and financial reporting processes in the relevant companies, organizational units, and Group functions. The system comprises principles, procedures and process-integrated preventive and detective controls such as plausibility checks, compliance with segregation of duties, the implementation and review of access and authorisation concepts and the application of the dual control principle.

The Chief Financial Officer (CFO) is responsible for the internal control system with regard to the consolidated financial reporting process. All fully consolidated entities included in the consolidated financial statements are integrated into this process via a defined management and reporting system. In 2023, the decentralized ICS organization, which is anchored in the GRC corporate unit, was expanded further and the underlying processes were standardized.

Employees entrusted with accounting and financial reporting are assessed during the recruitment process to ensure they have the necessary qualifications and subsequently undergo regular training. The support of external partners may be called on for complex specialist areas, such as pension obligations.

The accounting policies used for the financial statements of Ströer SE & Co. KGaA and its subsidiaries are documented in an booking instructions. The policies comply with German commercial law and any additional pertinent requirements. The local subsidiaries are supported and monitored in the preparation of their own separate financial statements by the Group accounting function.

In the event of changes to accounting laws and standards, the potential impact of these changes on the Company's accounting and financial reporting is assessed at an early stage and the Group reporting function and the relevant systems are adapted if necessary.

Consolidation of the subgroups and separate financial statements into the consolidated financial statements is carried out centrally and with the aid of a standardized consolidation system. Our accounting and valuation principles and the requirements of the International Financial Reporting Standards (IFRS) together ensure that certain accounting principles are applied consistently with regard to the German and international entities included in the consolidated financial statements of Ströer SE & Co. KGaA.

The consolidation work, reconciliations, and monitoring of compliance with deadlines and processes is carried out by suitably qualified employees of Ströer SE & Co. KGaA. Standardized processes and checklists ensure consistency in the consolidation process. There is also a binding financial statements calendar. In addition to the validation checks and other controls embedded within the systems, manual checks are also carried out both by the companies included in the scope of consolidation and by the Group accounting function to ensure the completeness and accuracy of the information. Generally, the principle of dual control applies. There are also controls in the form of comparisons between actual and expected outcomes and analysis of the composition of and changes in key line items. The internal audit function of Ströer SE & Co. KGaA is integrated in to the monitoring system by performing process-independent audit tasks in selected areas of the Company. It checks whether legal requirements and internal Group policies for the internal control system and risk management system are being complied with. If necessary, it will initiate additional measures in conjunction with the relevant unit. The Audit Committee, in accordance with section 107 (3) AktG, is primarily focused on the audit of the annual financial statements, the monitoring of the accounting process, and the effectiveness of the internal control and risk management system.

The Board of Management and the Audit Committee of the Supervisory Board of Ströer SE & Co. KGaA are routinely notified about any potentially serious weakness in the internal control system both by the internal audit function and – as part of the audit of the consolidated financial statements – by the Group's independent auditor. The independent auditor itself, however, is not part of the Company's internal control system.

With regard to the appropriateness of the core accounting processes that are directly relevant to financial reporting, the internal control system was last audited externally by the independent auditor on the basis of audit standard IDW PS 982 in 2022.

The internal control system for the financial reporting process cannot, however, provide absolute assurance that material misstatements will be avoided.

Internal audit system

Internal Audit is a control instrument of the Board of management of the general partner and the Supervisory Board of Ströer SE & Co. KGaA and supports these bodies in their management and supervisory functions as part of corporate governance. To this end, internal audit carries out standard audits of selected investees and business segments. The focus of such audits may include

- an audit of the financial position and net assets, the reliability of the accounting system and the information it generates, and compliance with internal accounting guidelines (financial auditing);
- an audit of structures, processes, and systems, including IT systems and the internal control system, to verify that they are of the requisite quality, secure, fit and proper, efficient, and fully operational (operational auditing); and
- audit of compliance with laws, regulations, guidelines, procedures, and contracts (compliance, propriety).

The aforementioned audit work is based on an annual risk-based audit plan. In 2023, a number of internal audit projects were carried out with a focus on the propriety and effectiveness of the business processes and control system of the Group companies. The findings of these audits were presented during the year to the general partner's Board of Management and to the Audit Committee of Ströer SE & Co. KGaA's Supervisory Board.

In addition to the standard audits, special audits are initiated by the board of management or the internal audit function to cover additional process and control risks and identify optimisation potential.

A comprehensive annual report on the work of the internal audit function as well as on the details of the audits and their findings is presented to the Supervisory Board at regular intervals. Any improvement measures resulting from internal audits were, and continue to be, followed up in line with the agreed implementation deadlines.

Ströer SE & Co. KGaA's internal audit function regularly undergoes an external quality assessment. The assessment of the appropriateness and effectiveness of the internal audit function based on IDW PS 983 was last carried out in 2022.

Statement on the appropriateness and effectiveness of the internal control and risk management system[1]

The Board of Management is not aware of any material circumstances that would indicate that the internal control and risk management system is not appropriate and effective. The Board of Management's assessment is based on reports from the GRC corporate unit, its personal dealings with the internal control and risk management system, and the independent reports from the internal audit function.

In a comprehensive GRC declaration, the clusters also confirm the appropriate and effective implementation of the internal control and risk management system in all key units within their areas of responsibility. These GRC declarations include statements on fulfillment of statutory and company-specific requirements regarding the compliance management system, data protection, German accepted accounting principles (GAAP), and German principles for the proper management and storage of books, records, and documents in electronic form and for data access (GoBD).

In 2023, the following external audit was performed to assess appropriateness and effectiveness:

- Audit of the appropriateness of the risk management system based on audit standard IDW PS 981

[1] This statement by the Board of Management is made in accordance with the German Corporate Governance Code (GCGC) 2022 and, as a voluntary disclosure, is not part of the audit.

Overall assessment of the opportunity and risk situation by the general partner's Board of Management

The risk management system of the Ströer Group that is described above forms the basis for the comprehensive risk assessment by the general partner's Board of Management. The system of risk analysis and aggregation contributes to efficient risk portfolio management at Group level, thereby making risk management transparent and systematic. In addition, by linking it to the planning processes in Controlling and the resulting close integration with the company's planning processes, it should enable a timely response and risk management. As at the publication date of this report, we believe that the risks currently identified and described below are manageable. There are no anticipated individual risks that could jeopardize the Company's ability to continue as a going concern or materially compromise its risk-bearing capacity.

The uncertain global economic and geopolitical conditions that currently prevail and the effect on the economy that is anticipated as a result, coupled with persistently high interest rates in Europe and in our core market of Germany, could potentially have a material impact on our business objectives in the coming months. However, the Board of Management of the general partner is confident that the strategic and structural measures in place are effective and enable the Ströer Group to control risk and use opportunities to advance its business on a sustainable and long-term basis.

In the event of a worse scenario occurring, the Ströer Group can react promptly and, as demonstrated in the past, use internal measures to make the necessary adjustments to investment and cost budgets. At the same time, we are confident that Ströer is in a very strong strategic and financial position to be able to continue taking advantage of any opportunities presented by the market in 2024.

In particular, the new credit facility agreed in 2022 provides a very robust basis for the future growth of the Ströer Group over the long term. This new facility, which has been extended until December 2028 with the option to extend by a further year, ensures the long-term financial stability of the Group. Including bank balances, the Group had available funding of EUR 335.6m at its disposal as at December 31, 2023 (prior year: EUR 301.5m).

There are currently no individual risks that are classed as material according to our definition (see also 'Management'). For this reason, all identified individual risks are aggregated into risk categories in this management report. From today's perspective, the risk categories described below could have the most significant impact on the net assets, financial position, and financial performance in the forecast period (twelve months).

Risk situation

Category	Subcategory	Trend	Expected loss	Sensitivity
Strategic risk				
	Sales market	stable	medium	medium
	Procurement market	stable	low	low
	Regulatory risk	stable	low	low
Operational risk				
	Operations	rising	low	medium
	Accounting	stable	medium	low
Financial risk				
	Financing risk	stable	low	low
	Tax risk	stable	low	low
	Impairment risk	stable	medium	low
	Currency risk	stable	low	low
	Interest-rate risk	stable	low	low
IT risk				
	IT operations and information security risk	rising	medium	low
Legal risk				
	Compliance risk	stable	low	low
	Data protection risk	stable	low	low
ESG risk				
	Environmental risk	stable	low	low
	Social risk	stable	low	low
	Governance risk	stable	low	low

Strategic risk

Sales market: The challenging macroeconomic environment – driven by current geopolitical crises, persistently high inflation, and supply chain difficulties – could lead to a further decline in advertising spend in our core markets, particularly in the face of a recession with a resulting fall in consumer spending.

Therefore, from a commercialization perspective, budget variances could arise in the individual segments as a consequence of potential losses in revenue from orders placed by major advertisers or agencies, the loss of customers from intramedia and intermedia competition, or lower margins as a result of higher discounting in the media industry. In this regard, we regularly review our sales activities and take appropriate action to counter the pressure for discounts.

During the past few years, which have been affected by various crises (e.g. the COVID-19 pandemic, the war in Ukraine), our OOH+ strategy and diversified business model have proved that they are appropriate for responding to and managing risk. Unlike in prior years, however, we do not expect the risk situation to deteriorate further as a result of extreme events and believe we remain in a position to meet the current challenges in our sales markets and to take appropriate risk-mitigation measures.

In particular, we have a highly diversified customer portfolio of small, medium, and large companies across a wide range of industries. Where necessary, we will provide our customers with flexible offers and also focus our sales activities on industries that would be less affected by a potential further crisis. In the case of the OOH segment, major digital companies had already been shifting their advertising budgets from traditional OOH to DOOH over recent years and this is set to continue in 2024. In the advertising category battle, we are also increasingly acquiring regional and local customers for out-of-home advertising through our DOOH products. This has a stabilizing effect on revenue for the portfolio as a whole, as we have seen in the past.

In the dialogue business, we work closely with major national customers from the telecommunications and energy sectors, and we depend on these key accounts for quite a significant part of our revenue growth. A change in the pattern of demand from individual key accounts could in theory also give rise to short-term revenue risk. We are taking steps to further reduce this risk by steadily expanding our customer portfolio. At the same time, we work tirelessly on strengthening our relationships with our key accounts.

Procurement market: In the area of procurement, material budget variances could occur, notably from the loss of concessions for out-of-home advertising or major publishing contracts in the digital business. Adverse effects could also arise from delays in approval processes, an increase in the costs of obtaining the necessary building permits, or the rejection of applications for attractive locations by the relevant authorities. In online media, there is the risk that websites in our portfolio could attract less user interest than expected due to a number of factors, such as rival offerings. Fewer than anticipated unique visitors, unique users, or ad impressions could adversely impact on revenue from reach-based advertising. However, we consider these risks to be perfectly normal business risks, and they are mitigated by our highly diversified portfolio in out-of-home and digital business.

The supply of electrical and electronic components and assemblies in the procurement market continues to be affected by a high level of risk, which has lessened compared with 2022 but could increase again in view of ongoing and new geopolitical tensions. The same applies to steel and aluminum commodities and glass, which are also essential for the construction of our advertising media. This may lead to price increases or delays to new advertising spaces and campaigns. Inflation-related price increases may also increase the cost of maintaining and operating the advertising media. To prevent such delays, we are engaging in proactive procurement and working to build up adequate inventories. In order to identify when items need to be procured at short notice, we continually analyze our procurement plans on the basis of what needs to be purchased in the medium term to manage our product portfolio. We also continue to work in close collaboration with our suppliers, standardize components and services across products and regions, and pursue a multi-source procurement strategy.

Regulatory risk: We are continuing to closely watch the ongoing debate in politics and society surrounding data privacy. Further restrictions in this area present a risk for us, particularly in segments where our business model relies on the processing of personal data. As a rule, user consent must now be actively solicited in order for the use of cookies and other identification data to be in compliance with the law. The February 2022 decision by the Belgian data protection authority on the Transparency and Consent Framework 2.0 (TCF 2.0) potentially steps up the requirements for obtaining consent (fundamental questions have been submitted to the European Court of Justice for clarification) and could therefore increase the risk of further legal rules and requirements in the future. It may also elicit a narrower interpretation of the law from the regulatory authorities. Falling consent rates could therefore lead to a reduction in website traffic and thus in marketable inventory volumes. Currently, it is still uncertain as to whether and to what extent such regulations will have a negative effect on usage patterns and marketability beyond the impact we have already assumed in the forecast.

We continuously develop the technical requirements necessary to comply with regulatory requirements and thereby also ways of reducing the negative impact on the marketability of our existing offering. Targeted measures are implemented on an ongoing basis to systematically obtain user consent across the board in order to stabilize the increase in the consent rate, the associated website traffic, and the volume of marketable inventories. Moreover, we are continually working on implementing new technologies that would allow us to eventually dispense with cookies entirely. These technologies are also giving rise to potential new applications and products. Through the expansion of our tracking and ad-free subscription options (PUR models), we are offering users an alternative to free platforms that are funded by advertising. However, these tracking and ad-free subscription options are also increasingly subject to heightened data protection requirements. To mitigate the related risks, we continuously adjust our offers and maintain open and transparent communication with the relevant authorities.

Operational risk

Operations: Revenue in the digital marketing, content, and DaaS businesses is heavily dependent on online visibility and the related website traffic. Changes in the algorithms used by the search engines can have a direct impact on the amount of website traffic for our services. In these areas of business, this traffic is regularly converted into new users and direct purchases by accounts. A high volume of traffic also increases product loyalty among existing customers and lowers the churn rate. This risk can largely be reduced and managed by monitoring search engine rankings on an ongoing basis, using accepted search engine optimization measures, and keeping our websites up to date from a technological perspective. Efforts to market content directly to our customers are also being steadily ramped up.

Dialogue business is heavily influenced by staff turnover and the recruitment of new staff. Mounting competition for workers in the low-wage sector and rising social security contributions (e.g. as a result of the new Bürgergeld unemployment benefit) are also making it harder to recruit new staff and in some cases making it necessary to adjust remuneration models to include commissions, for example. This, in turn, heightens the pressure on margins for the business model as a whole. Constant and structured recruitment activity as well as the expansion of our nearshoring activities will ensure that the current rate of attrition is brought down and that we recruit sufficient additional staff.

Operational production risks mainly exist in e-commerce, where a combination of unfavorable individual risks (e.g. in the supply chain) or the occurrence of extreme events (e.g. fire, natural disaster) could interrupt business. Besides remedying the damage and the associated cost, there is also a risk that contractual obligations to customers will not be able to be met due to potential production outages. Routine maintenance and servicing measures help us to continually minimize such risk. We also periodically analyze and adjust the scope of our insurance cover in order to transfer risk to external service providers.

Accounting risk: The threat posed by fraudulent activity has risen dramatically in recent years. The growing prevalence of phishing and spear phishing emails is increasing the risk of bogus payments being made or people gaining unauthorized access to payment systems. As well as investing in cybersecurity, we have significantly stepped up our efforts to raise awareness of these issues among employees in the areas of the business most likely to be affected.

Financial risk

Financing risk: Ströer's current level of debt presents a general financing risk. The significance of this risk is dependent on satisfying the covenants set out in the loan agreements with our banks as well as duties to provide information and obtain authorization. However, this risk is low because of the sound liquidity position at the end of the reporting year and the much improved cash flow performance in 2023 compared with previous years. Even considering the current uncertainty surrounding macroeconomic and geopolitical developments, we believe that we have sufficient financial leeway to comply with the agreed covenants.

Tax risk: Due to the complexity of tax law, it is possible that the tax authorities or courts could in the future take a view of tax-relevant issues that differs from the current position. They could also challenge previous cases. We mitigate this risk by holding regular discussions with internal and external tax specialists.

Impairment risk: In general terms, the risk of an equity investment's carrying amount or goodwill being impaired could arise in the future if subsidiaries or other investees incur losses that could impact on the financial performance or liquidity of the Ströer Group. Furthermore, impairment of goodwill cannot be ruled out in the future if the performance of individual entities or cash-generating units (CGUs) were to fall short of expectations.

The commercial success of the various parts of the Company is heavily reliant on the development and ongoing improvement of customer offerings and technical solutions. The capitalization of the resulting intangible assets is subject to impairment risk that is largely contingent on the documentation and commercial success of these offerings and solutions. We monitor the preparation and related documentation, as well as the commercial success, of intangible assets on an ongoing basis.

Currency risk: Ströer is also subject to currency risk, in particular a risk arising from the translation of the financial statements of foreign subsidiaries prepared in foreign currency. However, the significance of the financial statements prepared in foreign currency to the consolidated financial statements was negligible in the reporting period. Transaction-based currency risk is a relatively insignificant risk for the Ströer Group.

Interest-rate risk: The Ströer Group is mainly exposed to general interest-rate risk in connection with non-current floating-rate financial liabilities and its holdings of cash and cash equivalents. As part of its ongoing efforts to tackle inflation, the European Central Bank raised its key interest rates significantly in 2022 and 2023, pushing up the Ströer Group's interest expense considerably. We expect interest rates to remain high in the forecast period but have fully considered this in our planning assumptions.

IT risk

IT operations and information security risk: Our business processes and communications are highly dependent on information technology. Information security is therefore a critical factor and the various aspects of this security, such as data integrity, confidentiality of information, authenticity, and availability, must be taken into account. If one or more systems are disrupted, or fail entirely, this could lead to a loss of data and have a detrimental impact on business processes that rely on IT. The risks pertain only to individual parts of the Group at any one time because many of Ströer's core IT systems are operated separately from one another in terms of content, technology, and physical location. IT processes are nonetheless subject to continuing improvement measures aimed at reducing the above risks. The general risk to businesses of cyberattacks remains high overall. To adequately counter this risk, we continuously analyze the general threat level and potential security gaps in a structured manner across all areas of the business and initiate immediate countermeasures where required. Through comprehensive cybersecurity initiatives, we raise our employees' awareness of such risks and continually improve our technical and organizational mechanisms.

Depending on its severity, a cyberattack in the content, DaaS, and e-commerce businesses, which are heavily reliant on digital business models, could lead to a temporary outage of IT systems and therefore interrupt business activity. This is particularly relevant for the systems used in e-commerce as customers expect a consistently high level of availability. Due to the significance of the B2C business model, there is also an increased risk of the loss of data or the misuse of data by unauthorized third parties.

Across the entire Ströer Group, we deem the risk from the higher general threat level and the increasingly digital nature of our business models to be medium.

Legal risk

Compliance risk: Our business activities must comply with applicable legal requirements, especially antitrust and capital market regulations, rules on conducting business with integrity, and data protection regulations. We mitigate the associated legal risk by involving external business experts and law firms as required. Current or future legal disputes could give rise to litigation risk that could ultimately differ from our current assessment of the risk and the associated provisions.

Data protection risk: The increasingly digital nature of our business models and business processes means that we collect and process personal data from employees, customers, suppliers, and other third parties. The Ströer Group complies with the relevant data protection laws when handling such data. Failure to comply with the EU General Data Protection Regulation, in particular, may result in legal action and thus considerable fines as well as damage to the Company's reputation. To minimize risks related to the handling of personal data in a manner that contravenes the law, the Ströer Group has created a decentralized data protection organization. This decentralized organization enables data protection processes and data protection management to be adapted to the specific business model and for appropriate action to be taken in respect of the data protection risks. The provision of a central data protection IT system and groupwide standards means that data protection processes within the Ströer Group are carried out efficiently and effectively. The decentralized data protection organization and processes are continuously refined.

Environmental, social, and corporate governance (ESG) risks

Environmental risk: As the Ströer Group only has limited production activities, we consider production-related environmental risks to be very low. Where we rely on third-party products, our careful selection of and close collaboration with suppliers ensure that potential environmental risks, where they exist, are minimized, identified as swiftly as possible, and the necessary action taken promptly.

Social risk: Due to the sheer number of advertising spaces, advertising campaigns, and advertisements, there is a fundamental risk that unlawful advertisements may not be identified by the checks in place or that legally compliant advertisements are considered by the public to be offensive or unacceptable based on the social and economic climate or the business climate. Negative public perception could have an adverse impact on the achievement of our business objectives. However, we reduce this risk to a minimum by applying our principles of ethical advertising and by using artificial intelligence to help to thoroughly check the compliance of advertisements.

Such risk also exists in relation to our journalistic services and special-interest information portals. Our journalistic principles, in which we expressly pledge our commitment to independent and critical journalism, are specifically aimed at countering such risk. The strict segregation of fact and opinion, combined with careful research and fact-checking of publications, ensures accuracy and independence and thereby mitigates against potential reputational risk.

The Ströer Group is also exposed to communication risks that could ultimately lead to reputational risk. However, we have two important functions – our corporate communications and investor relations teams – that make relevant information available to the appropriate recipients in good time and enable us to take suitable action.

By periodically checking our wage and salary models, we ensure that we pay our employees appropriately. We also check the relevant remuneration and working conditions of our subcontractors in the areas in which we use them.

Governance risk: The regulatory and statutory requirements for a company's own operations, as well as those in its supply chain, have been defined in more detail and tightened, particularly as a result of the German Supply Chain Due Diligence Act (LkSG), which came into force in January 2023. Non-compliance can possibly lead to fines, legal action, and reputational damage. In order to avoid this, the Ströer Group already dealt intensively with the implementation of the Supply Chain Act in fiscal year 2022, carried out a corresponding risk analysis and implemented the necessary regulatory requirements.

Our code of conduct for suppliers, which we revised in 2022, is intended to actively ensure that our suppliers comply with the regulatory requirements. Thanks to our whistleblowing system, potential infringements within our supply chain can be reported to us anonymously and corrective measures taken where necessary.

More information on medium and long-term sustainability risks and on our actions to mitigate risk are set out in our sustainability report.

Opportunities

Strategic opportunities

General economic opportunities arise for us, for example, if increases in the net advertising volume, particularly in our core market of Germany, prove to be higher than in our plans. This could be the case if the improvement in the general economic environment is stronger than expected or if the shift in advertising budgets toward out-of-home and/or online advertising or to dialogue marketing is more pronounced than anticipated. An improvement in economic growth could also have a positive effect on the revenue from our transactional business activities.

A particular macroeconomic opportunity would arise in 2024 if the economy were to fare better and business sentiment were more positive than assumed in our baseline forecasts. Given the persistent global macroeconomic challenges and the ongoing geopolitical uncertainties, however, we are prepared for a dip in customer demand. More positive conditions could lead to higher revenue and, in conjunction with cost-cutting measures, improved profitability.

The longer-term structural change in the advertising industry, which is reflected in particular by changing media consumption and by the continuing digitalization of media offerings, has the potential to accelerate beyond expectations in 2024. For years, we have been observing a migration of advertising business away from print media and a decline in advertising revenue from traditional linear television advertising. This trend has been to the benefit of digital media and conventional and digital out-of-home advertising products. Revenue from OOH advertising products, in particular, slumped briefly in 2020 and 2021 as a result of the COVID-19 pandemic, but the general upward trend was only temporarily eclipsed by the fallout from the pandemic and began to regain traction in the second half of 2021, becoming more apparent in 2022 and 2023 in spite of the uncertain macroeconomic backdrop. If the positive impact on our business from long-term structural change happens even sooner in 2024 than assumed in our baseline forecasts, then advertising budgets may be redeployed to out-of-home and/or online advertising more quickly than anticipated.

In this context, the increase in demand for multiscreen solutions (public video, roadside screens, desktop, tablets, mobile) – a combination offered mainly by the Ströer Group – could exceed our forecasts. Further growth in demand may also arise from the programmatic purchasing of our digital out-of-home media, that is, through the fully automated real-time purchase and sale of advertising space in the public video segment. This may lead to online advertising budgets being redirected to out-of-home advertising. The continued expansion of our regional and, in particular, our local sales presence in Germany could also lead to a stronger-than-anticipated increase in demand from local and regional customers. All these opportunities present the chance to generate stronger gains in market share in the context of competition between different media than previously forecast. Digital out-of-home business and strong local advertising business are driving growth.

The quality of the analog and digital advertising media portfolio is a key factor in successfully capitalizing on opportunities arising in the marketing of advertising. Ongoing digitalization of our out-of-home media, as set out in our planning for 2024, will also support these sales opportunities. Our close partnership with cities and train station operators in the area of out-of-home advertising and with publishers in the online segment could enable us to leverage additional potential at both national and international level. Acquiring attractive new advertising media locations, securing additional advertising concessions, and winning the business of new publishers also present opportunities. Furthermore, new offerings in our own publishing activities could enable us to target previously unreached customer groups, for example by expanding certain sections of our portals, such as the sustainability section, and by expanding the regional and local news pages. A change in the algorithms used by search engines could improve reach and thereby increase the monetization of our offerings. Using accepted search engine optimization measures, adjusted to the algorithms used by search engines, and keeping websites up to date from a technological perspective could be more successful than assumed in our baseline forecasts. Our monetization could also be increased if people have more reasons to follow the news in 2024, which would drive up visitor numbers to our portals and thereby boost reach for advertising customers.

In the Dialog Marketing segment, opportunities may arise in particular from a reduction in employee turnover and the recruitment of additional employees who could bring in higher-than-anticipated levels of revenue. A more rapid increase in nearshore locations for call centers could lead to the forecast results being exceeded. Additional opportunities for growth in the dialogue business may arise from winning new customers, expanding business with existing customers, and from stronger than anticipated new sales in the area of services, such as renewable energies.

In the DaaS & E-Commerce segment, there are growth opportunities from rising demand, from the expansion of sales activities, and from the steady growth and enhancement of the product portfolios. For example, we could win a greater number of new customers than forecast and reach customer segments that have so far been less heavily targeted. Combined with acceleration of the successful ongoing internationalization of the business and more sales in growth markets, this may lead to even faster growth than has been assumed in our plans to date. Improved brand recognition could draw additional customers and help to establish a larger range of products. This, in turn, could boost profitability if it is achieved with a lower than budgeted marketing spend.

Even though no material acquisitions are currently planned for the forecast period, we always review opportunities that present themselves if these are a good fit for our strategy. Unexpected opportunities for attractive acquisitions could arise because of the persistently challenging economic conditions for many businesses, allowing us to consolidate our position in our core markets and business segments and to focus our range of products on the requirements of our customers.

Operational opportunities

The continuing optimization of our out-of-home and online portfolio and the further improvement of our technology position could result in positive synergy effects – between digital and analog offerings and between out-of-home and online offerings – that are not included in baseline forecasts and that further enhance our range of flexible solutions. With our fully integrated business model, we are confident that we can compete even better with the large publisher-based marketers and TV offerings and that we can gain market share. Ströer is steadily increasing its relevance to advertising customers due to the high quality of its infrastructure at national and local level and because it is the sole provider of national networks. The economies of scale that arise may be larger than expected. As market leader, Ströer benefits disproportionately from the structural growth of out-of-home advertising.

Additional opportunities exist generally in the procurement market and in the cost structure. If prices rise less steeply than anticipated in the procurement market or interest rates are lower than expected, our results and profitability will improve. In terms of costs, it may be possible to monetize fixed rentals to a greater extent in certain circumstances. Our efforts aimed at digitalizing and automating internal processes, as well as the use of generative artificial intelligence, could give rise to additional, previously unidentified potential for cost optimization.

FORECAST

Overall assessment of the Group's expected performance in 2024 by the Board of Management of the general partner

Structural changes will continue to shape the media market in 2024 and beyond. Ongoing expansion of data networks and the steady increase in bandwidth will drive consumption of available content. The use of linear media is becoming less and less relevant as digital media content becomes available everywhere, at all times. Out-of-home advertising is distinct from other media formats in that it cannot be clicked or swiped away and is therefore available at all times. The websites commercialized by Ströer are generally based on editorial content, while the Ströer Group's dialogue products are directly aimed at specific audiences. As such, the Board of Management believes that the Ströer Group's offerings are future proof and well positioned for the increasing shift in media consumption.

Because it has its own ad servers, Ströer is prepared for the structural changes on the technical front too. Ströer is able to use those ad servers to centrally manage and display picture content programmatically on online desktops, mobile screens, public video screens, and digital roadside advertising media. The marketable inventory is available for immediate booking on all relevant demand-side platforms (DSPs). Ströer believes there is significant growth potential in the core business of out-of-home advertising, particularly in the programmatic marketing of its digital out-of-home inventory.

Besides the further expansion of selected parts of the digital roadside network, the Group continues to focus on improving capacity utilization of digital advertising media. Further key areas of the Ströer Group's growth are the expansion of the range of statistics and the introduction of AI-based use cases at our data-as-a-service statistics portal Statista, the continuation of Asam's strong growth trajectory, and the expansion of Ströer X's nearshore locations.

The most important financial key performance indicators for the management of the Ströer Group are organic revenue growth and EBITDA (adjusted). Other key performance indicators are adjusted consolidated profit or loss for the period, free cash flow (before M&A transactions), return on capital employed (ROCE), and the leverage ratio. For 2024, Russia's continued war of aggression against Ukraine and its repercussions for national and international markets and for interest rates, severely limits the Group's ability to forecast organic revenue growth and EBITDA (adjusted). Although the Group does not conduct any business activities in areas of conflict, the possibility of conflicts affecting the business performance of major customers of the Ströer Group, and thus indirectly the Ströer Group itself, cannot be ruled out. However, this does not form part of our forecast.

The forecast for 2024 is based on the most likely scenario for the German economy under the given conditions. In light of the circumstances described above, however, the forecast again entails a comparatively high level of uncertainty. The situation would be less favorable if risks were to materialize such as hikes in the price of commodities, another round of tightening measures by central banks, or further regional conflicts with adverse consequences for global demand and production chains. A more favorable situation is also conceivable, however. If interest rates are cut more sharply and more quickly than anticipated by investors, for example, or if there is a let up in geopolitical headwinds, this would provide positive impetus for the economy as a whole.

Forward-looking statements

The statements on future business performance reflect only the significant factors that were known at the time the financial statements were prepared and that could influence our activities and business performance in 2024. The Ströer Group's revenue and earnings may be influenced by macroeconomic conditions, particularly in Germany, and by developments in the advertising market. Business performance is also influenced by the share of the overall advertising market attributable to digital and out-of-home media. It is not possible to derive a revenue forecast directly from these factors as the correlation between them and revenue can vary from year to year. Unforeseen circumstances and pressures can also arise over the course of the year, which can result in discrepancies between actual and forecast revenue and earnings.

The advertising across various media in the Ströer portfolio is being booked with ever shorter lead times, particularly in the case of digital marketing and especially when compared with traditional out-of-home channels. The increasingly shorter booking lead times for many of our media products limit the Company's ability to reliably forecast its revenue and thus its earnings.

Fluctuations in external market parameters, such as the interest-rate curve, also limit the Company's ability to precisely forecast consolidated profit or loss for the period. Furthermore, uncertainties relating to these parameters can impact on non-cash items under net finance income/costs.

The economic forecasts for 2024 of economic research institutes and the German government are particularly tentative at the time of preparing this report. However, uncertainties such as the war in Ukraine spreading or the Middle East conflict escalating are unlikely to have a material impact on advertising budgets and thus the performance of the Company's business, and if they do, it will probably only be comparatively short-lived. At the time of publication, the availability and distribution of actual advertising budgets and the level of discounts were impossible to reliably predict. The main reasons for this include radical changes in the media landscape, such as the increase in online advertising, and the increasing diversity of advertising offerings, especially in digital media channels. The growing importance of social networks to the advertising industry is also changing the allocation of advertising budgets. In this market environment, Ströer expects its unrivaled German portfolio of attractive out-of-home and digital media to enable it to continue to successfully maintain its market position over the long term.

Future macroeconomic conditions

The German government predicts that GDP will rise by 0.2%[1] in 2024, followed by a higher rate of 1.5%[2] in 2025. Other economic forecasts range widely, which reflects the uncertainty caused by the armed conflicts in Ukraine and the Middle East. The German constitutional court's ruling on the country's debt brake and the federal government's budgetary decisions are also playing into the forecasts. The forecast for 2024 therefore ranges in a corridor between –0.5% (IW Köln / Association of German Chambers of Industry and Commerce, DIHK) and 1.3% (joint forecast of economic institutes).[3]

Overall, the economic forecasts for Germany in 2024 are rather pessimistic. At the end of 2023, the economists at most institutions and banks revised their forecasts downwards once more for 2024.

In 2024, the economic climate – and the related risk factors – will be determined by developments in the global economy and by inflation levels. The state of the global economy will be defined by the geopolitical tensions emanating from the war in Ukraine, the positioning of major emerging markets on the world stage, and the current conflict in the Middle East. The related commodity price risk will determine the rates of inflation and interest, and their monetary impact. The precarious nature of Germany's budgetary situation is sowing domestic fears about its fiscal impact in 2024 and is in danger of creating an economic policy that is out of step with the times.[4]

The labor market is stagnating at a low level with the rate of unemployment likely to settle at around 5.8% in 2024. The Kiel Institute for the World Economy (IfW) is forecasting the number of people in employment at around 45.9 million in 2024.[5]

The IfW is expecting the government debt ratio as a percentage of nominal GDP in Germany to fall to 63.3% in 2024 (from 63.8% in 2023).[6]

Future industry performance

Performance of the German advertising market

Nielsen predicts that gross advertising revenue will rise by 2.2% in 2024[7] and PricewaterhouseCoopers GmbH (PwC) predicts that the German advertising market will grow by 2.5% in 2024.[8]

Against this backdrop, many member firms of the German Advertisers Association (OWM) are cautious about economic conditions in 2024. Earnings expectations for 2024 are therefore muted, with the overwhelming majority of member firms expecting their earnings to either hold steady (68%) or rise (23%).[9] OWM members consider the greatest risks to lie in inflation (74%) and its impact on consumer sentiment (67%). The member companies surveyed are taking a dimmer view of potential restrictions on trading relationships than in the prior year (55% vs. 27% in 2022). However, the situation regarding supply chains and energy supply is expected to ease considerably compared with the previous year.[10]

According to OWM members, advertising spend remains under pressure. Almost half of companies (48%) expect advertising budgets to be reduced in 2024. Nonetheless, 41% of the companies surveyed believe budgets will remain stable and 11% are predicting that advertising spend will rise in 2024. There is general agreement that budgetary decisions are increasingly being made at short notice.[11]

According to the Institute for Digital Out of Home Media (IDOOH), advertising revenue in the OOH segment will increase by an average of 6.9%[12] per year between 2023 and 2026. The main drivers of this growth are innovative technologies such as programmatic DOOH (fully automatic and individual booking / purchasing of digital advertising spaces and serving of advertising almost in real time) and the ongoing digitalization of advertising inventory. IDOOH is predicting that the programmatic share of digital out-of-home advertising in Germany will rise from 46.5% in 2022 to 71.0% in 2032.[13] PwC expects net revenue from digital out-of-home advertising to increase to around EUR 506m by 2027 (2023: EUR 378m)[14], with analog advertising formats taking a revenue hit in the period 2023 to 2027.[15]

[1] Business Insider – Key Economic Forecasts, February 15, 2024.
[2] Business Insider – Key Economic Forecasts, December 15, 2023.
[3] Business Insider – Key Economic Forecasts, February 15, 2024.
[4] IW – Economic Forecast Winter 2023, December 13, 2023.
[5] IfW Kiel – Kiel Economic Outlook no. 110 (2023/Q4).
[6] IfW Kiel – Kiel Economic Outlook no. 98 (2023/Q4).
[7] Nielsen – Forecast for Germany – 10/2023.
[8] PwC – German Entertainment & Media Outlook 2023–2027.
[9] OWM – OWM survey 2023, Nov. 2023.
[10] OWM – OWM survey 2023, Nov. 2023.
[11] OWM – OWM survey 2023, Nov. 2023.
[12] PwC – German Entertainment & Media Outlook 2022 with IDOOH adjustments; https://idooh.media/zahlen-zum-dooh-markt/
[13] PwC – German Entertainment and Media Outlook 2023–2027.

For online advertising, PwC predicts that revenue will grow by 5.3%[16] in 2024.

The German market for call centers is projected to see a compound annual growth rate of 2.7% in the period 2023 to 2025 and could be generating revenue of around EUR 3.5b in 2025.[17]

Anticipated revenue and earnings

Ströer Group

Overall, the medium-term forecast of the Board of Management of the general partner remains unchanged, i.e. a compound annual growth rate (CAGR) of between 9.5% and 12.0% for the core OOH Media segment and between 5.4% and 6.0% for the Digital & Dialog segment. As a result, the Group should see an average annual increase in revenue of between 7.4% and 8.5% in the medium term. But because this does not account for the contributions from its exceptionally fast-growing equity investments Statista and AsamBeauty, the Group's overall growth, i.e. including Asam and Statista, is expected to be well above this range. The Board of Management predicts that the average rate of increase in the Group's EBITDA (adjusted) over the same period, excluding AsamBeauty and Statista, will be higher than the rise in revenue described above.

The Board of Management of the general partner forecasts that, based on the anticipated economic trends described above, the Group as a whole will generate organic revenue growth in 2024 that is significantly higher than the rate of 7.5% achieved in 2023. The percentage increase in the Group's EBITDA (adjusted) will be roughly on a par with that of organic revenue growth. Based on the comparatively low rise in payments for the principal portion of lease liabilities in connection with IFRS 16, the change in free cash flow (taking account of said payments) will be far higher than the growth in revenue and EBITDA (adjusted). It is not possible to meaningfully quantify the growth forecast given the persistently high level of uncertainty as to future economic conditions.

Moreover, the Board of Management of the general partner expects adjusted consolidated profit for the period to increase significantly year on year.

The Group plans to publish a revenue and earnings forecast for the current period with each quarterly statement that it publishes.

The leverage ratio (ratio of net debt to EBITDA (adjusted))[18] is likely to be more or less level with the 2023 ratio of 2.2. The Board of Management predicts that free cash flow (taking account of payments for the principal portion of lease liabilities in connection with IFRS 16) will improve considerably. The return on capital employed (ROCE) in 2024 should be slightly higher than the level achieved in 2023 of 18.8%.

Planned capital expenditure

In 2024, capital expenditure in the OOH Media segment will focus on continuing to expand the digital out-of-home advertising inventory (public video and digital roadside advertising media). However, in a departure from our policy up until 2022, that expansion will occur more selectively. Money will also be spent on upgrading and expanding the public video inventory. In the Digital & Dialog Media and DaaS & E-Commerce segments, Ströer plans to focus its capital expenditure on the IT infrastructure and on increasing and upgrading call center capacity and AsamBeauty's production and sales capacities.

For the Ströer Group, the Board of Management of the general partner anticipates that capital expenditure in 2024 will be lower than in 2023 (EUR 131m). As a considerable proportion of this capital expenditure is not backed by binding investment commitments, the capital expenditure can be scaled back if market conditions or the Company's situation so require.

In light of the OOH+ strategy, which is focused on organic growth, the Company is not planning any major acquisitions (M&A).

Expected financial position

The Ströer Group's current credit financing is secured until December 2028 under a revolving credit facility of EUR 650m. There is also another revolving credit facility with a volume of EUR 75m and note loans with a total volume of EUR 316m. The lines of credit available at the reporting date provide sufficient

[14] PwC – German Entertainment and Media Outlook 2023–2027.
[15] PwC – German Entertainment and Media Outlook 2023–2027.
[16] PwC – German Entertainment and Media Outlook 2023–2027.
[17] Statista – Revenue of the industry 'activities of call centres' in Germany from 2012 to 2019, with a forecast to 2025 (N822).
[18] See 'Net assets and financial position' / 'Financial structure analysis'.

headroom at all times even in the face of economic or seasonal fluctuations. The financial covenants relate to the leverage ratio, which is set at 3.25 in all agreements. The leverage ratio of 2.24 at the end of the reporting year means that the Company remains in a comfortable zone and is easily complying with the covenants. Ströer expects the leverage ratio to remain largely steady in 2024.

The Board of Management of the general partner continues to believe that the current credit financing, coupled with the Company's standing in the capital markets, provide sufficient leeway to carry out the planned capital expenditure and to exploit any business opportunities that may arise during the forecast period. The terms of the financing arrangements are continually assessed in light of the latest developments in the debt capital markets. Any financially beneficial opportunities to optimize the maturity profile and adjust these terms will be pursued as appropriate.

INFORMATION IN ACCORDANCE WITH SECTIONS 289A AND 315A HGB INCLUDING THE EXPLANATORY REPORT BY THE GENERAL PARTNER OF STRÖER SE & CO. KGAA

The following information required under takeover law is presented in accordance with section 289a sentence 1 and section 315a sentence 1 HGB.

Composition of subscribed capital

Subscribed capital of EUR 55,282,499.00 existing at the time of the Company's conversion into a German partnership limited by shares (KGaA) on March 1, 2016 was contributed by way of a change in legal form of the previous legal entity, Ströer SE, which has its registered office in Cologne (HRB no. 82548).

In the subsequent financial years, the Company's subscribed capital increased further as a result of stock options being exercised and the number of shares came to 56,691,571 as at December 31, 2022. In 2023, the number of shares decreased by 1,089,988 as a result of the retirement of repurchased shares. This reduction was countered by the addition of a total of 104,730 shares as a result of the exercise of stock options. As at December 31, 2023, the subscribed capital thus stood at EUR 55,706,313.00 and was divided into 55,706,313 no-par-value bearer shares. They have a nominal value of EUR 1 each and are fully paid up. All shares are of the same type and grant the same rights and obligations. Each share entitles the holder to one vote and is the basis for calculating the shareholder's profit entitlement. In accordance with section 71b AktG, this does not apply to any treasury shares held by the Company for a time in 2023 as treasury shares do not confer any rights on the Company.

Restrictions concerning voting rights or the transfer of shares

A voting and pooling agreement is in place. We refer to the information below in the section on shareholdings exceeding 10% of voting rights.

The voting rights of the relevant shareholders are suspended by law in cases covered by section 136 AktG and by section 136 AktG in conjunction with section 285 (1) AktG. In accordance with section 71b AktG, the Company was not entitled to exercise any rights attaching to the treasury shares it held in 2023.

Shareholdings exceeding 10% of voting rights

As at the end of 2023, Mr. Udo Müller directly held 7.49% of the limited partner's shares in Ströer SE & Co. KGaA and held 16.60% indirectly through interposed subsidiaries (24.09% in total). Mr. Dirk Ströer indirectly held 20.03% through interposed subsidiaries. Mr. Udo Müller and Mr. Dirk Ströer are parties to a voting and pooling agreement, under which they are each entitled to 44.11% of the voting rights.

Furthermore, based on the notifications received by the Company by December 31, 2023, Ströer SE & Co. KGaA was aware of the following parties that held more than 10% of the voting rights in Ströer SE & Co. KGaA: ValueAct Holdings GP, LLC 15.24% and JPMorgan Chase & Co. 12.04%. By the reporting date, the Board of Management had not received any other notifications pursuant to the German Securities Trading Act (WpHG) of other shareholdings exceeding 10% of the voting rights.

Shares with special rights granting control authority

There are no shares with special rights granting control authority.

Legal provisions and provisions in the articles of association concerning the beginning and end of the authorization of the general partner to manage and represent the Company and concerning changes to the articles of association

Article 8 of the articles of association of Ströer SE & Co. KGaA sets forth details concerning any potential exit by the general partner and the continuation of Ströer SE & Co. KGaA. In accordance with section 119 (1) no. 6 AktG, the shareholder meeting decides on changes to the articles of association by the majority stipulated in article 20 of the articles of association of Ströer SE & Co. KGaA. In accordance with section 285 (2) AktG in conjunction with article 17 (8) of the articles of association of Ströer SE & Co. KGaA, resolutions of the shareholder meeting also require the approval of the general partner, to the extent that they concern matters requiring the consent of the general partner in a limited partnership. This includes resolutions on amendments to the articles of association. Pursuant to article 13 (4) of the articles of association, the Supervisory Board is authorized to make amendments to the articles of association that only affect the wording. More procedural rules for amendments to the articles of association are set forth in section 181 AktG in conjunction with article 9 of the articles of association of Ströer SE & Co. KGaA.

Authorization of the general partner to issue or repurchase shares

Subject to the approval of the Supervisory Board, the general partner is authorized until June 18, 2024 to increase the Company's share capital once or several times by a maximum of EUR 5,652,657.00 in total by issuing up to 5,652,657 new no-par-value bearer shares for contributions in cash and/or in kind (2019 approved capital).

The share capital is subject to a conditional increase of a maximum of EUR 1,217,901.00 by issuing a maximum of 1,217,901 no-par-value bearer shares (2015 conditional capital). This conditional capital increase, however, may not exceed the remaining amount and the remaining number of shares under the conditional capital increase pursuant to article 6b (1) of the articles of association of Ströer SE on the date on which the change in the legal form of Ströer SE to a partnership limited by shares pursuant to the conversion resolution dated September 25, 2015 took effect. The sole purpose of the conditional capital increase is for the Board of Management to grant, as authorized by resolution of the shareholder meeting dated September 25, 2015, rights to holders of stock options under the 2015 Stock Option Plan. The conditional capital increase will only be implemented to the extent that the holders of stock options granted under the authorization of the shareholder meeting on September 25, 2015 exercise these stock options and that the Company does not settle the stock options in cash.

The Company's share capital is subject to a conditional increase of a maximum of EUR 11,330,000.00 by issuing a maximum of 11,330,000 new no-par-value bearer shares (2022 conditional capital). The purpose of the conditional capital increase is to grant no-par-value bearer shares to holders/beneficial owners of convertible bonds and/or bonds with warrants that are being issued by the Company or an investee as a result of the authorization granted under item 7 on the agenda of the shareholder meeting on June 22, 2022. New no-par-value bearer shares are issued at a particular conversion or option price determined by the aforementioned authorization resolution. The conditional capital increase will only be implemented to the extent that conversion or option rights are exercised or holders/beneficial owners who are obliged to do so fulfill their obligation to exercise their conversion rights and provided that a cash settlement is not granted or use is not made of treasury shares or new shares issued from approved capital.

The share capital is subject to a conditional increase of a maximum of EUR 2,200,000.00 by issuing a maximum of 2,200,000 no-par-value bearer shares (2019 conditional capital). The sole purpose of the conditional capital increase is for rights to be granted, as authorized by the shareholder meeting on June 19, 2019, to holders of stock options under the 2019 Stock Option Plan. The conditional capital increase will only be implemented to the extent that the holders of stock options granted under the authorization of the shareholder meeting on June 19, 2019 exercise these stock options and that the Company does not settle the stock options in cash or by granting treasury shares.

The share capital is subject to a conditional increase of a maximum of EUR 1,950,000.00 by issuing a maximum of 1,950,000 no-par-value bearer shares (2023 conditional capital). The sole purpose of the conditional capital increase is for rights to be granted, as authorized under item 7 on the agenda by the shareholder meeting on July 5, 2023, to holders of stock options under the 2023 Stock Option Plan. The conditional capital increase will only be implemented to the extent that the holders of stock options granted under the authorization of the shareholder meeting on July 5, 2023 exercise these stock options and that the Company does not settle the stock options in cash or by granting treasury shares.

In accordance with the resolution passed by the shareholder meeting on November 4, 2020, the Company is authorized, in the period up to and including November 3, 2025, to purchase treasury shares for any permissible purpose in an amount equivalent to no more than 10% of the Company's share capital at the time of adoption of the resolution or – if this figure is lower – at the time the authorization is exercised. The shares purchased on the basis of this authorization, together with other shares of the Company that the Company has already purchased and still owns, or that are attributable to the Company pursuant to sections 71a et seq. AktG, must not exceed 10% of the share capital at any time. The authorization must not be used for the purpose of trading in treasury shares. In each instance, the general partner decides whether the purchase is to be made through the stock exchange, by way of a public purchase offer to all shareholders, by way of a public invitation to the Company's shareholders to tender their shares, or by another means that is in compliance with the principle of equal treatment (section 53a AktG).

Based on the authorization from the annual shareholder meeting on November 4, 2020, Ströer SE & Co. KGaA decided on September 28, 2022 to carry out a share buyback program with a total maximum repurchase volume of EUR 50,000,000.00 between October 3, 2022 and April 30, 2023. The volume of EUR 50,000,000.00 represents the likely maximum number of shares that can be acquired within the regulatory limits. A total of 1,089,988 treasury shares were acquired under this program. Those shares were retired in 2023. As a result, the Company did not hold any treasury shares as at December 31, 2023.

Significant agreements entered into by the Company that are conditional upon a change of control as a result of a takeover bid and the ensuing effects

Credit facilities/note loans

A credit facility is in place between Ströer SE & Co. KGaA and a syndicate of various banks and financial institutions, on the basis of which the syndicate granted the Company a credit line of EUR 650m. This credit facility entered into in December 2022 replaced a previous credit facility dating from 2016. In addition, Ströer SE & Co. KGaA agreed a supplementary credit facility of EUR 75m with three of the banks in the aforementioned syndicate in June 2023. Ströer SE & Co. KGaA also placed a note loan with a volume of EUR 203m on the capital markets in 2022. Its volume was unchanged at the reporting date. Ströer SE & Co. KGaA had placed a note loan with a volume of EUR 145m on the capital markets in 2016 and a further note loan with a volume of EUR 350m in 2017. The last EUR 18m of the note loan from 2016 was repaid in 2023, whereas the note loan from 2017 amounted to EUR 113m as at the reporting date.

The provisions in both the credit facilities and the note loans relating to a change of control reflect normal market arrangements. They do not result in automatic termination but merely grant our counterparties the option of termination in the event of a change of control.

Independent Auditor's Report

To Ströer SE & Co. KGaA, Cologne

Report on the Audit of the Annual Financial Statements and of the Management Report

Opinions

We have audited the annual financial statements of Ströer SE & Co. KGaA, Cologne, which comprise the balance sheet as of December 31, 2023, and the income statement for the financial year from January 1 to December 31, 2023, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of the Company and the Group (hereinafter the "management report") of Ströer SE & Co. KGaA for the financial year from January 1 to December 31, 2023.

In accordance with German legal requirements, we have not audited the content of those components of the management report specified in the "Other Information" section of our auditor's report.

The management report contains cross-references that are not provided for by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, in compliance with German legally required accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of those components of the management report specified in the "Other Information" section of the auditor's report. The management report contains cross-references that are not provided for by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment testing of shares in affiliates

Please refer to the notes to the financial statements, Section B, "Accounting policies", for further information on the accounting policies applied and assumptions used. Disclosures concerning the amount of shares in affiliates can be found in the notes to the financial statements, Section C.1, "Non-current assets".

THE FINANCIAL STATEMENT RISK

In the annual financial statements of Ströer SE & Co. KGaA as of December 31, 2023, shares in affiliates in the amount of EUR 654.4 million are reported under financial assets. Shares in affiliates amount to 27.8% of total assets and therefore have a significant influence on the Company's assets and liabilities.

The affiliates are essentially operating companies, some of which in turn hold additional shares in operating group companies. The performance of these shares therefore significantly determines the value of the shares in affiliates of Ströer SE & Co. KGaA.

Shares in affiliates are recognized at cost or, if they are expected to be permanently impaired, at their lower fair value. The Company determines fair value using a capitalized earnings method. The cash flows used for these methods are based on individual projections for each investment for the next five years which are extrapolated based on assumptions of long-term growth rates. The respective capitalization rate is derived from the return on a risk-adjusted alternative investment.

The impairment testing of shares in affiliates depends considerably on the Company's estimates and assessments. This applies particularly to estimates of future cash flows and long-term growth rates, and the determination of the capitalization rate.

There is a risk for the financial statements that an impairment requirement has not been recognized and that the shares in affiliated companies are therefore not recoverable.

OUR AUDIT APPROACH

First, we used the information obtained during our audit to assess which shares in affiliated companies indicated a potential need for impairment. With the involvement of our valuation experts, we then assessed the appropriateness of the significant assumptions and the valuation method used by the Company for these risk-oriented selected investments.

We compared the assumptions and data underlying the capitalization rate, especially the risk-free rate, the market risk premium and the beta factor, with our own assumptions and publicly available data.

We discussed the corporate planning used for company valuation with those responsible for planning and, regarding future sales and earnings performance, reviewed it for consistency with the budget prepared by the Board of Management and approved by the Supervisory Board. We also verified the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and analyzing deviations.

In order to take account of forecast uncertainty, we also examined the impact of potential changes in the capitalization rate, expected cash flows and the long-term growth rate on fair value by calculating alternative scenarios (sensitivity analysis).

To assess the methodically and mathematically correct implementation of the valuation method, we verified the Company's valuation using our own calculations and analyzed deviations. To assess the methodically and mathematically correct implementation of the valuation method, we verified the Company's valuation using our own calculations and analyzed deviations.

OUR OBSERVATIONS

The approach used for impairment testing of shares in affiliated companies is appropriate and in line with the accounting policies. The Company's assumptions and data used are appropriate.

Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the management report, whose content was not audited:

- the separate group non-financial report referred to in the management report, expected to be provided to us after the date of this audit opinion,
- the combined corporate governance statement for the Company and the Group referred to in the management report, and
- information extraneous to management reports and marked as unaudited.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, management is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that as a whole provides an appropriate view of the Company’s position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in

order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the electronic file „JA.xhtml“ (SHA256-hash value: 054AD6FDD2C204C8FA42E3F61B80D0E2A94AE76F32EC87918AD85A46F3FAA9E0) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file made available identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year from January 1 to December 31, 2023, contained in the "Report on the Audit of the Annual Financial Statements and of the Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the annual financial statements and the management report, contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

The Company's management is responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's management is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available, containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and the audited management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the Annual General Meeting on July 5, 2023. We were engaged by the Supervisory Board on December 18, 2023. We have been the auditor of Ströer SE & Co. KGaA without interruption since financial year 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the examined ESEF documents. The annual financial statements and the management report converted into ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents provided in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Carsten Nölgen.

Cologne, March 15, 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

[*signature*] Nölgen
Wirtschaftsprüfer
[German Public Auditor]

[*signature*] Dr. Ohmen
Wirtschaftsprüfer
[German Public Auditor]

Ströer SE & Co. KGaA
Ströer-Allee 1 . 50999 Cologne
Phone +49 (0)2236 9645 0
Fax +49 (0)2236 9645 299
www.stroeer.com