Highlight

Highlight Communications AG

ANNUAL REPORT 2024

KEY FIGURES

in TCHF		2024	2023
CONSOLIDATED BALANCE SHEET	Balance sheet total	**624,640**	598,812
	Film assets	**223,905**	196,003
	Cash and cash equivalents	**16,773**	25,498
	Financial liabilities	**199,029**	157,185
	Equity	**151,853**	160,391
	Equity ratio	**24.3 %**	26.8 %
CONSOLIDATED INCOME STATEMENT	Sales	**404,081**	421,300
	■ Film	**252,211**	253,737
	■ Sports and Event	**152,996**	168,371
	Profit from operations (EBIT)	**–6,357**	6,859
	■ Film	**9,540**	8,737
	■ Sports and Event	**–10,573**	3,893
	Net profit (Highlight shareholders)	**–27,683**	–10,613
	Earnings per share (CHF)	**–0.49**	–0.19
	Earnings per share (EUR)	**–0.49**	–0.19
CONSOLIDATED STATEMENT OF CASH FLOWS	Cash flow from operating activities	**36,435**	140,700
	Cash flow for investing activities	**–96,738**	–109,904
	thereof payments for film assets	**–89,257**	–97,124
	Cash flow for financing activities	**51,206**	–34,067
	thereof dividend payments	**–687**	–936
	Cash flow for the reporting period	**–9,097**	–3,271
PERSONNEL	Average number of employees	**1,337**	1,524

CONTENTS

Nemo wins the 68th Eurovision Song Contest in Malmö for Switzerland with the song “The Code”.

EVENTS OF THE YEAR 2024

The Highlight Group

- **“Dear Child”** wins the International Emmy for best mini-series.
- **“Chantal and the Magic Kingdom”** attracts over 2 million cinema-goers after its premiere.
- “**Home Sweet Home”** wins the Bavarian Film Award.
- Nemo wins the Eurovision Song Contest 2024 for Switzerland.

HIGHLIGHT EVENTS IN 2024

Q1

JANUARY

Michael Bully Herbig and Constantin Film are delighted to announce the sequel to “Manitou’s Shoe”, one of the most successful German films of all time. The long-awaited new production will be released in movie theaters in the summer of 2025 under the title “Das Kanu des Manitu”.

At the Bavarian film awards ceremony, the winner in the best cinematography category was cinematographer Daniel Gottschalk, for “Home Sweet Home” with Nilam Farouq taking the female lead role.

FEBRUARY

Filming of the ratings guarantor “Dahoam is Dahoam”, the popularity of which extends beyond its home region of Bavaria, is set to resume. February sees the start of filming of the 21st season of the cult series, which has been broadcast daily since 2007.

Bavarian Film Award for “Home Sweet Home”

MARCH

Since the end of March, filming is underway in and around Krakow for six further episodes of the glamorous high-end series “Der Palast”, directed by legendary director Uli Edel and based on the screenplays by author and creative producer Rodica Doehnert.

On March 26, “Chantal and the Magic Kingdom” directed by Bora Dağtekin premieres at the Zoo Palast in Berlin.

The new season of the comedy show “LOL: Last One Laughing”, produced by Constantin Entertainment and starring and directed by Bully Herbig, premieres on Amazon Prime Video. The launch of the 5th season on March 28, 2024, clocked up over five million views in just four days.

Filming has started on six new episodes of “Der Palast”

Premiere of “Chantal and the Magic Kingdom”

Q2

APRIL

The German Federal Film Board (FFA) has announced the most successful producers and distributors of German films as part of the 2024 funding allocation. Constantin Film once again secures the title of “FFA Industry Leader” – both as the most successful production company and distribution company.

Lisa Maria Potthoff is delighted to receive the Jupiter Award in the category Best Actress (Cinema) on April 17.

On April 28, “Giants of La Mancha” captivates the audience at its premiere in Stuttgart and Munich. The film is released in German cinemas on May 1. The spectacular and fast-paced animated adventure for children was shown outside of competition as part of the programme at the International Animated Film Festival Stuttgart (ITFS).

“Chantal and the Magic Kingdom” has surpassed the two million visitor mark. This means it is the German film to have reached this milestone the fastest. The main character of Chantal is portrayed by Jella Haase, who played her in the “Suck Me Shakespeer” series.

MAY

At the 68th Eurovision Song Contest, being held from May 7 to 11 in Malmö (the third time the ESC has been produced in Malmö after 1992 and 2013, and the seventh time in Sweden overall), Nemo wins for Switzerland with the song “The Code”. Switzerland has won the ESC twice before.

Atalanta Bergamo and Bayer Leverkusen contest the 2024 UEFA Europa League final in Dublin on May 22. Atalanta Bergamo wins the game 3:0.

Olympiakos faced off Fiorentina in the final of the UEFA Europa Conference League on May 29. Playing in the final of a UEFA club competition for the first time, Olympiakos wins 1:0.

Jupiter Award 2024 for Lisa Maria Potthoff

“Giants of La Mancha” celebrates its premiere

JUNE

In the 2024 UEFA Champions League final on June 1 between Borussia Dortmund and Real Madrid, the Spanish team emerges victorious with a 2:0 win. The match was played at Wembley Stadium in London in front of a crowd of 90,000 people.

The Annual General Meeting of Highlight Communications AG is held on June 27. The shareholders approve all motions put forward by the Board of Directors.

Atalanta Bergamo wins the UEFA Europa League

68th Eurovision Song Contest: Nemo wins for Switzerland

UEFA Champions League final: Real Madrid wins

Q3

JULY

SPORT1 is excited about the Olympic Games! Gold, silver and bronze medals are up for grabs in 329 events at the 2024 Olympic Games in Paris and SPORT1 let fans relive all the big moments with daily highlight clips on its digital platforms.

SPORT1 kicks off the new 2024/25 TV season with a host of shows! These include the formats “Highway Cops” and “Highway Patrol”, the successful series “Neighbourhood Blues”, which was produced for the BBC, the international hit series “Cops – Verbrecher im Visier”, as well as “Border Patrol – Kuba”, “Border Patrol – Lateinamerika” and “Border Patrol – Rom”.

AUGUST

Principal photography of two major Constantin co-productions starts in August. “The Physician 2”, the sequel to the international box office hit, will be shot in Cologne, Berlin and Hungary until October. Filming will also start on “Das Kanu des Manitu”, the sequel to the cult comedy “Manitou’s Shoe”; it will be directed by Michael Bully Herbig.

SEPTEMBER

The hit show “Doppelpass on Tour” is entering its next round. 21 new stations are confirmed for 2025.

A science fiction film like no other, full of unforgettable images and visionary ideas. Constantin Film releases “Megalopolis” in German cinemas on September 26, 2024! With this, Francis Ford Coppola fulfilled his dream of a final masterpiece.

At the German Television Award ceremony held at the MMC Studios in Cologne, the team behind the “FIBA Basketball World Cup 2023”, produced by PLAZAMEDIA among others, is awarded the prize for best sports program.

Germany premiere for Exatlon: The globally successful sports reality format, in which two teams of athletes compete against each other, is starting on SPORT1 on free TV in Germany.

“Doppelpass on Tour” is going into the next round

Q4

OCTOBER

At the 20th Zurich Film Festival in 2024, Sönke Wortmann’s theatrical movie “Der Spitzname” premieres on October 10.

Big pictures, big cinema: On the evening of October 16, the new interpretation of the world-famous Nibelungen saga, “Hagen”, celebrates its German premiere in Munich.

On October 23, the NEUESUPER production “Neue Geschichten vom Pumuckl” receive two Blue Panthers in the Fiction category at the “Blue Panther” television and streaming awards.

Constantin Film and Ravensburger Verlag are entering into a partnership.

As part of this, Constantin Film has now secured the film rights to “The Crazy Labyrinth”, “Scotland Yard” and “Lotti Karotti”. This brings three of the most well-known and popular game brands with the blue triangle to the big screen.

“Der Spitzname” – premiere at the Zurich Film Festival

NOVEMBER

Starting November 1, 2024, Nurhan Şekerci-Porst, who is a member of the German and European Film Academy, joins the team at Constantin Film as a producer. In her new role, she will be able to share her extensive experience and expertise in producing films.

The Constantin Film production “Dear Child” for Netflix wins the International Emmy in the “Best Mini-Series” category. Oliver Berben, Chair of the Board of Constantin Film said: “What an incredibly wonderful day! The world’s largest and most important television award goes to the fantastic team behind the Constantin Film production ‘Dear Child’”.

“Dear Child” wins International Emmy

“Blauer Panther” for “Neue Geschichten vom Pumuckl”

DECEMBER

What a celebration! On the evening of December 16, the successful director Sönke Wortmann gathers his splendidly dysfunctional film family Böttcher-Wittmann-Berger-König on the red carpet and celebrates the German premiere of “Der Spitzname” together with a star ensemble that includes Iris Berben, Christoph Maria Herbst, Florian David Fitz, Caroline Peters and Janina Uhse, as well as the two rising talents Kya-Celina Barucki and Jona Volkmann. “Der Spitzname” is released in theaters on December 19, delighting its audiences. The film is the third production in the successful series, following “Der Vorname” (2018) and “Der Nachname” (2022).

German premiere of “Der Spitzname”

“Hagen” premieres in Munich

Foreword by the Chairman

Dear shareholders and other interested parties,

2024 was a very intense year for the Highlight Group: the economic and political environment remained challenging. In particular, the ongoing wars in Ukraine and the Middle East, as well as the elections in the USA, shaped the past fiscal year. The ongoing political and economic uncertainty, rising energy prices and high inflation rates affected both the economic situation and consumer behavior, which also had an impact on the Highlight Group.

The Highlight Group's consolidated sales amounted to CHF 404.1 million in 2024. The slight decline of 4.1 % compared to the previous year is due to foreign currency effects as well as productions. In a difficult environment, the Film segment generated only slightly lower external revenues than in the same period of the previous year, while external revenues in the Sports and Event segment declined more significantly. Due to the decline in external revenues in the Sports and Event segment, EBIT fell to CHF –6.4 million. The net result for the period attributable to shareholders was down on the previous year at CHF –27.7 million; earnings per share fell accordingly to CHF –0.49.

The Constantin Film Group released a total of seven films in German movie theaters in 2024, including "Chantal and the Magic Kingdom" ("Chantal im Märchenland") and "Der Spitzname". Both titles are among the top 20 most successful films released in Germany in 2024.

The market share of Constantin Film Vertriebs GmbH in the home entertainment segment could be maintained compared to the previous year thanks to a balanced portfolio and a strong focus on German productions. The films with highest annual sales in 2024 were "Chantal and the Magic Kingdom" ("Chantal im Märchenland"), "Der Nachname", "Contra", "Rehragout-Rendezvous", "Das perfekte Geheimnis" and "Maybe I Do".

In the Sports and Event segment, the focus of the TEAM Group was on the marketing of rights and the development of reporting of the UEFA club competitions, as in previous years. Technological innovation was also at the centre of this in 2024: A higher-quality production format was introduced at the start of the 2024/25 to 2026/27 financial cycle, enabling more high dynamic range (HDR) broadcasts.

Sport1 Medien AG has gained a new strategic investor. The agreement between Sport1 Medien AG and ACUNMEDYA, announced in February 2024, for the sale of 50 % of the shares in Sport1 GmbH was executed at the beginning of August.

SPORT1 reached another milestone in its history with the award of the media exploitation rights to the Football Bundesliga for the seasons 2025/26 to 2028/29: Germany's leading multi-channel sports platform received the contract from the DFL for the extensive rights package K and is thus continuing its successful partnership with the Bundesliga clubs, which has existed since 1993, until at least 2029.

Highlight Event AG's activities once again focused on managing and implementing the sponsorship agreements with the Vienna Philharmonic Orchestra's main sponsors.

With the Eurovision Song Contest having taken place in Malmö in May 2024, the focus is now on marketing the ESC 2025. The event will take place in Basel, Switzerland, in May 2025, in the triborder area between Switzerland, Germany and France.

After a year marked by the release of successful theatrical productions, Constantin Film's focus is on maintaining the high quality and continuous optimization of productions. Constantin Film is planning to release fourteen productions in theaters in the current 2025 fiscal year. These include "Das Kanu des Manitu", the sequel to one of the most successful German films of all time, starring and directed by Michael Bully Herbig, the remake of the famous fantasy novel "Momo" by Michael Ende, and the modern adaptation of the cult teen comedy "Mädchen Mädchen". Constantin Film is also bringing the sequel to the medieval epic "The Physician" and "Regretting You" to the big screen.

In the first half of 2025, the TEAM Group will support UEFA in successfully completing the first-ever league phase in the UEFA Champions League and the UEFA Europa League.

In principle, SPORT1 will focus on the consistent use, distribution and capitalization of content in the 2025 financial year. In particular, following ACUNMEDYA's investment in Sport1 GmbH, the entertainment segment will be significantly expanded as part of the strategic cooperation through an extensive content offensive.

In 2025, Highlight Event AG will continue to focus on fulfilling existing sponsorship contracts for the Eurovision Song Contest and the Vienna Philharmonic Orchestra's sponsorship events.

I would like to conclude by expressing my sincere thanks, also on behalf of my fellow members of the Board of Directors, to all employees of the Highlight Group for their successful work. Your motivation and your skills make a vital contribution to the successful ongoing development of our company. My special thanks also go to all those who have faithfully supported our company over the past year, including in particular our shareholders, customers and business partners. Moving forward, we will continue to do everything possible to justify this faith and to continue the Highlight Group's success story.

Yours,

B. Burgener

Bernhard Burgener
Chairman and Delegate of the Board of Directors

Members of the Board of Directors

Bernhard Burgener (born 1957) Chairman and Delegate of the Board of Directors
Businessman. Mr. Burgener has worked in the film business since 1982. His professional career began in 1983 with the founding of Rainbow Video AG (today: Rainbow Home Entertainment AG), Pratteln. Mr. Burgener was a shareholder of Highlight Communications AG from 1994 to 2016 and its Delegate of the Board of Directors until 1999. In May 1999, he took the company public and from 1999 to 2008, he was responsible for the activities of the Highlight Group as the Chairman of its Board of Directors.

Since 2008, Mr. Burgener has again been acting as Delegate of the Board. Since being elected as the new Chairman of the Board of Directors by the Annual General Meeting of Highlight Communications AG in 2011, he has been performing both functions simultaneously. Mr. Burgener was also the CEO of Constantin Medien AG (now Sport1 Medien AG) from 2008 until 2015. In addition, he was the CEO of Constantin Film AG from 2009 until 2013 and he has been the Chairman of the Supervisory Board of Constantin Film AG since 2014.

Peter von Büren (born 1955) Non-executive member of the Board of Directors
Businessman. Mr. von Büren exercised various management activities at Highlight Communications AG since 1994. In 1999, he became a member of the Highlight Group's management where he has been Head of IT, Human Resources and Investor Relations as well as CFO. Since 2015, Mr. von Büren has been a member of the Board of Directors of Highlight Communications AG. Peter von Büren stepped down from the Group's Management Board as of June 30, 2024. He will, however, remain on the Board of Directors as a non-executive member. Furthermore, he was elected to the Supervisory Board of Constantin Film AG in 2016.

Edda Kraft (born 1957) Non-executive member of the Board of Directors
Media consultant. Edda Kraft began her career as an editor/local director for a German daily newspaper before switching to television. After editorial positions at RTL, Endemol and Sat.1, she became Managing Director of Saxonia Entertainment GmbH in Leipzig in 2012. From 2018 until 2023, she was Managing Director of rbb media GmbH in Berlin. She is a supervisory board member of Sport1 Medien AG.

Edda Kraft was elected as a non-executive member of the Board of Directors of Highlight Communications AG at the 2022 Annual General Meeting.

Stefan Wehrenberg (born 1965) Non-executive member of the Board of Directors
Attorney-at-law. Stefan Wehrenberg studied law in Zurich and, after working at the university and in administration, has been practising as an attorney in Zurich since 2000. His area of law includes mainly commercial criminal law, compliance and financial market law, commercial and contract law as well as administrative and public procedural law.

After many years of service with the military justice system, Stefan Wehrenberg has been a judge at the Military Court of Cassation since 2017 and its president since 2022.

Stefan Wehrenberg was elected as a non-executive member of the Board of Directors of Highlight Communications AG at the 2022 Annual General Meeting.

Corporate governance

INTRODUCTION

The Highlight Group welcomes the corporate governance rules as they heighten transparency for shareholders. As a Swiss company, Highlight Communications AG largely complies with the rules issued by Swiss stock exchange SIX. The organization of our management bodies complies with the leading "Codes of Best Practice".

The articles of incorporation of Highlight Communications AG take into account the statutory requirements and duties of the Annual General Meeting in the areas of corporate governance and remuneration.

1. GROUP STRUCTURE

Highlight Communications AG is a holding company headquartered in Pratteln/BL.

1.1 Operative Group structure

Highlight Communications AG and its Group companies make up the Highlight Group, hereinafter referred to as the "Highlight Group". The operative structure of the Highlight Group consists of the two segments "Film" and "Sports and Event".

1.2 Listed companies

Highlight Communications AG

Highlight Communications AG has its registered offices in Pratteln/BL, Switzerland, and has been listed on the Frankfurt stock exchange since 1999. It is a member of the Prime Standard (ISIN: CH 000 653 9198, German WKN number: 920 299, ticker: HLG). As of December 31, 2024, the market capitalization of the company was around EUR 64.69 million, at a closing stock price for the year of EUR 1.14.

1.3 Non-listed companies

Further information on the key subsidiaries and the scope of consolidation of Highlight Communications AG can be found under note 3 in the notes to the consolidated financial statements.

1.4 Principal shareholders

As of December 31, 2024, Highlight Communications AG was aware of the following shareholders with a share of more than 5 % of its subscribed capital:

Highlight Event and Entertainment AG	53.50 %
Stella Finanz AG	11.11 %
Axxion S.A.	9.89 %

The rest is held by various institutional investors and funds as well as private investors.

Depending on market conditions, shares of up to a maximum amount of 10 % of the company's subscribed capital as stipulated by Swiss law may be bought back.

In the year under review no treasury shares were bought back. As of December 31, 2024, treasury stock comprised 6,254,518 shares, equivalent to 9.93 % of the company's subscribed capital.

1.5 Cross-holdings

As of December 31, 2024, Sport1 Medien AG holds 9.81 % of the share capital of Highlight Communications AG.

2. CAPITAL STRUCTURE

2.1 Capital

Highlight Communications AG's subscribed capital amounts to CHF 63,000,000 and is divided into 63,000,000 bearer shares with a nominal value of CHF 1 each; all shares subscribed are paid up.

2.2 Capital band

On June 22, 2023, the Annual General Meeting approved the capital band. The Board of Directors can introduce a capital band with an upper limit of CHF 94,500,000 (in line with a 50% increase in the current subscribed capital) and a lower limit of CHF 50,400,000.

2.3 Changes in capital – changes in nominal value

There were no changes in capital in the reporting period.

2.4 Shares, participating and profit-sharing rights

There are no preferential, participating or profit-sharing rights.

2.5 Restrictions on the transferability of shares and registration of nominees

There are no restrictions on the transferability of shares. The bylaws of Highlight Communications AG do not provide for any percentage clauses or conditions for shareholder registration; no nominees are registered.

3. BOARD OF DIRECTORS

The Board of Directors is the company's highest management body, responsible for the strategic orientation of the company and the monitoring of Group management. Each member of the Board of Directors is elected by the shareholders. The Board of Directors proposes the election of the Chairman and the members of the compensation committee for the Annual General Meeting. The Vice Chairman and the members of the audit committee are elected by the Board of Directors.

3.1 Members of the Board of Directors

The Board of Directors currently comprises four members. The list below provides an overview of the composition of the Board of Directors on December 31, 2024, the functions of the individual members within the Highlight Group, their nationality and their significant activities and interests outside the Highlight Group:

Bernhard Burgener
Chairman and Delegate of the Board of Directors, member of the Board of Directors since 1994
Swiss national, businessman, entrepreneur; responsible for the Highlight Group's strategy, executive member.

Other (corporate) activities and interests:
President and Delegate of the Board of Directors of Highlight Event and Entertainment AG, Pratteln, Switzerland
Chairman of the Supervisory Board of Constantin Film AG, Munich, Germany
President of the Board of Directors of Constantin Film und Entertainment AG, Zurich, Switzerland
President of the Board of Directors of Rainbow Home Entertainment AG, Pratteln, Switzerland
President of the Board of Directors of TEAM Holding AG, Lucerne, Switzerland
President of the Board of Directors of TEAM Football Marketing AG, Lucerne, Switzerland
President of the Board of Directors of TEAM Marketing AG, Lucerne, Switzerland

Chairman of the Board of Trustees of TEAM Pension fund, Lucerne, Switzerland
President of the Board of Directors of Highlight Event AG, Lucerne, Switzerland
President of the Board of Directors of World Boxing Super Series AG, Pratteln, Switzerland
President of the Board of Directors of Chameleo AG, Pratteln, Switzerland
President of the Board of Directors of Lechner Marmor AG, Laas, Italy
Member of the Board of Trustees of EurAsia Heart – A Swiss Medical Foundation, Zurich, Switzerland
President of the Board of Directors of Sport1 Medien AG, Munich, Germany
Chairman of the Board of Directors of T Squared AG, Lucerne, Switzerland

Peter von Büren
Member of the Board of Directors since 2015
Swiss national, businessman, CFO (until June 30, 2024), non-executive member.

Other (corporate) activities and interests:
Member of the Board of Directors of Highlight Event and Entertainment AG, Pratteln, Switzerland
Member of the Supervisory Board of Constantin Film AG, Munich, Germany
Member of the Board of Directors of Constantin Film und Entertainment AG, Zurich, Switzerland
Vice President of the Board of Directors of Rainbow Home Entertainment AG, Pratteln, Switzerland
Member of the Board of Directors of TEAM Holding AG, Lucerne, Switzerland
Member of the Board of Directors of TEAM Football Marketing AG, Lucerne, Switzerland
Member of the Board of Directors of TEAM Marketing AG, Lucerne, Switzerland
Member of the Board of Trustees of TEAM Pension fund, Lucerne, Switzerland
Member of the Board of Directors of Highlight Event AG, Lucerne, Switzerland
Member of the Board of Directors of World Boxing Super Series AG, Pratteln, Switzerland
Member of the Board of Directors of Chameleo AG, Pratteln, Switzerland
President of the Board of Directors of CBE Marmor & Handels AG, Ibach, Switzerland
Member of the Board of Directors of Sport1 Medien AG, Munich, Germany
Member of the Board of Directors of T Squared AG, Lucerne, Switzerland

Edda Kraft
Member of the Board of Directors since 2022
German national, managing director, non-executive member.

Other (corporate) activities and interests:
Member of the Board of Directors of Highlight Event and Entertainment AG, Pratteln, Switzerland
Member of the Board of Directors of Sport1 Medien AG, Ismaning/Munich, Germany

Stefan Wehrenberg
Member of the Board of Directors since 2022
Swiss national, attorney-at-law, non-executive member.

Other (corporate) activities and interests:
Member of the Board of Directors of Highlight Event and Entertainment AG, Pratteln, Switzerland
Member of the Board of Directors of Bristol Hotellerie AG, Speicher, Switzerland
Managing Director of Wehrenberg Rechtsanwälte GmbH, Zurich, Switzerland

3.2 Election and tenure

The Board of Directors comprises at least three members who are generally elected at the Annual General Meeting for the period of one year. Re-election is possible at all times.

3.3 Internal organization

3.3.1 Constituent meeting and allocation of duties

The Board of Directors is responsible for supervising, monitoring and overseeing management activities. It is the company's highest body. Apart from the election of the Chairman of the Board of Directors and the compensation committee by the Annual General Meeting, the Board of Directors constitutes itself. It appoints the Vice Chairman and the Secretary.

3.3.2 Meetings of the Board of Directors

The Board of Directors generally meets at least once a quarter. Resolutions are passed with an absolute majority of the votes present. In the year under review, the Board of Directors convened 16 times for Board meetings and circular resolutions.

3.3.3 Committees

By way of resolution dated June 2, 2005, the Board of Directors established an audit committee, the current members of which are Bernhard Burgener (Chairman), Edda Kraft and Stefan Wehrenberg.

At the Annual General Meeting on June 27, 2024, the members of the Board of Directors Edda Kraft and Stefan Wehrenberg were re-elected to the compensation committee to decide on matters concerning compensation for the Board of Directors and Group management.

3.4 Allocation of duties

Management and representative authorization are based on the law, decisions of the Board of Directors and entries in the commercial register.

3.5 Internal management and supervision instruments

The Highlight Group's management information system is structured as follows: The financial statements (income statement, balance sheet and statement of cash flows) for the individual subsidiaries are prepared on a quarterly basis. These figures are consolidated and condensed per segment and for the Group. At the same time, the figures are compared with the previous year and the budget.

The Chief Financial Officer informs the Board of Directors regularly of the company's business performance and trends in the relevant business indicators. A Group-wide internal control system (ICS) was implemented and documented. The Internal Audit ensures the periodic evaluation and maintenance of the ICS in the main Group companies and tests its effectiveness. External controlling instruments are provided by the auditors.

4. MANAGEMENT

The following disclosures reflect the status as of December 31, 2024.

4.1 Members of management

4.1.1 Group management

Bernhard Burgener, Chairman and Delegate of the Board of Directors
Swiss national, responsible for Group strategy, established Rainbow Home Entertainment AG (formerly Rainbow Video AG), Pratteln, in 1983. Shareholder from 1994 to 2016, Delegate of the Board of Directors until 2011, Chairman and Delegate of the Board of Directors since 2011.

Peter von Büren, Member of the Board of Directors, CFO, Head of IT, Human Resources and Investor Relations (member of Group management until June 30, 2024)
Swiss national, businessman, various management activities in the Highlight Group since 1994, a member of Group management from 1999 until 2024, member of the Board of Directors since 2015.

Hasan Dilsiz, Chief Financial Officer and Head of Investor Relations (since July 1, 2024)
Swiss citizen, Chartered Expert in Financial Managerial Accounting, Controlling and Reporting, various management roles in the Highlight Group since 2015, member of Group management since July 1, 2024.

Management of the respective segments

4.1.2 TEAM (Sports and Event segment)

Jamie Graham, Delegate of the TEAM Group Board
British national, Marketing Executive, worked in the media sponsorship and marketing sector in London from 1989 to 2001, and after that was Managing Director at ZenithOptimedia Group London until 2007; since then, he has worked at TEAM initially as Director Marketing and then as CEO from 2012 until March 2022. Since April 2022 he has been Delegate of the TEAM Group Board.

Simon Crouch, CEO
Dual Swiss-British national, chartered accountant, worked at Arthur Anderson Ltd. (now Deloitte) in London from 1996 until 2000; he was Senior Consultant at Spectrum Strategy Consultants in London from 2000 until 2008; since then, he has worked at TEAM initially as Director Strategy, then as Managing Director Marketing and as COO from 2012 until March 2022. Since April 2022, Simon is the CEO of TEAM Marketing AG.

Tom Houseman, General Counsel
British national, lawyer, worked at ISL Worldwide AG, Lucerne, from 1990 to 2001 and at FIFA, Zurich, as Head of Legal Affairs and a member of the Management Board of FIFA Marketing until 2007, then at Wharf House Pte Ltd, Singapore, as Managing Director and Board Member, then at UFA Sports Asia Pte Ltd, Singapore, and, since March 2013, as General Counsel at TEAM.

Oliver Holland, Managing Director of Media Rights and Managing Director, TEAM UK
British national, lawyer, legal consultant at Bird & Bird from 2001 to 2005, European Counsel at EA Sports from 2005 to 2007, Senior Legal Counsel at Sky Sports (UK) from 2007 to 2012, then at TEAM as Head of Legal, then Executive Director of Commercial Affairs, then Managing Director Commercial Affairs. Since July 2020 he is the Managing Director, TEAM UK and since July 2023 the Managing Director of Media Rights.

Iain Downie, Managing Director of Development, Marketing and Partner Operations
British national, research executive before joining TEAM in 2011 as Research Manager. Senior Strategy and Research Manager from 2013 to 2015 and Head of Strategy and Research from 2015 to 2017. Left TEAM in 2017 to join FIFA as Director of Marketing Sales and Strategy. Returned to TEAM in 2019 as Director of Development and Marketing, then Managing Director of Development and Marketing and, since January 2023, as Managing Director of Development, Marketing and Partner Operations.

Ian Warbrick, Managing Director of Marketing Sales
British national, postgraduate diploma from Cambridge University, Strategy Consultant at Accenture from 2001 to 2003, Sponsorship Director at Ogilvy Action from 2004 to 2007, then Head of Sponsorship Sales, then Executive Director Sponsorship Sales at TEAM and, since December 2021, Managing Director of Marketing Sales.

Thomas Höher, Managing Director of Business Development
German national, Sales Executive, worked for various companies in the telecommunications and banking sectors from 1999 to 2002, including VIAG Interkom (now O2) and Consors AG, at Deutsche Telekom AG from 2002 to 2007, including as project manager for FIFA World Cup 2006 sponsorship for T-Mobile International AG. At TEAM in various positions since 2007, as Executive Director Media Rights Sales from December 2021 until June 2023 and since July 2023 as Managing Director of Business Development.

4.1.3 Highlight Event AG (Sports and Event segment)

Ferdinand von Strantz, Chief Executive Officer (CEO), Lawyer/Dipl. Consultant St. Gallen Business School
German and Swiss national; Ferdinand von Strantz has been CEO of Highlight Event AG since 2012. Prior to this, he was a Member of the Executive Board at the group affiliate company TEAM Marketing AG, where he had worked in various areas since 1999. As managing director of Highlight Event AG he is responsible for both strategic development and worldwide marketing and sales activities under mandates for the European Television Union (Eurovision Song Contest) since 2003 and the Vienna Philharmonic Orchestra (including New Year's and Summer Night Concerts) since 2007.

4.1.4 Constantin Film (Film segment)

Martin Moszkowicz, who served as Chairman of the Management Board for many years, left the Management Board as planned at his own request on February 29, 2024.

Oliver Berben, Chairman of the Management Board (since March 1, 2024)
German national, from 2017 Member of the Management Board, responsible for TV, Entertainment and Digital Media, from January 1, 2021 Deputy Chairman of the Management Board, since March 1, 2024 Chairman of the Management Board, responsible for corporate governance and strategy, film production, corporate communications and press.

Hanns Beese, Chief Financial Officer
German national, Chief Financial Officer since 2004, responsible for finance and accounting, legal affairs, human resources, risk management, information technology, administration and organization.

Martin Bachmann, Board Member for Marketing, Sales and Licence Trade
German national, since 2023 Board Member for Marketing, Sales and Licence Trade, responsible for home entertainment, distribution/sales in German-speaking territories, film purchasing, world sales, marketing and press.

4.1.5 Sport1 Medien AG (Sports and Event segment)

Dr. Matthias Kirschenhofer, Co-CEO
German national; Dr. Matthias Kirschenhofer was appointed to the Management Board of Sport1 Medien AG in 2017. In the role of Co-CEO, he works together with Robin Seckler to coordinate Management Board policy and they are jointly responsible for the strategic development of Sport1 Medien AG. Furthermore, Dr. Matthias Kirschenhofer is responsible for legal, compliance, finance and investor relations plus the activities of SPORT1 MEDIEN subsidiaries Magic Sports Media GmbH and Jackpot50 GmbH. At the same time, he will continue to serve in the management of Sport1 GmbH and Jackpot50 GmbH.

Robin Seckler, Co-CEO
German national; Robin Seckler has been a member of the Management Board of Sport1 Medien AG since 2022. In the role of Co-CEO, he works together with Dr. Matthias Kirschenhofer to coordinate Management Board policy and they are jointly responsible for the strategic development of Sport1 Medien AG. Furthermore, Robin Seckler is responsible for all the Group's strategic and operational digital activities and projects, communications, HR and sustainability plus the activities of SPORT1 MEDIEN subsidiaries PLAZAMEDIA GmbH and Match IQ GmbH.

4.2 Further corporate activities and interests

None.

5. COMPENSATION, SHARES AND LOANS

Information on the compensation and shares of members of the Board of Directors and the management team as well as loans to these parties can be found in the “Remuneration report” section of this annual report.

The articles of incorporation of Highlight Communications AG take into account the statutory requirements and duties of the Annual General Meeting in the areas of corporate governance and remuneration.

6. SHAREHOLDERS’ RIGHTS

6.1 Restrictions on voting rights, voting by proxy

6.1.1 All restrictions on voting rights

There are no restrictions on voting rights. At the Annual General Meeting, there is one vote per share held. All shareholders may vote by proxy at the Annual General Meeting.

6.1.2 Statutory rules on participation in the Annual General Meeting

The provisions of the Swiss law of obligations apply.

6.2 Statutory quorum

The statutory provisions apply.

6.3 Procedure for convening the Annual General Meeting

The provisions of the Swiss law of obligations apply.

6.4 Agenda

The provisions of the Swiss law of obligations apply.

6.5 Registration in the share book

The shares subscribed by Highlight Communications AG are bearer shares and are therefore not registered.

7. CHANGE OF CONTROL AND DEFENSE MEASURES

7.1 Duty to bid

A party acquiring shares in the company is not required to lodge a public bid pursuant to Sections 135 and 163 of the Swiss Financial Market Infrastructure Act.

7.2 Change-of-control clause

The shares of Highlight Communications AG in Team Holding AG and Team Holding AG's shares in other TEAM Group companies are subject to a share transfer restriction declaration under the terms of TEAM's agency agreement with UEFA. Under the terms of this agency agreement, UEFA also has a termination right in the event of a change in control of Highlight Communications AG.

8. AUDITORS

8.1 Duration of auditor mandate

The statutory auditor for Highlight Communications AG is elected for a period of one year subject to a resolution passed by the Annual General Meeting. Forvis Mazars AG in Zurich has audited the annual financial statements for the year ending December 31, 2024. Mr. Roger Leu has been the auditor in charge for the audit mandate since fiscal year 2023.

8.2 Auditing fees

Auditing fees of TCHF 448 were paid to Forvis Mazars and TCHF 436 to third-party auditors for the audit of the 2024 financial year. Additional fees of TCHF 90 were invoiced by other auditing companies for other services.

9. INFORMATION POLICY

As a listed company and a member of the Prime Standard, the Highlight Group is subject to the strict stock market rules issued by Deutsche Börse AG. This includes compulsory quarterly reporting, the issue of an annual report as well as the publication of ad-hoc disclosures.

These documents are distributed via defined channels and issued on demand. In addition, the website at www.highlight-communications.ch is kept continuously updated and includes all key information about the company.

Publications are available from the IR department, which will also accept requests for inclusion in the distribution list. This is also possible via the company's website.

Remuneration report

This remuneration report for fiscal 2024 sets out the remuneration system and the remuneration paid to members of the Board of Directors and the management team of Highlight Communications AG. The remuneration report is based on the SIX Swiss Exchange's guidelines on corporate governance information and on Articles 734-734f of the Swiss Federal Act on the Amendment of the Swiss Civil Code (Code of Obligations).

The remuneration report of April 29, 2025 of Highlight Communications AG for the fiscal year ended December 31, 2024 has been audited by the statutory auditor. The audit was limited to the disclosures in accordance with Art. 734a–734f of the Code of Obligations.

As part of the implementation, the compensation committee devised proposals for the overall remuneration of the Board of Directors, the Chairman of the Board of Directors, the individual members of the Board of Directors, the overall remuneration of the management team as well as the individual members of the management team and the members of the committees. The corresponding proposals were submitted by the compensation committee to the full Board of Directors for a resolution. In accordance with the articles of incorporation, the Annual General Meeting separately approves the maximum total amounts of fixed remuneration for the members of the Board of Directors and of the management team for the fiscal year following the Annual General Meeting and the maximum total amounts of variable remuneration of the members of the Board of Directors and of the management team for the past fiscal year. This takes place once a year, usually at the ordinary Annual General Meeting. The company's articles of incorporation make a provision for members of the management team who are appointed after approval of the maximum total amount to be allowed to receive additional remuneration.

1. RESPONSIBILITIES AND AUTHORIZATIONS FOR REMUNERATION

The full Board of Directors is responsible for ensuring that the remuneration process is fair, transparent and monitored effectively. The chosen remuneration process is intended to provide adequate compensation for services rendered and a suitable incentive for the individual members of the Board of Directors and the management team, taking into account the longer-term interests of shareholders and the company's success.

The main tasks of the full Board of Directors are:

a. Determining the principles of the remuneration strategy
b. Determining the level and composition of overall remuneration for the Chairman of the Board of Directors
c. Determining the level and composition of individual overall remuneration for the Vice Chairman and the other members of the Board of Directors
d. Remuneration of committee members
e. Determining the level and composition of overall remuneration and individual remuneration for the Delegate and the individual members of the management team

As two of four members of the Board of Directors were also members of the compensation committee, they implicitly performed the tasks mentioned in points a – e in the meetings of the Board of Directors in the year under review.

2. REMUNERATION TO MEMBERS OF THE BOARD OF DIRECTORS

2.1 Principles

The level of remuneration of the members of the Board of Directors is geared towards the role and degree of responsibility of the individual members.

Remuneration to the Board of Directors consists of the following elements:

- Directors' fee (paid as cash remuneration)
- Pension benefits

The remuneration structure ensures that the Board of Directors is focused on the long-term success of Highlight Communications AG and takes into account the workload and responsibility of the individual members of the Board of Directors.

With due consideration of the maximum amount approved by the Annual General Meeting, the full Board of Directors usually decides on the level of the Directors' and committee fees at its discretion once a year at the request of the compensation committee.

2.1.1 Directors' fee

The members of the Board of Directors of Highlight Communications AG receive fixed remuneration. The full Board of Directors determines the level of fixed remuneration at the request of the compensation committee. The level of remuneration is geared towards the role and degree of responsibility of the member of the Board of Directors. No attendance fees are paid to the members of the Board of Directors.

The Directors' fee also includes remuneration for work in the compensation committee, comprising the Directors Edda Kraft and Stefan Wehrenberg, and in the audit committee, comprising the Directors Bernhard Burgener (Chairman), Edda Kraft, and Stefan Wehrenberg.

2.1.2 Pension benefits

Pension benefits consist of all contributions by the employer to old-age and risk insurance as well as employer's contributions for social security, the unemployment insurance and family compensation fund (AHV, ALV, FAK) and the accident and health insurances (BU, NBU and KTG).

2.2 Remuneration to the individual members of the Board of Directors

Fiscal 2024

In 2024, the executive and non-executive members of the Board of Directors received overall remuneration of TCHF 186.6 (2023: TCHF 124.0). Compensation for the various activities at the subsidiaries is set out in section 3 “Remuneration to members of the management team”.

audited

Total remuneration for the members of the Board of Directors for their work on the Board of Directors increased compared to the previous year. The individual members of the Board of Directors received the following remuneration (in TCHF):

(TCHF) Name/role	Directors' fee, gross	Pension benefits	Total remuneration as a member of the Board of Directors
Bernhard Burgener, Chairman and Delegate, executive member	20.0	0.2	20.2
Peter von Büren, non-executive member since July 1, 2024	40.0	1.6	41.6
Edda Kraft, non-executive member	60.0	0.0	60.0
Stefan Wehrenberg, non-executive member	60.0	4.8	64.8
Total	**180.0**	**6.6**	**186.6**

audited

Fiscal 2023

(TCHF) Name/role	Directors' fee, gross	Pension benefits	Total remuneration as a member of the Board of Directors
Bernhard Burgener, Chairman and Delegate, executive member	10.0	0.0	10.0
Peter von Büren, executive member	10.0	0.0	10.0
Edda Kraft, non-executive member	50.0	0.0	50.0
Stefan Wehrenberg, non-executive member	50.0	4.0	54.0
Total	**120.0**	**4.0**	**124.0**

No remuneration not in line with market conditions was granted to current or former members of the Board of Directors or related parties either in the year under review or in fiscal 2023, nor is any such remuneration outstanding.

3. REMUNERATION TO MEMBERS OF THE MANAGEMENT TEAM

3.1 Principles

The level of remuneration of the members of the management team is geared towards the role and degree of responsibility of the individual member, and consists of the following elements:

- Basic remuneration, including use of a company car for private and business purposes
- Variable remuneration
- Indirect remuneration for activities at subsidiaries
- Pension benefits

At the request of the compensation committee, the full Board of Directors usually decides on the level of overall compensation at its discretion once a year, taking account of the maximum amount approved by the Annual General Meeting, and also decides on variable remuneration and the underlying company-specific targets once a year.

3.1.1 Basic remuneration

The members of the management team (including the executive members of the Board of Directors) receive fixed remuneration in cash, which has been contractually agreed in the employment contract with due consideration of the role and degree of responsibility.

As a benefit in kind, all members of the management team have the option of using a company car for private and business purposes.

3.1.2 Variable remuneration

The members of the management team (including the executive members of the Board of Directors) also receive variable remuneration. The members of the management team receive a fixed annual bonus. In addition, they receive a performance bonus based on performance criteria that are set by the Board of Directors each year. Variable remuneration is paid in cash with no resolution to the contrary by the Board of Directors. The remuneration is always paid in the fourth quarter of the reporting year.

At present, there are no stock, option or similar participation programs that give entitlement to (physical) subscription of shares in Highlight Communications AG.

3.1.3 Indirect remuneration for activities at subsidiaries

In addition to the fixed Directors' fee as described in section 2.1.1, various members of the Board of Directors and management team of Highlight Communications AG receive further remuneration for their activities on the Board of Directors or Supervisory Board and/or operating or advisory activities at (direct or indirect) subsidiaries of Highlight Communications AG. This essentially involves fixed basic remuneration, with the exception of remuneration for the Supervisory Board members of Constantin Film AG, where variable remuneration is possible.

3.1.4 Pension benefits

Pension benefits consist of all contributions by the employer to old-age and risk insurance as well as employer's contributions for social security, the unemployment insurance and family compensation fund (AHV, ALV, FAK) and the accident and health insurances (BU, NBU and KTG).

3.2 Overall remuneration to members of the management team in the year under review

Fiscal year 2024

In 2024, the members of the management team (including executive members of the Board of Directors, BoD) received total remuneration of TCHF 2,850 (2023: TCHF 2,360). The total remuneration of the members of the management team thus increased compared to the previous year.

audited

(TCHF) Name/role	Basic remuneration, gross[1]	Variable remuneration, gross	Indirect remuneration for activities at subsidiaries	Pension benefits	Total remuneration as a member of the management team	Total remuneration as a member of the Board of Directors[2]	Total remuneration
Bernhard Burgener, Chairman and Delegate of the BoD, executive member of the BoD (highest remuneration)	1,003	350	194	190	1,737	20	1,757
Hasan Dilsiz, executive member from 1 July 2024	275	200	0	68	543	0	543
Peter von Büren, executive member until June 30, 2024	314	0	126	68	508	42	550
Total	**1,592**	**550**	**320**	**326**	**2,788**	**62**	**2,850**

[1] *Basic remuneration also includes flat-rate expenses.*

[2] *Details of remuneration as a member of the Board of Directors are set out in section 2.*

Fiscal 2023

audited

(TCHF) Name/role	Basic remuneration, gross[1]	Variable remuneration, gross	Indirect remuneration for activities at subsidiaries	Pension benefits	Total remuneration as a member of the management team	Total remuneration as a member of the Board of Directors[2]	Total remuneration
Bernhard Burgener, Chairman and Delegate of the BoD, executive member of the BoD (highest remuneration)	837	354	185	179	1,555	10	1,565
Peter von Büren, executive member of the BoD	408	238	49	90	785	10	795
Total	**1,245**	**592**	**234**	**269**	**2,340**	**20**	**2,360**

[1] *Basic remuneration also includes flat-rate expenses.*

[2] *Details of remuneration as a member of the Board of Directors are set out in section 2.*

No remuneration not in line with market conditions was granted to current or former members of the management team or related parties either in the year under review or in fiscal 2023, nor was any such remuneration outstanding.

4. ADVISORY BOARD

Highlight Communications AG did not have an Advisory Board in the year under review or in the previous year.

5. BENEFITS AND CONTRACTUAL AGREEMENTS ON LEAVING HIGHLIGHT COMMUNICATIONS AG

No members of the Board of Directors or the management team have a contract with Highlight Communications AG that grants them severance pay on leaving Highlight Communications AG.

The employment contracts with members of the management team provide for notice periods of twelve months.

6. LOANS AND CREDITS TO EXECUTIVE BODIES

As of December 31, 2024 and December 31, 2023, there were no outstanding loans or credits granted by Highlight Communications AG to current or former members of the Board of Directors, the management team or related parties.

7. REMUNERATION OF RELATED PARTIES

7.1 Loans and credits to related parties not in line with market conditions

As of December 31, 2024 and December 31, 2023, there were no outstanding loans or credits granted by Highlight Communications AG to related parties.

7.2 Other remuneration to related parties not in line with market conditions

As of December 31, 2024 and December 31, 2023, the company had not paid any remuneration to related parties that was not in line with market conditions.

8. REMUNERATION TO FORMER MEMBERS OF EXECUTIVE BODIES

In the reporting year, no compensation was paid to former members of executive bodies, nor is any such compensation outstanding.

9. MANAGEMENT CONTRACTS

There are no management contracts with third parties.

10. SHAREHOLDINGS IN HIGHLIGHT COMMUNICATIONS AG

As of December 31, 2024, the members of the Board of Directors and the management team (including related parties) held a total of 0.00 % of the outstanding bearer shares in Highlight Communications AG (previous year: 0.00 %).

The individual members of the Board of Directors and the management team (including related parties) had the following shareholdings in Highlight Communications AG:

	2024		2023	
	Number of shares	Share in capital	Number of shares	Share in capital
Bernhard Burgener	–	–	–	–
Peter von Büren	–	–	–	–
Edda Kraft	–	–	–	–
Stefan Wehrenberg	–	–	–	–
Hasan Dilsiz	500	0.00 %	–	–

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich

Tel: +41 44 384 84 44
www.forvismazars.com/ch

Report of the statutory auditor to the General Meeting of Highlight Communications AG, Pratteln

Report on the Audit of the Remuneration Report

Opinion

We have audited the remuneration report of Highlight Communications AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked “audited” on pages 19 and 21 of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the remuneration report complies with Swiss law and the Company’s articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibility for the Audit of the Remuneration Report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked “audited” in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ Responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich

Tel: +41 44 384 84 44
www.forvismazars.com/ch

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. 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 this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee 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 the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Zurich, 29 April 2025

Forvis Mazars AG

Roger Leu
Licensed Audit Expert
(Auditor in Charge)

Fabio Cavalieri
Licensed Audit Expert

2024

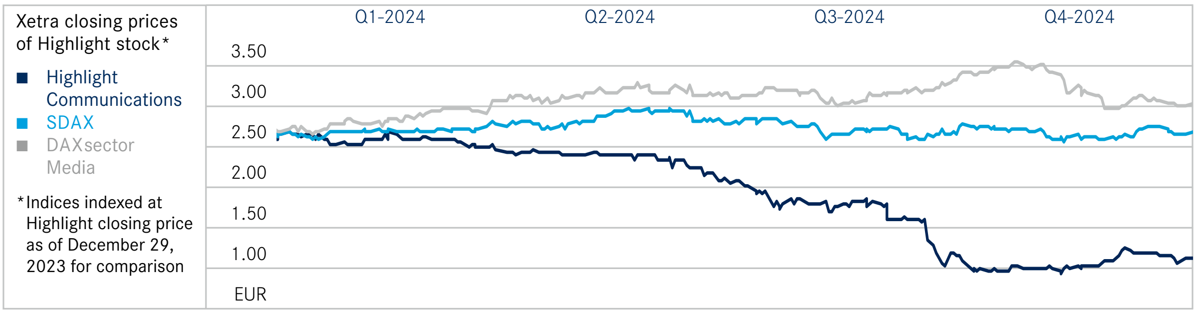
HIGHLIGHT STOCK

Performance of Highlight Group stock in 2024

- **Year-end closing price:** at EUR 1.14, below the level of the previous year (EUR 2.72).
- **Market capitalization:** EUR 64.69 million based on the number of shares outstanding.
- **Trading volume per trading day:** around 3,600 shares.

Lisa Maria Potthoff wins the Jupiter Award for Best Actress in Cinema (National) for her role in “Rehragout-Rendezvous”.


AWARD
Lisa Maria Potthoff
Jupiter Award 2024



Stock markets on the rise in 2024

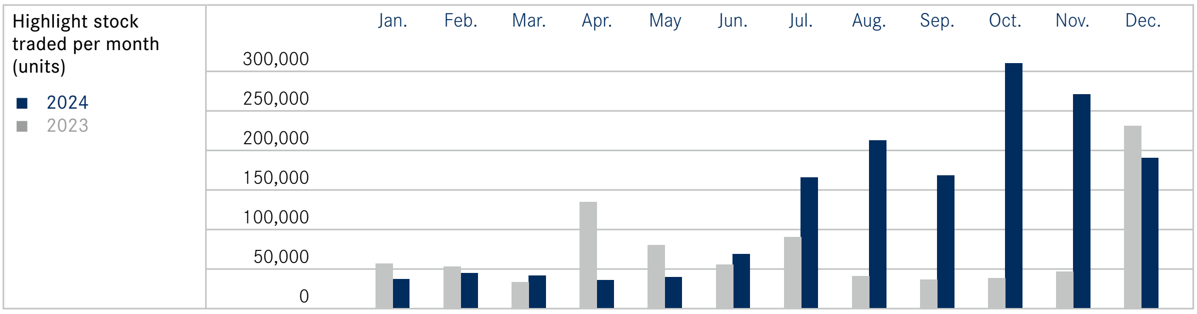
The previous 2023 stock market year was a good one overall, and this trend continued in 2024. Global stock markets continued to develop in a positive manner; the German benchmark index (DAX) reached record levels and broke the 20,000-point barrier for the first time in December.

The US benchmark index, the Dow Jones Industrial 30, rose by 12.8 % to 42,544 points in the reporting year. In the meantime, the index even reached a record figure of 45,014 points. The Japanese Nikkei 225 index performed even better, ending the year up 19.8 % at 39,894 points.

This dynamic development also boosted the prices of many European shares. For instance, the EURO STOXX 50 ended the year at 4,895 points, which equates to an increase of 8.5 %.

The Swiss benchmark index, the Swiss Market Index (SMI), did not do as well from the general recovery, closing at 11,600 points on the last trading day of 2024: This figure was only about 3.8 % above the closing rate of the previous year.

The DAX ended 2024 at 19,909 points, representing an increase of 18.7 %. The small-cap index SDAX failed to match the strong performance of the other indices, ending 2024 at 13,711 points, which equates to a decrease of 0.8 %. In contrast, German media stocks performed positively in 2024: The DAXsector Media index increased by 10.7 % from January to December 2024, ending the year at 434 points.



Development of Highlight stock in 2024

Highlight stock lagged behind the development of the industry index in the reporting year. The value started in 2024 with a listing of EUR 2.60. Beginning the year modestly, shares largely oscillated between EUR 2.70 and EUR 2.50 by the end of March. During this time, on January 4 and February 16, the stock also reached its annual high of EUR 2.70. After that, the losses stabilized, resulting in a price of below EUR 2.00 at the beginning of July. The value continued to decline until the end of September, falling below EUR 1.00 for the first time on September 30. The listing reached its annual low on December 5 with a value of EUR 0.92. By the end of the year, the Highlight stock had recovered slightly and ended the year at EUR 1.14, a price decrease of approximately 56.2 %.

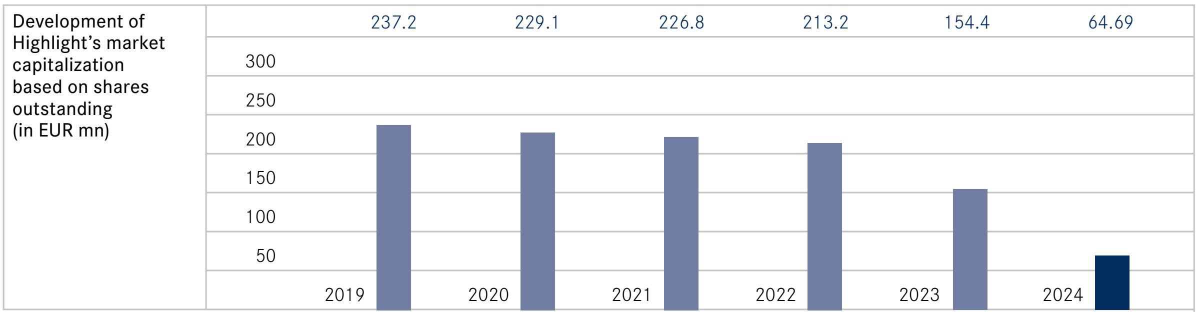
Trading volume up significantly

In the period from January to December 2024, around 1.59 million Highlight shares were traded on the Xetra trading system of Deutsche Börse AG (previous year: around 0.92 million). The average sales per trading day increased accordingly from around 2,150 to around 3,600 units.

No changes in shareholder structure

As of December 31, 2024 the issued capital of Highlight Communications AG remained unchanged at CHF 63.0 million. It is divided into 63.0 million bearer shares with a nominal value of CHF 1.00. The number of treasury shares was unchanged in the 2024 reporting year. They account for around 9.9 % of the issued capital. Not including these shares, there were 56.75 million shares outstanding as of December 31, 2024.

Our company's principle shareholders are still Highlight Event and Entertainment AG (53.50 %), Stella Finanz AG (11.11 %) and Axxion S.A. (9.89 %). Further significant share packages are held by private investors. As of December 31, 2024, the free float as per Deutsche Börse AG's index weighting was 16.88 %.



Investor relations activities focusing on direct communications

One of the priorities of our investor relations work is to provide investors, analysts and the financial press with information that is as detailed and comprehensive as possible. The basis for this is primarily our promptly published annual and interim reports, which give a detailed insight into the current performance of our company. In addition, we inform capital market players about all significant events within the Highlight Group in the form of press releases and ad hoc disclosures.

However, the core element of our investor relations work is and will remain personal communication through active and open dialog. In November 2024, we thus participated in the German Equity Forum in Frankfurt, Europe's leading investor fair for small and mid-sized stock corporations. Here we were able to speak to capital market participants in person, giving them detailed insights into the positioning of our business areas and the Highlight Group's strategic direction. Our stated aim is to use this type of PR work to achieve a fair valuation of Highlight's stock and to convince potential shareholders of the intrinsic value of an investment in our company.

In addition to direct communication, our website (www.highlight-communications.ch) is the main information tool for all interested parties. It offers all relevant facts on the history and the current development of the Highlight Group in a clearly laid-out format. To ensure equal treatment of all market participants, new documents and information are always published promptly on this medium. In addition to annual and interim reports, press releases and ad hoc disclosures, this primarily relates to transactions with treasury shares. The dates for the most important events and publications have been clearly compiled in our financial calendar.

Information on Highlight stock as of December 31, 2024

Issued capital	CHF 63.0 million
Number of shares	63,000,000
Stock class	Ordinary bearer shares
Shares outstanding	56.75 million
Market capitalization (based on shares outstanding)	EUR 64.49 million
Year-end price	EUR 1.14
52-week high (January 2, 5 and 6)	EUR 2.70
52-week low (December 13)	EUR 0.92
Earnings per share	EUR –1.58

Key data for Highlight stock

WKN	920 299
ISIN	CH 000 653 9198
Ticker	HLG
Reuters identification code	HLGZ.DE
Index	DAXsector Media
Trading venues	Berlin, Düsseldorf, Frankfurt, Hamburg, Hanover, Munich, Stuttgart, Xetra

REPORT ON THE HIGHLIGHT GROUP'S SITUATION 2024

Development of operations, net assets and financial position in 2024

- **Group sales:** Declined by 4.1 % year-on-year to CHF 404.1 million.
- **Net profit for the period:** came to CHF –29.7 million.
- **Equity ratio:** at 24.3 % at year-end (December 2023: 26.8 %).

The cast of "Der Spitzname" celebrates the world premiere of the film at the Zurich Film Festival.


UBS
Premiere

"Chantal and the Magic Kingdom" ("Chantal im Märchenland") attracted a total of over 2.7 million viewers in cinemas

BASIC INFORMATION ON THE GROUP

GROUP STRUCTURE AND OPERATING ACTIVITIES

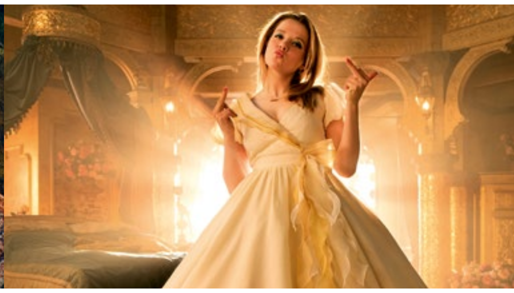
Highlight Communications AG, listed on the Frankfurt stock exchange since May 1999, is an internationally oriented strategic and financial holding company based in Pratteln near Basel. It operates through its subsidiaries in the Film segment and Sports and Event segment.

Film segment

In its Film segment, Highlight Communications AG wholly owns Constantin Film AG, Munich, which, together with its German and foreign subsidiaries, is Germany's leading producer and exploiter of productions in the entire fictional and non-fictional audiovisual sector. Its activities comprise the development, production and exploitation of the fictional and non-fictional audiovisual rights that it produces and acquires. Self-produced works are marketed both in Germany and worldwide, while third-party productions are essentially exploited in German-speaking countries. All stages of the exploitation chain – from the theatrical distribution of movies and home entertainment releases down to TV broadcasting on conventional TV stations and streaming services – are fully utilized in exploitation.

Highlight Communications AG operates its own distribution organizations to best exploit its home entertainment rights for in-house and licensed films. Rights are distributed in Switzerland by Rainbow Home Entertainment AG, which is wholly owned by the company. On the German market, digital distribution is handled by Constantin Film GmbH, while physical products are distributed in cooperation with Paramount Home Entertainment/Universal Home Entertainment.

The main sources of income in the Film segment result from the exploitation of the rights to the films it produces and acquires across all stages of the exploitation chain and from production orders for TV broadcasters and other exploiters in the audiovisual sector. Further income is generated from national and international film grants. The main expense items consist of acquisition and exploitation rights for screenplays and source material, production costs, as well as release and promotion expenses for the individual films (marketing and copies).


Sports and Event segment

In the Sports and Event segment, Highlight Communications AG wholly owns TEAM Holding AG (TEAM). Based in Lucerne, the TEAM Group specializes in global marketing of major international sports events. TEAM has been the marketing partner of the European Football Association, UEFA, for over 30 years. The current agency agreement with UEFA covers the UEFA Men's Club Competitions for the 2024/25 to 2026/27 seasons.

The mandate covers the UEFA Champions League, UEFA Super Cup, UEFA Europa League, UEFA Conference League, UEFA Youth League and UEFA Futsal Champions League.

The main source of income in the Sports and Event segment is the agency commission associated with the marketing of TV and sponsorship rights, while personnel expenses account for the largest share of expenses.

Highlight Event AG, a 100% subsidiary of Highlight Communications AG, is a Lucerne-based agency specializing in the marketing of international music, culture, and entertainment projects. Originating from the Music division of TEAM Marketing AG that was formed in 2003, the company was established in 2012.

Highlight Event is responsible for the global marketing of the Vienna Philharmonic Orchestra and – on behalf of the European Broadcasting Union (EBU) – the marketing of the Eurovision Song Contest. With regard to the Vienna Philharmonic Orchestra project, marketing activities focus on the orchestra's annual TV highlights: the New Year's Day Concert, the Summer Night Concert, and a special concert that is held in a different location each year.

Sport1 Medien AG, Ismaning, is wholly owned by Highlight Communications AG.

The main sources of income are advertising and sponsorship sales in the free TV and digital areas. In production, marketing, and consulting operations, this includes long-term production framework agreements and agreements with partners and customers in addition to corresponding distribution agreements in the new digital business areas. The main expense items consist of costs for license rights, production and distribution costs, staff costs, and costs of office space.

"Der Spitzname" thrilled more than a million people in the cinema

CONTROL SYSTEM AND PERFORMANCE INDICATORS

Group management

Highlight Communications AG's Board of Directors is responsible for the strategic orientation and management of the Highlight Group. By contrast, responsibility for operating activities lies with the management body of the relevant subsidiary. At Constantin Film AG, this body is the Management Board, which consists of three members, at TEAM Holding AG it is the Board of Directors, which is made up of three people, and at Sport1 Medien AG it is the two-member Management Board. Management of all activities within the Highlight Group is based on budget and medium-term planning and on regular reporting.

Financial performance indicators

The primary objective of the Highlight Group is to increase enterprise value on a sustainable basis. A value management system was developed and introduced to plan, manage and control business operations. The key financial parameters are EBIT and the EBIT margin calculated as the ratio of EBIT to sales. Another key parameter is earnings per share.

Non-financial performance indicators

The economic performance of the Group is also influenced by non-financial performance indicators, which result from the specific requirements of the respective business model in the individual segments:

- Audience numbers: In theatrical distribution, the audience generated by a film is one of the key factors. Theatrical success usually also affects the subsequent stages of exploitation, particularly in the areas of home entertainment, TV and streaming.
- Market share: In home entertainment business, the results generated from digital distribution and the sale of DVDs and Blu-rays is a performance indicator for the success of the Highlight Group.
- Market share and ratings: In license trading/TV exploitation and service production for TV broadcasters and streaming providers, ratings, market share and viewing figures are key parameters for the success of a broadcast format with the public. These figures are often the basis for subsequent commissioning decisions by customers of the Constantin Film Group in the future. Another extremely important parameter is the completion rate, which essentially describes whether and to what extent programs are viewed in their entirety. In some cases, this parameter is more important than ratings.
- Access to rights: The Constantin Film Group is exposed to strong competition with regard to the purchase of rights to literary works and screenplays, and for contracts with successful directors, actors and film studios. The Constantin Film Group therefore has decades of experience working closely with renowned and experienced screenwriters, directors and producers with extensive expertise in producing theatrical movies and TV formats at home and abroad.
- Other major indicators for the success of the Group are a highly-developed network of contacts in addition to close, trusting relationships with business partners. Technical and content-related expertise are crucial factors, not only in view of the increasingly digital and convergent media use of cross-platform offerings. Accordingly, the recruitment, fostering and retention of well-trained, skilled, committed and creative employees are of great importance.

- In the Sports and Event segment, trusting business relationships with rights-holders as well as existing and potential sponsors are crucial to the marketing of international major sports events. The same applies if persistently high ratings are to be achieved by TV broadcasts.
- Access to and the availability of attractive sports rights are extremely important to the various platforms of the Sports and Event segment. In free TV, these rights are essential to the ability to maintain and increase market share, as indicated by daily ratings.
- Success in the online and mobile sector is measured mainly on the basis of visits, while the success of the video platform is measured by video views.

LEGAL INFLUENCING FACTORS

Highlight Communications AG must comply with a large number of stock market rules and statutory regulations. As a stock corporation under Swiss law, it follows the Codes of Best Practice of the SIX Swiss Exchange and the regulations of the Frankfurt stock exchange for the regulated market (Prime Standard). The operating activities of the Highlight subsidiaries and equity interests are carried out in accordance with a large number of media, data protection, copyright, and regulatory requirements.

Film segment

In the Film segment, the Highlight Group is also subject to statutory regulations with particular significance. These include the regulations of the Copyright Protection Act. Furthermore, it must comply with the German Youth Protection Act, which regulates the commitment to age classifications for movies and video films in association with the FSF – a German organization for the voluntary self-regulation of television.

Sports and Event segment

Defining legal influencing factors for the free TV broadcaster as well as the internet TV offer SPORT1 Livestream and the multi-sport streaming platform SPORT1 Extra, are the German Interstate Broadcasting Treaty and the state media laws, the framework of which is often set by European law and compliance with which is monitored by the respective media institutions of the German federal states. SPORT1, SPORT1+, eSPORTS1, SPORT1 Livestream and SPORT1 Extra are under the responsibility of the Bavarian Regulatory Authority for New Media (BLM).

The German Interstate Broadcasting Treaty contains various regulatory requirements, including regarding the placement of advertising.

As a private broadcaster, the SPORT1 MEDIEN Group is also subject to the provisions of the German Interstate Treaty on the Protection of Children and Young People. This stipulates that care must be taken to ensure that children and young people are not exposed to content likely to impair their development as a responsible and socially competent person.

"Hagen" was released in German cinemas

MARKET RESEARCH AND DEVELOPMENT

Both nationally and internationally, the collection and analysis of market data in the areas of audience, user and customer research is important to the development and enhancement of the business areas in which the Group operates so that trends in the respective industry segments and changes in patterns of consumer behavior can be anticipated or responded to quickly. Furthermore, the data and findings obtained are used by the companies of the Highlight Group to provide customers, business partners and the advertising industry with authoritative and sound information for assessing their investment decisions.

In-house productions in the Film segment partially undergo an audience test in the form of screenings. Awareness figures are also collected for current theatrical releases, partly in order to assess the effect of marketing activities for the film in question and optimize these if necessary.

In addition to these purely quantitative performance measures, qualitative data – relating to research of advertising effectiveness, for example – is also an important basis for assessing, classifying and aligning the production, exploitation and marketing activities within the various segments. Wide-ranging studies and research work on the development of the media industry are also used here, as are surveys, screenings and audience tests relating to the Group's products. The level of market acceptance of elaborate source material is tested even prior to their respective production.

ECONOMIC REPORT

GENERAL ECONOMIC ENVIRONMENT

According to the calculations published by the International Monetary Fund (IMF) in January 2025, the global economy grew by 3.2 % in 2024. This means that global economic performance in 2024 remained below the historical long-term average (2000–2019) of 3.8 %.

The global economy therefore remains stable, but there is a considerable difference in growth between individual countries. Opportunities could boost the already strong growth in the United States in the short term, while the risks in other countries are generally tilted to the downside. Political instabilities in parts of Asia and Europe have unsettled markets and created uncertainty about progress in structural policies. Global inflation fell to 5.9 % in 2024, according to IMF data.

Emerging and developing countries posted growth of 4.2 % for 2024. As in the previous year, the highest growth rate within this group of countries in 2024 was achieved by India at 6.5 %.

The economy in the industrialized nations recorded a growth rate of 1.7 % in 2024 and thus showed no change compared to 2023 (1.7 %). For the coming year, the IMF expects weak growth of 1.6 %. For the Eurozone, the IMF calculated a plus of 0.8 % in 2024 (2023: 0.4 %). The US economy grew by 2.7 % in 2024.

A powerful drama: “September 5”

The Swiss economy saw below-average performance in 2024 without slipping into a pronounced recession. According to the forecasts published by the State Secretariat for Economic Affairs (SECO) in mid-December 2024, the gross domestic product (GDP) increased by 0.9 % in 2024. In the previous year, it had grown by 1.3 %.

According to initial calculations published by the German Federal Statistical Office (Destatis), German GDP fell by 0.2 % in 2024 (2023: –0.3 %). The main reasons for this development were economic and structural pressures.

The Austrian economy likewise failed to grow in 2024. According to provisional calculations released in December 2024, the Austrian Institute of Economic Research (WIFO) is forecasting negligible change in GDP for 2024 compared with 2023 (2024: 0.0 %, 2023: –0.8 %). Austrian GDP therefore remained below the EU average.

MEDIA AND ENTERTAINMENT MARKET ENVIRONMENT IN GERMANY

The development of the media and entertainment industry in Germany is closely linked to that of the economy as a whole. However, companies generally respond more quickly to economic changes in their advertising expenditure than consumers. According to estimates from September 2024, the audit company PricewaterhouseCoopers (PwC) expects sales throughout the media and entertainment industry in Germany to have increased more slowly by a total of 3.0 % to around EUR 109.8 billion in 2024. Although total sales continued to rise in 2024, consumer behavior was impacted by geopolitical and economic uncertainty. By contrast, the German market grew by 4.9 % to EUR 106.6 billion in 2023, mainly thanks to the continued recovery following the slump caused by the pandemic.

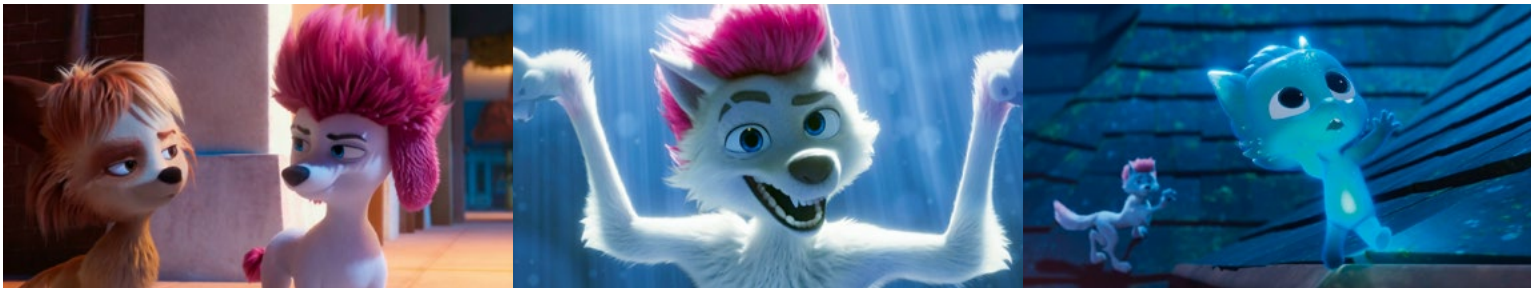
Digital media content enjoyed dynamic growth as a result of the pandemic. This development also continued in 2024. This includes all digital segments such as online video, online advertising, video games, eSports, virtual and augmented reality. According to a PwC analysis, digital segments accounted for 43 % of total sales in 2024, corresponding to EUR 47.2 billion. Data consumption increased by 21.4 % to 153.6 billion GB in 2024. Online advertising sales grew to EUR 17.1 billion in 2024, an increase of 11.9 %. However, not all segments enjoyed a positive performance. The books, newspapers and magazines (–1.5 %) and television and TV advertising (–2.7 %) segments saw falling sales in 2024.

"Chantal and the Magic Kingdom" ("Chantal im Märchenland")
celebrates its premiere with the cast and fans.

2024

MANAGEMENT REPORT: FILM SEGMENT

Report on business performance and the situation



“200 % Wolf”, the second part of the adventure series also delights young and old

INDUSTRY CONDITIONS

Preliminary remarks

It is difficult to estimate what effects will arise from the economically strained situation, including in relation to the Ukraine war and the Middle East crisis, the rise in energy and food prices, the cost of living, shortage of skilled workers, etc. The higher cost of living could lead consumers to reduce their leisure budgets, which in turn is likely to mean fewer trips to the movie theaters and a decline in spending on streaming services and home entertainment, for example.

A possible economic downturn as a result of the various crises and the persistently high inflation could also lead to falling advertising revenues and corresponding budget reductions at private free TV channels.

Moreover, business is impacted by other economic conditions affecting production costs (cost development, financing costs).

The awarding of contracts in the streaming sector may decline, as US and domestic services are facing an economic review of their business model.

The sustained economic recession and the sharp contraction of the advertising market could also lead to a decline in orders from private broadcasters.

Theatrical distribution

The number of moviegoers in the German theatre market fell by 5.8 % from 95.7 million in 2023 to 90.1 million in 2024. At EUR 868.4 million, revenue was also 6.5 % lower than the previous year’s figure of EUR 929.1 million.

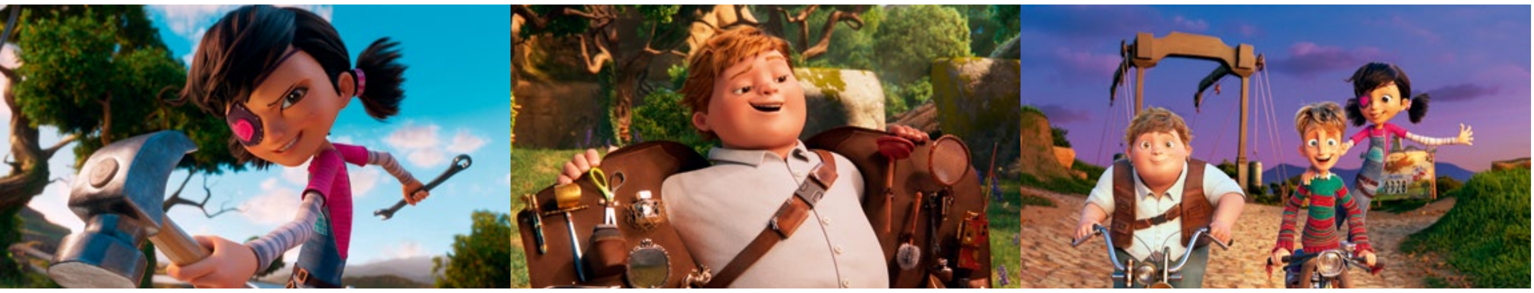
The most successful cinema releases in 2024 were: “Inside Out 2” with around 5.7 million viewers, “Despicable Me 4” with around 4.3 million tickets sold and “Vaiana 2” with around 3.6 million moviegoers in the period.

Home entertainment

As in previous years, the SVoD platforms, which have been offering additional cost-effective advertising-supported subscription models since 2024, continued to drive the increasing trend of SVoD (Subscription Video on Demand) in the German home entertainment market. The SVoD providers were able to register an 11 % increase in sales to EUR 2.926 billion year-on-year (2023: EUR 2.634 billion) and thus account for 80 % of the market. The overall market recorded sales of EUR 3.667 billion (2023: EUR 3.406 billion), a plus of 8 %.

The growth in sales in the segment of digital transactional exploitation formats (Electronic Sell-Through and Transactional Video on Demand) continued. However, compared to 2023, sales increased only slightly by 1 % to EUR 473 million (2023: EUR 469 million). The TVoD sub-segment contributed to the growth with 2 %, EST was only able to keep sales stable with 0 % growth.

The decline in physical media is continuing. In 2024, sales fell by a further 11 % to EUR 268 million (previous year: EUR 302 million). Including digital proceeds, sales totalled EUR 742 billion last year, down 4 % on the previous year’s figure (2023: EUR 771 billion). The declining sales volume of physical media (DVD and Blu-ray) could not be compensated by the lower growth in digital transactional exploitation formats (EST and TVoD) compared to the previous year.



"Giants of La Mancha" is about the thrilling adventure of Alfonso and his friends

OPERATIONAL DEVELOPMENT

Theatrical production and distribution

There was a total of ten in-house and co-productions from January to December 2024. In 2024, filming began on the in-house production "Der Spitzname", a sequel to the two hit comedies "Der Vorname" and "Der Nachname"; a lavish new adaptation of the literary classic "Momo" directed by Christian Ditter; a movie featuring the much-loved character "Pumuckl und das große Missverständnis"; the co-production "The Physician 2"; a sequel to the international blockbuster from 2013; as well as "Das Kanu des Manitu", the sequel to one of the most successful German films of all time; a remake of the popular teen comedy "Mädchen Mädchen"; and a film adaptation of the bestseller novel "22 Bahnen".

Theatrical distribution

The Constantin Film Group released a total of seven films in German movie theaters in 2024, including "Chantal and the Magic Kingdom" ("Chantal im Märchenland"), "Der Spitzname" and "Hagen". At more than EUR 27 million, "Chantal and the Magic Kingdom" was the 2024 German film with highest annual sales and came 6th overall on the year's chart. All three titles mentioned above are in the German Top 20 for 2024.

Home entertainment market share stable

The market share of Constantin Film Vertriebs GmbH in the home entertainment segment could be maintained at 4% compared to the previous year thanks to a balanced portfolio and a strong focus on German productions.

The films with highest annual sales of Constantin Film in the home entertainment area in 2024 were "Chantal and the Magic Kingdom" ("Chantal im Märchenland"), "Der Nachname", "Contra", "Rehragout-Rendezvous", "Das perfekte Geheimnis" and "Maybe I Do". In the physical segment, the license acquisition of the series "Neue Geschichten vom Pumuckl" and the physical reissue of Bernd Eichingers' global hit "The Name of the Rose" on DVD, Blu-ray and 4K UHD also registered particularly high sales.

Major license launches in TV exploitation/license trading

In 2024 as well, licenses were sold for several national and international in-house and co-productions, and for third-party productions, with established and also new partners. In the free TV sector, the initial licenses for "Hui Buh 2" (Warner Bros.), "Der Nachname" (ProSiebenSat1), "Monster Hunter" (ProSiebenSat1), "Resident Evil: Welcome to Raccoon City" (ProSiebenSat1) and "Liebesdings" (ProSiebenSat1) had a particularly significant impact on revenues. In the Pay TV sector (PPC), this included the first-time sales of "Manta Manta – Zwoter Teil", "Sonne und Beton" and "Caveman" (all Sky). Relevant revenues from TV in-house and co-productions in the reporting year resulted in particular from season two of "Der Palast" and "Mord auf dem Inkapfad".

Further expansion of service production (TV channels and streaming providers)

The expansion of the business area for productions not intended for primary theatrical exploitation, continued successfully in 2024.

In 2024, filming began on eleven productions from both the feature film and series sectors, including a fifth season of "Die Heiland" (ARD), two further episodes of "Ein Krimi aus Passau" (ARD), a second season of "Der Palast" (ZDF), the twenty-first season of "Dahoam is Dahoam" (BR) and a new Netflix comedy directed by Marco Petry.

Pure excitement with: "Home Sweet Home"

Productions in the non-fiction segment included another season of the comedy format "LOL: Last One Laughing" including an additional LOL Halloween special (Amazon Prime) as well as two more seasons of "Das Strafgericht mit Ulrich Wetzel" (RTL), two new seasons of "Shopping Queen" (VOX) and another season of "Genial daneben" (RTL2), some of which have already been exploited. In addition, the first season of "Kaulitz & Kaulitz" (Netflix) was produced and exploited and the filming of the second season has begun.

ANALYSIS OF NON-FINANCIAL PERFORMANCE INDICATORS

Focus on long-term cooperation

As in previous years, it is important to focus on long-term collaborations/contracts. With this focus, the Constantin Film Group employs numerous producers with creative decision-making authority, a large number of executive producers and a multitude of filmmakers, writers, directors and actors.

Audience figures in theatrical distribution

In the overall market of German films released in 2024, the Constantin Film Group ranks 2nd in sales with "Chantal and the Magic Kingdom" ("Chantal im Märchenland"), 2.7 million moviegoers, "Der Spitzname", which only started in December, ranks 9th, 450,000 moviegoers in the period, and 16th with "Hagen", 200,000 moviegoers.

In 2024, the Constantin Film Group in Germany was able to secure seventh place in the ranking of all distributors in terms of sales and admissions, as well as third place among studio-independent distributors.

New releases achieve good sales figures in home entertainment

Of the new releases, the Constantin Film in-house production, "Chantal and the Magic Kingdom" ("Chantal im Märchenland"), was particularly convincing. With around 400,000 digital transactions and 75,000 physical video recordings sold, it made a far above-average contribution to sales. In terms of licensed products, the titles "The Unlikely Pilgrimage of Harold Fry", "The Three Musketeers – Milady", "Boy Kills World" and Francis Ford Coppola's "Megalopolis" were largely in line with sales expectations.

In the family segment, the acquired series adaptation "Neue Geschichten vom Pumuckl" brought very pleasing results. Consistently strong catalog business also contributed to this success.

TV exploitation still at good level

The in-house production, comedy movie "Contra", starring Christoph Maria Herbst and Nilam Farooq, gave ARD's summer movie slot the highest ratings of the day by far in the 14–49 age group, with a market share of 20.8 % and 812,000 viewers. In the overall market, 4.5 million people watched the film, representing a market share of 19.7 %, while there were a further 453,000 views in the media library. The ninth Eberhofer film adaptation "Rehragout-Rendezvous" delivered 21.1 % market share in the overall market with 5.2 million viewers. Equally impressive was the success among the young audience of 14–49 year olds: 811,000 viewers were in the 14–49 age group, the market share was 18.5 %. The Constantin Film in-house production "Monster Hunter" was able to inspire the 14–49 target group-relevant audience with a market share of 12.4 % with the first broadcast on Pro Sieben.

"Megalopolis" offers epic moments and an enchanting backdrop

The repeated broadcasts of the three "Suck Me Shakespeer" films during prime time on SAT.1 went down well with the young 14-29 target audience throughout the year, with double-digit market shares of up to 15.9 % and well over 1 million viewers each time.

Strong ratings for TV service productions

Numerous first broadcasts of Constantin productions in 2024 secured strong market shares in the double-digit percentage range in the overall market. The leader with 8.3 million viewers and 29.3 % market share was the Franconian crime drama "Trotzdem" on ARD.

Other proven ratings drivers were the Croatia and Passau crime thrillers: for example, the Croatia thriller "Scheidung auf Kroatisch" reached 7 million viewers in February with a market share of 26.1 %, and the Passau thriller "Zeit zu beten" reached 5.8 million viewers in January, with a market share of 22.5 % (both ARD).

In November, the new episode of "Die Toten am Meer", named "Tod an der Klippe", also did well with a market share of 26.4 % and 6.8 million viewers (ARD).

BR's long-running service productions "Dahoam is Dahoam" delivered an average of 625,000 viewers per episode and "Der Sonntagsstammtisch" delivered a peak total market share of over 20 %.

In the streaming segment, various productions from the Constantin Film Group once again performed convincingly. For example, the fifth season of the hit format "LOL: Last One Laughing", which launched on Prime Video in March 2024, attracted over 49 million views during the reporting period.

The 10-part series "Those About To Die" on Prime Video, starring Anthony Hopkins, also shone with extremely good viewing figures. In the reporting period, over 34 million views were recorded in Germany.

Furthermore, the personality series "Kaulitz & Kaulitz", released on Netflix, achieved an impressive 24 million views. The Netflix serial adaptation of the book "Achtsam Morden" also scored highly with audiences and has achieved an outstanding 36 million views since its release on October 31.

Finally, the Constantin Film production "Dear Child" won the International Emmy in the category TV Movie/Miniseries. The series, which was launched on Netflix last year, is one of the most successful non-English-language series of all time.


Real Madrid beats Borussia Dortmund 2:0 in the UEFA Champions League final.

2024

MANAGEMENT REPORT: SPORTS AND EVENT

Report on business performance and the situation

Real Madrid wins the UEFA Champions League, the UEFA Conference League is won by Olympiakos Piräus and the winner of the UEFA Europa League is Atalanta Bergamo

INDUSTRY CONDITIONS

TEAM Group

In December 2024, the media planning and purchasing company ZenithOptimedia estimated that global advertising expenditure had grown by 8.1 %, to around USD 947 billion, in 2024. In 2025, the growth in advertising expenditure continues but is forecasted to slow to 6.5 %. The lack of major global events like the Olympics, FIFA World Cup or US Presidential elections is one reason alongside continued political uncertainty in the Middle East and Ukraine.

Sport1 Medien AG

The advertising and market research company Nielsen estimates gross advertising expenditure of companies in Germany in the amount of EUR 35.7 billion for the year 2024 – and thus an increase of 5.1 % compared to 2023.

General interest magazines (–7.4 %, EUR 2.4 billion) and movie theaters (–4.5 %, EUR 113 million) are the only two categories that recorded lower advertising spend in 2024 than the previous year. All other categories are gaining – most notably out-of-home (+12.7 %, EUR 3.3 billion). The other categories are at a similar growth level compared to the previous year: TV (+5.2 %, EUR 17.4 billion), newspapers (+6.0 %, EUR 5.8 billion), online (+5.8 %, EUR 4.7 billion) and radio (+6.4 %, EUR 2.1 billion).

The Nielsen figures listed are gross revenues, which do not provide information about actual expenditures and revenues, but nevertheless give a good picture of advertising pressure and the development of the individual industries and segments.

The increase in gross advertising expenditure is primarily due to a strong start to the year. For the German net advertising market in 2024, the Dentsu analysts forecasted growth of +3.4 % in June. This forecast was adjusted to +3.1 % after the weakening of the advertising economy in the fourth quarter of the year.

Despite the weak overall economic situation, the JOM Group also expects an increase in net advertising expenditure of around +3 % for 2024.

In its year-end forecast for 2024, the Central Association of the German Advertising Industry (ZAW) expects net advertising revenues across all media to have risen to EUR 27.03 billion (+2.9 %). The digital segment continues to show disproportionate growth. In the other segments (print, TV/video, postal direct advertising, radio and movie theater) the movement is moderate – partly slight losses, no change or point-by-point growth, in the area of outdoor advertising somewhat stronger growth.

Highlight Event AG

The music event and entertainment sector is proving to be stable. Both the events of the Eurovision Song Contest 2024 in Malmö and the New Year's Concert of the Vienna Philharmonic Orchestra were sold out with a demand that was several times higher. The Vienna Philharmonic Orchestra's 2024 Summer Night Concert was also attended by about 50,000 on-site listeners.

OPERATIONAL DEVELOPMENT

TEAM Group

In 2024, the focus on technological innovation continued. With the start of the 2024/25 to 2026/27 commercial cycle, a higher quality production format was introduced enabling more HDR transmissions. During the broadcast itself, more flexible approaches to personalising coverage were introduced. For example, pre-match pitch walks with high profile experts now form an integral part of the match build-up in some of the broadcasters' coverage.

Successful start of sales for the 2024/25–2026/27 commercial cycle

The tender process for the media rights to UEFA Men's Club Competitions has concluded for the 2024/25 to 2026/27 business cycle. On the marketing side, TEAM Group successfully completed the sales of all global marketing packages for the UEFA Champions League, the UEFA Europa League and the UEFA Conference League.

Implementation of the finals and first league phase

The TEAM Group's other focus in 2024 was on supporting UEFA in concluding the third and final season of the 2021/22 to 2023/24 commercial cycle.

The UEFA Champions League Final between Borussia Dortmund and Real Madrid was held on June 1, 2024, at Wembley Stadium in London, United Kingdom. Real Madrid won the game 2:0 which meant the fifteenth title for the Spanish side, expanding their record.

In the final of the UEFA Europa League, Atalanta took on Leverkusen in the Dublin Arena in Dublin, Ireland, on May 22, 2024. Atalanta won the game 3:0, making it the first European title for the club from Bergamo, Italy.

The third-ever UEFA Europa Conference League was won by Olympiakos 2:1 who took on repeat-finalists Fiorentina at the AEK Arena in Athens, Greece.

In the UEFA Super Cup Final on August 14, 2024, Real Madrid then beat Atalanta 2:0 at the Narodowy Stadium in Warsaw, Poland.

The start to the new 2024/25 to 2026/27 commercial cycle coincided with a change to the competitions' formats. The new league phase kicked off successfully and will conclude at the end of January.

Alongside new competition formats, TEAM and UEFA introduced a revised brand identity for the Champions League called "Kick of Light". The identity is aimed at engaging a younger, digital audience and features a more modern and vibrant color scheme while maintaining the established premium look of the competition. Lastly, the name of the UEFA Europa Conference League has been shortened and simplified to the new UEFA Conference League.

Real Madrid wins the UEFA Super Cup in the final against Atalanta Bergamo

Sport1 Medien AG

New strategic investor at SPORT1, focus on sports and entertainment with new formats, records at the Darts World Championship and success in the Bundesliga rights allocation

Strategic investor for SPORT1: The agreement announced in February 2024 between Sport1 Medien AG and ACUNMEDYA on the sale of 50 % of the member's shares in Sport1 GmbH was completed in early August – after all closing conditions, in particular the media and antitrust approvals, had been fulfilled. In addition to equity interest, an extensive content campaign will also be implemented as part of the strategic cooperation with ACUNMEDYA: Internationally known and highly successful entertainment and sports entertainment formats from ACUNMEDYA are to be brought to German free TV on SPORT1. The German premiere of EXATLON Germany in September marked the start. The sports reality format uniquely combines sports, reality and entertainment, and has already won over a large audience worldwide. In October, the launch of the fashion competition show "My Style Rocks" followed.

In its program, SPORT1 celebrated records again at the beginning of January with the Darts World Championship: Up to 2.86 million viewers aged three and over (Z3+) watched the final between world champion Luke Humphries and "wonder boy" Luke Littler – more than ever before for a final broadcast. In terms of market share, new records for a World Cup final were also set with 8.9 % among total viewers (Z3+) and 17.8 % (men 14–59) and 21.8 % (men 14–49) in the advertising-relevant target groups.

In addition, Sport1 GmbH expanded its program portfolio with motorsport rights to the FIA World Rally Championship (WRC), the FIA World Endurance Championship (WEC), as well as the ADAC GT Masters and the ADAC GT4 Germany. For its digital platforms, SPORT1 acquired sub-licensing rights from Warner Bros. Discovery for highlight clips from the Summer Olympic Games in Paris, in order to comprehensively cover the next highlight of the super sports year after the European Football Championship.

SPORT1 reached another milestone in its history with the award of the media exploitation rights to the Football Bundesliga for the seasons 2025/26 to 2028/29: Germany's leading multichannel sports platform received the contract from the DFL for the extensive rights package K and is thus continuing its successful partnership with the Bundesliga clubs, which has existed since 1993, until at least 2029. Package K includes the exclusive highlight rights in free TV and the simulcast live stream on SPORT1.de and the SPORT1 app for the summaries of the Friday and Saturday Bundesliga and Bundesliga 2 games for reuse on Sunday between 6:00 a.m. and 3:00 p.m. The highlights of all Friday and Saturday games will also be shown from 2025/26 to 2028/29 on Sunday morning and afternoon in "Bundesliga Pur" and of course also in "Doppelpass" – Germany's most popular football talk has been broadcasting since 1995 in the regular spot at 11:00 a.m. and celebrates its 30th birthday in 2025.

SPORT1 had already inaugurated the program offensive in the entertainment area for the 2024/25 TV season in July with numerous new docutainment formats, including "Highway Cops" and "Highway Patrol", the BBC-produced hit series "Neighbourhood Blues", the international hit series "Cops – Verbrecher im Visier" as well as "Border Patrol – Kuba", "Border Patrol – Lateinamerika" and "Border Patrol – Rom".

The "STAHLWERK Doppelpass" has been shaping football reporting for years

Many well-known advertising customers in the bumper sports year 2024 and further expansion of new business and digital activities

SPORT1 covered the European Football Championship in Germany extensively on its platforms and also acquired highlight rights to all games of the UEFA EURO 2024 in this context. SPORT1 and MAGIC SPORTS MEDIA gained numerous prominent advertising partners for the EM, including Engelbert Strauss, New Balance, Lidl, Telekom, Coca-Cola, fenster.com and ERDINGER. For the current Bundesliga season, Google, STAHLWERK, Santander, HAIX, WWK, URSAPHARM with its HYLO® brand, Erwin Müller, Intersnack Deutschland SE with its funny-frisch brand, HAPPYBET, Tipico and Neobet are among the advertisers on board on SPORT1. Prominent advertising customers have also been acquired for the Darts World Championship – with Lidl, Vodafone, Mitsubishi Motors, Hama Germany, ERDINGER Brauhaus, Tipico, ELTEN, Falken Tyre Europe and GG Poker.

The new PDC Europe NEXT GEN tournament series is also benefiting from the growing popularity of darts: SPORT1 has been covering the new tournament series for junior and amateur darts players since February 2024 on its platforms. Further strategic partnerships in the NewBiz area were concluded with Deutsche Streaming Allianz GmbH (DSA), the motorsport manager platform Racemates, the Swiss FinTech-Startup Clanq and the B2B2C Platform CrowdTransfer.

To kick off the great sport summer, a design refresh was also carried out at the SPORT1 touchpoints, which is based on the newly developed SPORT1 brand image including the vision "Maximize Moments in Sports & Entertainment".

In July, SPORT1 also launched new Android in-car apps as part of an exclusive partnership with Renault. These are available for free download on the OpenR link multimedia system exclusively from July until the end of the year, and non-exclusively after that. With the new apps, Germany's leading multichannel sports platform is expanding its reach by another touchpoint.

Pay TV channels will be operated by Sportdigital from 2025

In November, Sport1 GmbH entered into a cooperation with Sportdigital TV Sende- und Produktions GmbH and announced that it would discontinue its pay TV channels SPORT1+ and eSPORTS1 by the end of 2024. Through Sportdigital1+ and eSportsONE, the content of the two Sportdigital channels will continue to be maintained on the distribution platforms. The setting of the pay TV channels of Sport1 GmbH and the associated transaction with Sportdigital is part of the long-term strategy of Sport1 Medien GmbH to focus on the core business areas of free TV (with the SPORT1 channel) and digital (with the SPORT1 online, audio and social media platforms).

The darts championship continues to draw in a big viewership in 2024

Success for PLAZAMEDIA at the German Television Awards

In September 2024, PLAZAMEDIA GmbH won a German Television Award in the "Best Sports Program" category for the first time in the company's history for its role as production service provider for the 2023 FIBA Basketball World Cup for Deutsche Telekom's MagentaTV – with Germany's sensational World Cup victory as the sporting highlight. The German Television Awards recognize outstanding productions in fiction, entertainment and information in up to 30 categories, which were published between July 1, 2023 and June 30, 2024. In a team with MagentaTV/Telekom Deutschland and thinXpool TV, PLAZAMEDIA took over extensive technical production services as part of the Basketball World Cup.

PLAZAMEDIA will continue its extensive production cooperation with Deutsche Telekom over the next four years. The agreement concluded in June includes domestic production for Telekom from the 2024/2025 season up to and including 2027/2028 – in football for the 3rd League, the Google Pixel Women's Bundesliga and in ice hockey for the games of the German Ice Hockey League (DEL) and international matches of the German national men's team of the German Ice Hockey Federation (DEB). In addition, all games of the Turkish Airlines EuroLeague and the EuroCup in the 2024/2025 and 2025/2026 cycles will be included in basketball.

Successful launch of the iGaming platform Jackpot50

In 2024, SPORT1 MEDIEN opened up a new business area with its subsidiary Jackpot50 GmbH, alongside its existing business areas and interests in the media sector: the official launch of the iGaming platform Jackpot50.de took place in December on the basis of a concession from the Joint Gambling Authority of the German Federal States (GGL) to operate a virtual slot machine service. This is the first time a media company has launched its own virtual slot machine game in Germany.

The subsidiaries of Sport1 Medien AG – SPORT1, PLAZAMEDIA, MAGIC SPORTS MEDIA, Match IQ and Jackpot50 – continued to focus in general on maintaining and expanding existing customer relationships and building new ones in the year under review.

Highlight Event AG

The 2024 fiscal year was completed very successfully. Sales, support and contract realization activities relating to sponsorship (Eurovision Song Contest and Vienna Philharmonic Orchestra) as well as general consulting activities and media sales (only Vienna Philharmonic Orchestra) progressed very positively.

As part of the Vienna Philharmonic project, these included – in addition to the two major events in Vienna – further events in New York, Madrid and Paris. Another highlight was the staging of a special televised concert in Berlin at the Waldbühne, where the orchestra performed for the first time and attracted an outstanding TV audience – especially on ZDF.

With the EBU, the extension of the agency contract for the Eurovision Song Contest until 2028 has been successful.

SPORT1 broadcasts the German women's volleyball Bundesliga

ANALYSIS OF NON-FINANCIAL PERFORMANCE INDICATORS

TEAM Group

UEFA Champions League continues to lead the way on social media/Impressive viewer numbers for UEFA Men's Club Competitions

In 2024, the official social media accounts of the UEFA Champions League extended their leading position among sports rights holders. TEAM, in collaboration with UEFA, launched a new UEFA Champions League WhatsApp channel which is already at 22.7 million followers. More broadly, the UEFA Champions League registered 2.25 billion engagements across all social media platforms. This development strengthens UEFA's digital presence and shows an increased connection with a younger audience.

The 2024 final of the UEFA Champions League was broadcast in more than 200 countries and seen by 135 million live TV, streaming and out-of-home viewers. Across the 2021/22 to 2023/24 commercial cycle, the average cumulative live viewership of the UEFA Champions League final recorded an increase of 49 % compared to the 2018/19 to 2020/21 commercial cycle.

The global live viewership for the UEFA Europa League final stood at 49.5 million live TV, streaming and out-of-home viewers. This represents the highest live viewership across the 2021/22 to 2023/24 commercial cycle. The final of the UEFA Europa Conference League also attracted a large live viewership, with 32.2 million live TV, streaming and out-of-home viewers.

Sport1 Medien AG

Free TV distribution still at high level

In 2024, the free-to-air TV channel SPORT1 was available in 31.01 million households (2023: 32.05 million) or 79.6 % (2023: 82.7 %) of all reachable households in Germany, and therefore almost nationwide.

With its free TV channels, SPORT1 achieved market shares of 0.6 % among viewers aged three and over (2023: 0.6 %), 0.8 % among adults aged 14 to 49 (2023: 0.8 %), and 1.1 % in the core target group of men aged 14 to 59 (2023: 1.2 %) in 2024. SPORT1 significantly increased its market share by 15 % and 17 % respectively in the young target group of men aged 14 to 29 at 1.5 % (2023: 1.3 %) and in the target group of women aged 14 to 49 years at 0.5 % (2023: 0.4 %).

In particular, ratings highlights included live football broadcasts of the top match in Bundesliga 2 on Saturday evenings, the familiar SPORT1 formats such as “Der STAHLWERK Doppelpass” and “Fantalk”, and the World Darts Championship.

Womens football Bundesliga brings thrilling entertainment

Pay TV distribution consistently high

The pay TV broadcaster SPORT1+ had around 1.89 million subscribers in total as of December 31, 2024 (December 31, 2023: 1.88 million). eSPORTS1 had around 2.18 million subscribers as of December 31, 2024 (December 31, 2023: 2.1 million).

A popular sports destination for digital content with extensive live and on-demand options

SPORT1 and its digital channels were among the leaders in Germany once again in 2024, not least thanks to their extensive video content. With 80.1 million visits on average per month, SPORT1 2024 was almost at the high level of the previous year (–3 % compared to 2023). The losses in SEO reach – due to changes in the Google algorithm – were mostly offset by very good performance during the major events of the European Football Championship and the Summer Olympic Games.

Video views on SPORT1's own platforms, i.e. not including YouTube channels, were 12 % lower than in the previous year at an average of 16.9 million video views per month in the year under review, mainly due to the loss of broadcast rights for the Ice Hockey World Championship. Even so, this is still the third-largest reach in its history.

On its YouTube channels, SPORT1 achieved 18.0 million views per month in 2024, down by 19 % on the previous year. However, the watch time per video view increased in 2024 compared to the previous year, from 3:24 to 4:09 minutes per view.

Extensive range of audio podcasts and leading social media position reinforced

SPORT1 has been on the market with its own podcast family since September 2019. At the end of December 2024, the portfolio included around 25 podcasts, which are offered on the usual streaming platforms, Spotify, Apple Podcasts, Google Podcast, Amazon Music, Deezer and Podigee, as well as on SPORT1.de and the SPORT1 apps.

At the end of December 2024, SPORT1 had a total of 7.54 million fans and followers (December 2023: 7.2 million) across its social media channels on Facebook, YouTube, TikTok, Instagram, X, WhatsApp, Threads and the recently launched Bluesky account. The TikTok community remains particularly strong: SPORT1 currently has over 1.2 million followers on the platform – more than any other sports medium from the German-speaking countries. The platform with the most followers is Facebook: Here, 3.4 million users follow SPORT1 on the various Facebook pages. The main channel on YouTube passed the 900,000 subscribers mark in November 2024. In 2024, the focus was on further expanding video activities and increasing engagement. The reporting on the Bundesliga and Bundesliga 2, the Football World Cup and the Darts World Championship were the topics that took on special relevance in content production in 2024. The #mittendrin approach is all about being right up close and telling the sport stories authentically and emotionally.

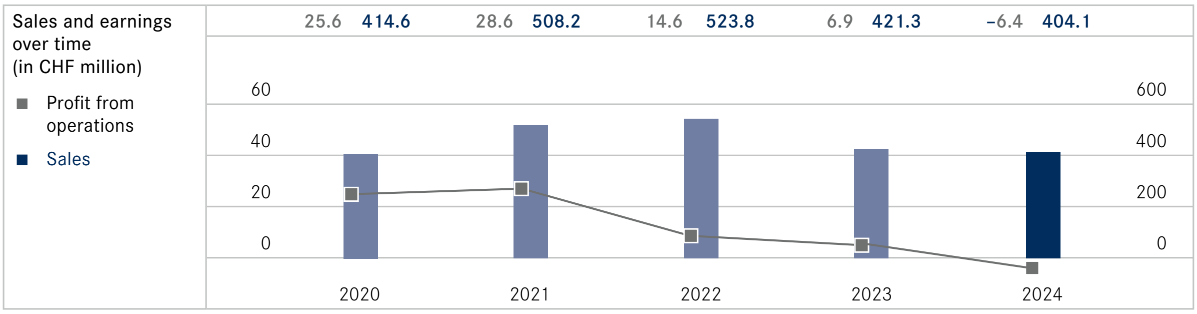

Nemo wins the 2024 Eurovision Song Contest for Switzerland

Summer Night Concert of the Vienna Philharmonic Orchestra

Highlight Event AG

Eurovision Song Contest (ESC), New Year's Concert and Summer Night Concert: TV audience figures remain at high level

Both projects, in addition to a successful streaming presence, have once again achieved outstanding global TV viewing figures: In particular, the New Year's Concert (with around 50 million) and the Grand Final of the Eurovision Song Contest (also with around 50 million, a total of over 150 million) maintained their exceptional position in the global music and entertainment market.



RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL SITUATION OF THE HIGHLIGHT GROUP

OVERALL ASSESSMENT OF THE REPORTING PERIOD

In the opinion of the company, the business performance of the Highlight Group was satisfactory overall in 2024. At CHF 404.1 million, Group sales were 4.1 % below the previous year's figure of CHF 421.3 million due to foreign currency effects.

EBIT decreased to CHF –6.4 million from CHF 6.9 million in 2023. At CHF –28.7 million, the Group's net loss for the period was also higher than in the previous year (CHF –10.6 million).

With the share of results attributable to Highlight's shareholders at CHF –27.7 million, compared with CHF –10.6 million in the previous year, earnings per share decreased from CHF –0.19 in the previous year to CHF –0.49.

RESULTS OF GROUP OPERATIONS

Reduction in consolidated sales

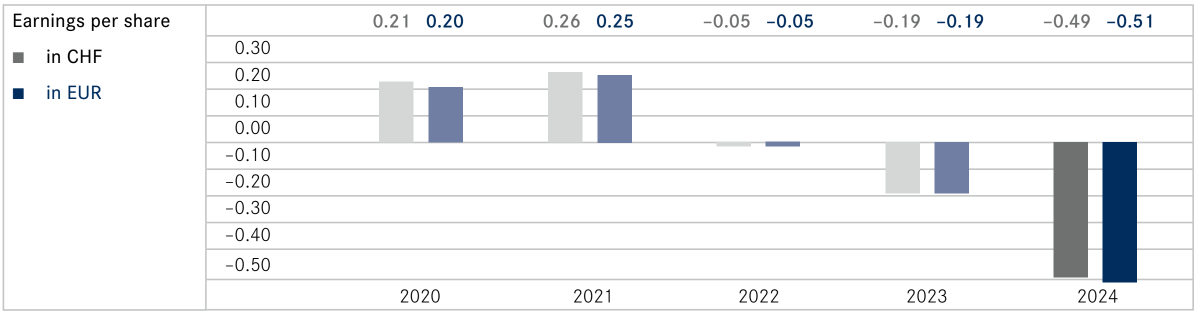
The Highlight Group generated consolidated sales of CHF 404.1 million in the past fiscal year, a reduction of CHF 17.2 million as against the previous year (CHF 421.3 million). The film segment as well as the sports and event segments generated lower external revenues than in the previous year due to currency and production-related factors.

At CHF 136.4 million, capitalized film production costs and other own work capitalized were up considerably by CHF 59.9 million on the 2023 comparative figure (CHF 76.5 million).

Other operating income decreased slightly to CHF 12.7 million (previous year: CHF 15.2 million).

EBIT down on previous year

Consolidated operating expenses, which totalled CHF 559.6 million, were CHF 53.4 million or 10.5 % higher than in the 2023 financial year (CHF 506.2 million). The cost of materials and licences increased by CHF 42.3 million to CHF 262.1 million (previous year: CHF 219.8 million) due to production, while staff costs fell by CHF 10.6 million to CHF 154.3 million (previous year: CHF 164.9 million). At CHF 83.8 million, amortization was up by CHF 17.4 million, primarily due to production-related factors, compared to CHF 66.5 million in the previous year.



Consolidated results

The financial result fell by a total of CHF 3.1 million to CHF –16.1 million (previous year: CHF –12.9 million). Financial income increased by CHF 0.5 million to CHF 5.7 million (previous year: CHF 5.1 million) and financial expenses increased by CHF 3.7 million to CHF 21.7 million (previous year: CHF 18.1 million). Taking into account tax expense (income taxes and deferred taxes) of CHF 8.0 million (comparative period: CHF 0.6 million), the Highlight Group reported a consolidated net loss of CHF 29.7 million for fiscal year 2024 (comparative period: CHF –10.6 million). The share of profit attributable to Highlight shareholders decreased to CHF –27.7 million after CHF –10.6 million in the previous year. Based on an unchanged average number of shares outstanding of 56.7 million in the reporting year, this results in earnings per share of CHF –0.49 (previous period: CHF –0.19).

RESULTS OF SEGMENT OPERATIONS

Film: Earnings down

A total of ten in-house and co-productions were made in the area of theatrical production. Filming took place for the in-house production “Der Spitzname” and the Constantin co-production “Momo” in 2024. In addition, the theatrical film version of the audience favorite “Pumuckl und das große Missverständnis”, the co-production “The Physician 2” and “Das Kanu des Manitu” were produced.

The Constantin Film Group released a total of seven films in German movie theaters in 2024, including “Chantal and the Magic Kingdom” (“Chantal im Märchenland”), “Der Spitzname” and “Hagen”.

Thanks to a balanced portfolio and a strong focus on German productions, the market share in the home entertainment segment was maintained. Films that generated high sales included “Chantal and the Magic Kingdom” (“Chantal im Märchenland”), “Der Nachname” and “Rehragout-Rendez-vous”.

In the TV exploitation/license trading business area, numerous license sales of in-house and third-party productions were again realized in 2024, with established partners as well as with new ones. In the free-TV area, the initial licenses for “Der Nachname”, “Monster Hunter”, “Resident Evil: Welcome to Raccoon City” and “Liebesdings” had a particularly relevant impact on sales.

Sales in the Film segment fell by 0.9 % to CHF 251.4 million in the year under review (previous year: CHF 253.6 million). Other segment income, which is largely influenced by capitalized film productions, rose by 69.0 % to CHF 144.6 million (previous year: CHF 85.5 million). At the same time, segment expenses also increased, by 17.2 % overall to CHF 387.2 million (previous year: CHF 330.5 million). At CHF 9.5 million, segment earnings were 9.2 % above the previous year’s level (previous year: CHF 8.7 million).

"Achtsam Morden" brings exciting entertainment to Netflix

Sports and Event: Segment sales below previous year's level

In 2024, the TEAM Group focused on supporting UEFA in concluding the third and final season of the 2021/22 to 2023/24 commercial cycle.

The start to the new 2024/25 to 2026/27 commercial cycle coincided with a change to the competitions' formats. The new league phase kicked off successfully and was concluded at the end of January 2025.

Alongside new competition formats, TEAM and UEFA introduced a revised brand identity for the Champions League called "Kick of Light".

Highlight Event AG concluded the 2024 financial year on a very successful note. Sales, management and contract implementation activities in the sponsorship area (Eurovision Song Contest and Vienna Philharmonic Orchestra) as well as general consulting activities and media sales (Vienna Philharmonic Orchestra only) proceeded very positively.

In the reporting period, Sport1 Medien AG focused on further optimizing its rights portfolio, improving existing and creating new digital offers and marketing environments, as well as cross-platform content utilization, networking and capitalization.

External sales in the Sports and Event segment amounted to CHF 152.7 million, down 9.0 % on the previous year (CHF 167.7 million). Segment expenses decreased slightly from CHF 170.9 million to CHF 168.3 million, while other income fell from CHF 6.4 million to CHF 4.8 million.

Consequently, the segment result of CHF -10.6 million was below the previous year's figure of CHF 3.9 million.

Holding costs

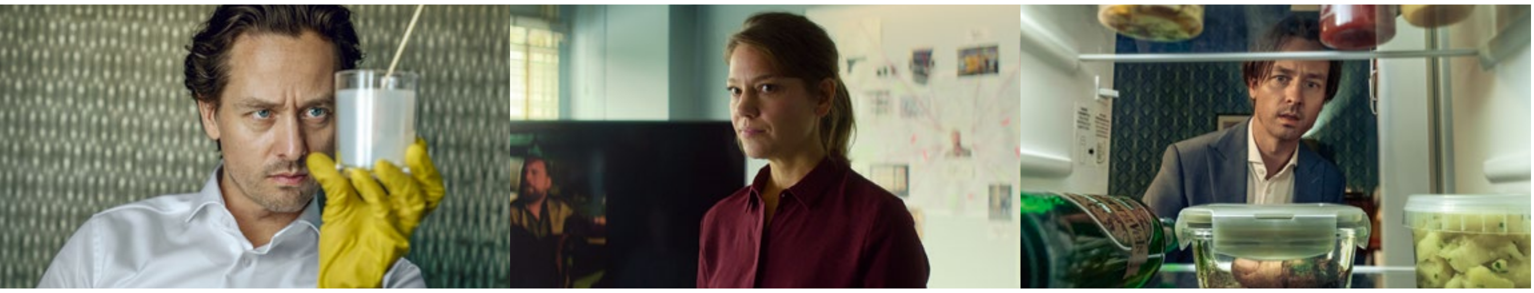
The costs of holding activities decreased by CHF 0.4 million to CHF 5.3 million (comparative period: CHF 5.8 million) due to optimizations in the 2024 financial year.

NET ASSETS SITUATION

Total assets down year-on-year

As of December 31, 2024, the Highlight Group's total assets amounted to CHF 624.6 million – an increase of CHF 25.8 million compared to the end of 2023 (CHF 598.8 million).

The increase of total assets resulted from non-current assets, which rose by CHF 20.4 million to CHF 471.0 million (previous year: CHF 450.6 million), and current assets, which increased by CHF 5.5 million to a total of CHF 153.7 million (previous year: CHF 148.2 million). These were significantly influenced by trade receivables and other receivables in the amount of CHF 117.9 million (previous year: CHF 84.4 million), which increased by a total of CHF 33.5 million. At the same time, contract assets decreased by CHF 16.1 million to CHF 10.1 million (previous year: CHF 26.2 million).



The non-current assets increased in total by CHF 20.4 million to CHF 471.0 million (previous year: CHF 450.6 million), which is mainly due to the increase in film assets by CHF 27.9 million to CHF 223.9 million, while the other intangible assets decreased by CHF 4.2 million to CHF 45.8 million (previous year: CHF 50.0 million). The share of non-current assets in total assets remained at 75.4 %, practically unchanged from the previous year's level (75.3 %).

Film assets

At the end of the reporting year, the value of the film assets was CHF 223.9 million – an increase of CHF 27.9 million compared to the end of 2023 (CHF 196.0 million). Of this total, CHF 216.6 million (previous year: CHF 189.2 million) was attributable to in-house productions and CHF 7.3 million (previous year: CHF 6.8 million) to third-party productions.

Current and non-current liabilities up

On the liabilities side of the balance sheet, current liabilities increased by a total of CHF 26.6 million to CHF 410.3 million (previous year: CHF 383.7 million), which is largely due to an increase in financial liabilities.

Non-current liabilities increased by CHF 7.8 million to CHF 62.4 million (previous year: CHF 54.7 million).

Equity ratio slightly down year-on-year

Consolidated equity (including non-controlling interests) decreased by CHF 8.5 million to CHF 151.9 million compared to the end of the previous year (CHF 160.4 million). The main factor here was the net loss of CHF 29.7 million.

Relative to total assets, this equity corresponds to a calculated equity ratio of 24.3 % – a decrease of 2.5 percentage points compared to December 31, 2023 (26.8 %). The adjusted equity ratio (after netting cash and cash equivalents with financial liabilities and netting film assets with advance payments received) amounted to 26.9 % at the end of 2024 (previous year: 30.2 %).

For detailed information on the development of consolidated equity, please see the consolidated financial statements (pages 94 and 95).

The reality show Kaulitz & Kaulitz about the two frontmen of Tokio Hotel attracts a large audience

FINANCIAL SITUATION

Current net debt at CHF 134.5 million

At CHF 16.8 million, cash and cash equivalents as of December 31, 2024 were CHF 8.7 million below the level at the end of 2023 (CHF 25.5 million). At the same time, current financial liabilities increased by CHF 42.8 million to CHF 196.5 million (December 31, 2023: CHF 153.7 million), resulting in current net debt of CHF 186.4 million at the end of the reporting year, including current lease liabilities CHF 186.4 (December 31, 2023: CHF 134.5 million). This corresponds to a debt-equity ratio of 122.7 % (previous year: 83.9 %). Taking into account the non-current financial and leasing liabilities, net debt amounted to CHF 218.0 million (previous year: CHF 163.1 million).

In the reporting year, cash flow from operating activities amounted to CHF 36.4 million – a decrease of CHF 104.3 million compared to the 2023 financial year (CHF 140.7 million), which is partly due to changes in net working capital.

Cash flow used in investing activities decreased by CHF 13.2 million to CHF 96.7 million compared to the previous year (CHF 109.9 million). This change is due to a production-related decrease in payments for film assets of CHF 7.9 million to CHF 89.3 million (previous year: CHF 97.1 million).

The Highlight Group's financing activities resulted in a cash inflow of CHF 51.2 million in fiscal year 2024 (comparative period: cash outflow of CHF 34.1 million). Of this, CHF 51.1 million was received for current financial liabilities (previous year: CHF 17.0 million), while dividend payments of CHF 0.7 million were slightly below the previous year's level (CHF 0.9 million). There were cash outflows of CHF 10.0 million for repayments of current financial liabilities (prior-year period: CHF 59.2 million).

External and internal financing sources ensure liquidity

The Highlight Group has access to credit facilities, mostly with floating interest rates, as external sources of financing that have been partially utilized. These facilities are loans that usually have a remaining term of one month. The corresponding interest rates in the euro area were between 1 % and 8 % in the year under review. For other foreign currencies, especially USD and CAD, interest rates were between 2.25 % and 7.50 %. In general, the only internal sources of financing are the returns on operating activities. Given the level of cash funds and credit facilities available, the Highlight Group was able to meet its payment obligations at all times in the period under review.

PERSONNEL REPORT

In fiscal 2024, the Highlight Group employed an average of 1,337 people (previous year: 1,524), including freelance staff. 183 employees (previous year: 162) worked in Switzerland and 1,154 (previous year: 1,362) in Germany.

Emmy-winning six-part series: “Dear Child”

REPORT ON RISKS AND OPPORTUNITIES

Business activity and leveraging opportunities always entail risk. To protect the existence of the Highlight Group as a going concern, and to support the company in achieving its goals, an integrated, company-wide opportunity and risk management system (RMS) has been implemented.

RISK MANAGEMENT SYSTEM

The RMS is defined in a directive. Highlight Communications AG uses the definition from German Accounting Standard 20 “Group Management Report” issued by the Accounting Standards Committee of Germany (ASCG), which defines risks (opportunities) as “possible future developments or events that may lead to a negative (positive) deviation from forecasts/targets for the company”. The RMS follows the general principles of the overall framework for “enterprise risk management”, as developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The following objectives are pursued:

- Creating freedom of action by means of early and systematic identification of opportunities and risks
- Increasing reaction speed through transparency and timely communication of opportunities and risks
- Supporting the company management in assessing the expected development of the Group with its main opportunities and risks
- Reducing potential liability risks
- Raising employees’ awareness of risk-conscious and autonomous self-monitoring
- Ensuring the company’s continued existence as a going concern

The Highlight Group’s risk management system comprises risks and opportunities in equal measure. In line with the decentralized Group structure, operational responsibility for dealing with risks lies with the respective risk officers. These are mainly the directors and committee members, or the management members and department managers of the individual subsidiaries. The factors underlying the risks and opportunities are identified and assessed on a quarterly basis and approved by the risk officers. At Group level, the reported factors are standardized and consolidated where appropriate. Potential risks to the company as a going concern are required to be reported immediately. Please also refer to the reports on risks and opportunities of Sport1 Medien AG and the Constantin Film AG.

In the periodic report, the cause and effects of the factors are described, as well as possible early warning indicators and measures that are planned or have already been taken. If a loss or a measure can be quantified meaningfully, this value is determined and stated. If quantification is not reasonably possible, the possible loss is described verbally and classified in one of the categories “immaterial”, “limited”, “high” or “serious”. The same applies to the probability of occurrence with the categories “low”, “medium”, “high” and “very high”.

"Der Palast"

The product of the probability of occurrence and the level of loss results in the following risk levels:

- Small risks
  Small risks are immaterial to the company and no risk reduction measures must be agreed.
- Medium risks
  Medium risks exist in the case of a limited level of loss and a medium probability of occurrence. There is no need for immediate action. Efficient and effective measures are sufficient to reduce medium risks or to overcome them quickly if they occur.
- Significant risks
  In comparison to medium risks, significant risks have a higher level of loss or a higher probability of occurrence. They should be reduced by means of suitable controls or process optimization. If possible, suitable measures should be used to reduce the significant gross risk to the medium or small risk level.
- Large risks
  Large risks may in some circumstances threaten the existence of an organizational unit or of the entire Highlight Group as a going concern. Measures to reduce the gross risk are imperative and must be initiated immediately. The implementation of the measures is monitored by the management. Large risks must be reported to the management immediately, independently from the periodic reporting.

The net risk is derived from the potential gross loss, the probability of occurrence and the effect of the measures. To improve the structure, risks are divided into the categories of regulatory risks, business and market risks, operational risks, financial risks, legal risks and compliance risks.

In particular, risks beyond the control of the Group and risks arising from legal regulation often cannot be actively managed and avoided. Furthermore, risks with an extremely low or non-measurable probability of occurrence combined with a potentially major effect are not reliably determined. This includes unexpected and unavoidable events (force majeure).

INFORMATION ON INDIVIDUAL RISKS

Individual risks, their risk factors and their effects are set out below. The risks are presented in groups in line with the RMS risk categories. The presentation in the risk report has a higher level of aggregation than in the RMS itself. Within each category, the risks whose impact on the net assets, financial position and results of operations is considered highest are listed first. Unless otherwise specified, the risks apply to all segments. If the classification of the risk does not make any reference to the measures taken, then this relates to classification as a gross risk.

If a risk factor may threaten the existence of a significant organizational unit as a going concern, this is referred to in the following. The same applies if a risk threatens the existence of the Group as a going concern.

Regulatory risks

The Highlight Group's business models are highly dependent on legislation, legal practice and regulatory intervention by public authorities

Regulatory interventions, changes in legislation, or legal proceedings may have a negative impact on the cost or revenue structure. For example, they could lead to restrictions for customers when purchasing licenses. A drastic change in licensing practice in the Film segment could have a negative impact on the business model. The following factors have a notable effect on this risk:

- The current German Film Funding Act (Filmförderungsgesetz, FFG) expired at the end of 2024. With the entry into force of the amended Film Funding Act on January 1, 2025, the FFA film and distribution funding, which is financed by levies, will be awarded largely according to the reference principle: A film collects reference points according to certain criteria, the value of which is initially awarded as funding and can then be used. As an innovation of the FFG 2025, screenwriters and directors will also receive a share of the reference funds in the future. Unfortunately, the implementation of the other pillars, which was originally planned to take place at the same time, could not be launched on January 1, 2025. As further "pillars" for a reform of film funding, the federal government has planned a reform of the guidelines for jury-based cultural film funding by the federal government, the introduction of a tax incentive model for film and series productions, and an investment obligation for streamers and media library providers, in addition to the new FFG.
- Furthermore, the incentives provided by the German Federal Film Fund and the German Motion Picture Fund will continue to be available in 2025. On February 1, the funding rate will be increased to a uniform 30% of German production costs. This is crucial to keep pace with international competition and thus maintain Germany's attractiveness as a film location.
- The financial success of theatrical production and distribution is still largely dependent on the German film subsidy framework, hence there is a risk of such subsidies being reduced. The Constantin Film Group is constantly monitoring developments in the area of film subsidies in order to satisfy the relevant criteria for its productions and to participate in subsidies.
- In addition to the above proceedings, a number of other legislative proceedings are underway at national and EU level that could affect the Constantin Film Group, such as regulations to modify copyright contract law at national level of the amendment of the geo-blocking regulation at EU level.
- The sale of advertising time to providers of products such as sports betting, online casinos, lotteries or poker schools is heavily regulated. Regulatory measures such as concessions, prohibitions, or other restrictions could change the economic conditions for providers of these products, which could have an indirect effect on the planned sales.
- In this context, possible administrative proceedings or antitrust proceedings against companies of the Group in terms of the advertising of these products could also have a direct negative effect on the recognition of sales and possibly lead to increased costs.

- The entry into force of the European AI Regulation (Artificial Intelligence Regulation) on August 1, 2024, leads to stricter requirements for users of AI systems, particularly in the areas of information obligations and checks on admissibility under data protection law prior to commissioning. The review is particularly necessary in order to comply with the accountability obligation and requires a data protection impact assessment depending on the risk of the AI systems. The possible applications and legal requirements must also be taken into account during implementation.
- The draft law of March 27, 2024, amending the current German Federal Data Protection Act, will result in changes, particularly in the areas of human resources and joint responsibility.
- The amendment of the German Telecommunications Act largely came into force on December 1, 2021. The ancillary cost privilege for cable TV costs will be dropped – immediately in the case of newly built building distribution networks. There is a transition period of existing properties until mid-2024. The ancillary cost privilege allows landlords to bill their tenants for cable connections at a flat rate via ancillary costs. Between 8 and 11 million households in Germany are supplied with television in this way. The loss of this privilege could lead to customers abandoning traditional cable network providers and possibly instead switching to distribution channels not monitored by AGF or consuming less linear television. While it is difficult to make a clear forecast, there is the risk that up to 10% of technical range could be lost. This could lead to lower market share and thus a decline in sales. The German Act Regulating Data Protection and Privacy in Telecommunications and Telemedia also came into force at the same time. This Telecommunications/Telemedia Data Protection Act is intended to anticipate some important aspects of the e-Privacy Regulation so as not to be dependent on the far-off EU solution still.
- The draft e-Privacy Regulation, which is intended to regulate the use of cookies and similar technologies, the admissibility of creating user profiles (tracking, profiling, retargeting) or measures on the use of personal data, is still pending the EU legislative procedure.
- The reform of copyright contract law is also relevant. The new statutory regulations contain vague legal terms and unclear wording. More legal security in this regard can be gained only from case law and business practice in the sector over the coming years. Accordingly, the effects on the SPORT1 MEDIEN Group are not yet conclusively foreseeable at present.

As countermeasures, the Highlight Group keeps track of the relevant rulings and legislative proposals and attempts to form contacts with political decision-makers by means of lobbying and external studies.

In light of the possible effects, this risk continues to be classified as significant overall.

Business and market risks

The Highlight Group requires access to licenses and source material

The Highlight Group requires access to exploitation rights for its product portfolio. The following factors have a notable effect on this risk:

- In the Film segment, access to and acquisition of rights to literary works, exploitation rights and screenplays, as well as the conclusion of contracts with successful directors, actors and licensors are important factors for the production of TV and theatrical movies. The Constantin Film Group therefore has decades of experience working closely with renowned and experienced screenwriters, directors and producers with extensive expertise in producing theatrical movies and TV formats at home and abroad.

- In the Film segment, third-party productions are generally acquired on individual film markets. Various prices are paid here depending on the particular project and the specific market. Usually, the film has not yet been made at this point, but the rights are sold in advance for financing. Nonetheless, films bought at a high price can adversely affect the Group's net assets, financial position and results of operations if they are a complete failure. Third-party productions are typically acquired on individual film markets. As Covid-19 has delayed many movie productions, the competition for new projects and movies already completed has increased further. As a movie has usually not yet been completed when it is sold, and instead the rights are sold in advance for financing, movies bought at a high price can adversely affect the Group's financial position and financial performance if they are an utter failure.
- In order to operate its platforms, the SPORT1 MEDIEN Group is dependent on attractive broadcast rights to sports events and programming formats. The relicensing of exploitation rights for sports events or programming formats can entail an increase in the planned license costs. The unavailability of broadcast rights to sports events, including on account of greater competition such as OTT platforms, or an increase in license costs in the future could lead to the SPORT1 MEDIEN Group lacking attractive content for its TV stations or other platforms. This would mean lower market share, lower advertising or sponsorship revenue and lower pay TV revenue.

These risks are monitored by experienced employees responsible for purchasing rights and licenses at the relevant subsidiaries. Firstly, source material, films and rights are acquired on a long-term basis where possible in order to build up an inventory of material that reduces uncertainty in the planning period. Secondly, the development of alternative formats and in-house productions is being continuously expanded so as to create a certain degree of independence from third-party rights. In the Film segment, the "Constantin Film" brand plays an important role as the leading independent German film producer and distributor.

Overall, this risk continues to be classified as significant.

The Highlight Group is in intense competition regarding sales of its products

The Group's sales planning assumes certain market shares, audience figures and proceeds from the different stages of exploitation. If these assumptions are not matched, the planned sales may not be achieved. There is also a risk that it may not be possible to adapt the cost structure in a timely manner. The following factors are notable in this context:

- Market changes in the movie-theater or the home entertainment sector, such as falling audience and sales figures or growing competition, could be linked with a drop in prices for productions and licensed products. The expiry of framework agreements or a deterioration in the economic situation of licensees can lead to falling sale prices for licenses and thus threaten the intrinsic value of the film assets.

- Increasing production and distribution activities by relevant/competing independents and majors and by distributors on the German-language market could lead to falling margins in theatrical distribution. The effects of the coronavirus pandemic will influence the movie theater market for a long time. The regulatory closures and restrictions imposed in the past have a negative impact on theatrical distribution. The market will take a long time to recover. It can also be assumed that consumers' patterns of use have changed. Only when the markets have been working over a certain period again will a more detailed analysis be possible. Due to the pandemic-related restrictions, some movie theater operators have encountered financial difficulties. There is a risk that in some individual cases businesses may no longer be solvent after the subsidies cease to apply. It is difficult to assess what effects will arise from the tense economic situation, including in relation to the Ukraine war, the rise in energy and food prices, the cost of living, the shortage of skilled workers, etc. Persistently high inflation could lead consumers to reduce their entertainment budgets, which in turn is likely to result in fewer trips to the movies. Movie theatres are now facing the challenge of reaching the level they were at before the coronavirus pandemic.
- New streaming providers could increase the fight for end customers and the pressure on television stations. Reach and revenue power could fall for private stations in particular, leading to a decline in market share. Moreover, a potential economic slump due partly to the coronavirus pandemic could result in declining advertising revenue and accompanying budget reductions for the private free TV stations. There is a risk that both public broadcasters due to stagnating broadcasting fees and private broadcasters due to shrinking advertising revenue could have considerably decreasing budgets for the acquisition and licensing of transmission rights. This could result in a decline in commissions.
- A strong competitive environment could result in decreasing margins in theatrical distribution business.
- There is not inconsiderable competition for advertisers' limited budgets, coupled with a rising number of TV broadcasters and other potential advertising platforms. Declining advertising investment and falling prices in the marketing of airtime and ad space could have a material impact on the Group's sales and earnings performance.
- General economic fluctuations have a direct impact on the advertising market. This could lead to decreasing advertising budgets and spending by advertisers and thus lower sales at Sport1 GmbH.
- The changes or adjustments to AGF Videoforschung GmbH's television panel weighting model can lead to an unplanned loss of market share for the free TV broadcaster SPORT1, and as a consequence of this possibly to declining prices in the marketing of airtime and ad space.
- Because reach, market shares and subscriber numbers in particular are key factors for the amount of advertising revenue and sales that can be generated, the SPORT1 MEDIEN Group endeavors to expand its market shares via targeted, sought-after program content for its TV stations and other platforms in order to increase its competitiveness and to raise the profile and enhance the image of products through expenses for marketing them.
- SPORT1 is working very actively to expand and acquire new target groups via digital distribution channels and alternative digital formats in order to compensate for the corresponding risk and to create the opportunity to acquire new advertising inventory.

The Group's diversification in unrelated products and markets reduces the risk of competition in an individual area/segment. Because market shares and audience figures in particular are key factors for the amount of revenue that can be generated, the Highlight Group endeavors to gain possession of attractive program content for TV stations and other platforms and for its theatrical movies and TV productions in order to increase its competitiveness and to raise the profile and enhance the appeal of products through higher expenses for marketing them.

Accordingly, this risk continues to be classified as significant.

The Highlight Group is dependent on customers and business partners

Like any other enterprise, the Highlight Group is dependent on customers, suppliers and other business partners. The media and entertainment industry involves specific requirements. If contracts with key customers or business partners expire, are not extended or are terminated during their term, this could have a significant negative impact on sales and earnings in subsequent periods. The following factors are significant in this context:

- In the Sports- and Event-Marketing segment, the TEAM Group is dependent on the major client UEFA.
- With regard to the exploitation of theatrical productions, the Group is dependent on Sky Deutschland Fernsehen GmbH & Co. KG at the pay TV exploitation stage, as a considerable portion of its pay TV license sales is generated with this partner. If framework agreements are not extended, or are extended only at considerably worse terms, this could result in declining sales for the Highlight Group.
- There is a dependence on the major German free TV and pay TV stations, as a considerable part of production costs is covered by sublicensing TV transmission rights to theatrical movies. If contracts with key customers or business partners expire, are not extended or are terminated during their term, this could have a significant negative impact on sales and earnings in subsequent periods.
- In the case of TV service productions, the Constantin Film Group relies on continuous commissions. At some subsidiaries, there remains a dependence on a few major projects with a correspondingly high sales share. In the German TV station market, there is a small number of customers for a large number of producers. The individual TV stations therefore have a strong market position that can have an adverse effect on the margins that the Constantin Film Group can achieve.
- The market for TV ad time is defined by concentrated structures on both the supply and the demand sides. On the demand side, there are essentially seven large associations of media agencies that, in turn, typically consist of a number of smaller agencies. Their counterparts on the supply side are mainly the two private broadcast groups RTL and ProSiebenSat.1 and the public broadcasters, along with independent marketing companies, which include Sport1 Media GmbH and Magic Sports Media GmbH, which market SPORT1's platforms and content. If advertising budgets diminish, the price level for airspace marketing falls or customers cease to operate, this could have significant consequences for the company's sales and earnings performance. A further increase in competitive intensity on the German advertising market can currently be observed.

There are long-term relationships with technical service providers, which are necessary for uninterrupted broadcasting. Early termination or non-renewal of certain supplier agreements could result in higher costs due to the search for new partners and the establishment of new structures.

Overall, this risk continues to be classified as a significant risk.

The business models are dependent on catering to customers' tastes and the way in which content is consumed and reacting quickly to changes

The changes in patterns of use and the technical possibilities for handling media may have the effect that consumers use Highlight Group's product portfolio less than planned, causing it to lose appeal, range or relevance and meaning that the planned sales consequently are not achieved. The following factors are particularly relevant:

- Due to technical possibilities for producing illegal copies of movies, the difficulties involved in taking down pages on relevant streaming/movie portals to prevent copyright violations, and insufficient legal protection of lawful copyright exploitation, there is a risk of lost sales.
- In the already changing market environment for in-home viewing, both the provider structure and in particular consumer behavior have changed further as a result of the Covid-19 pandemic. The constantly growing digital market, and particularly SVoD exploitation, are continuing to develop positively. The decline in sales of physical audiovisual storage media is continuing. Analyzing the opportunities and risks for content producers as a result of this development, which is driven chiefly by IP-based offers such as SVoD, is a central topic of Constantin Film's strategic discussions.
- There are contracts in place with the key cable network, satellite and platform operators in Germany to secure the digital distribution of the channels operated by Sport1 GmbH in the medium term. However, contractual termination rights or changing legal requirements and competitor conduct on other channels could have a negative impact on the cable distribution of SPORT1 and the distribution of pay TV programming in general.
- The SPORT1 MEDIEN Group's strategy is to maintain or extend the maximum possible reach via long-term contracts with the cable network, satellite and platform operators based in the broadcasting area. In addition, the actively pursued media policy ensures access and findability for stations such as SPORT1 free of discrimination and above all with the same opportunities as other providers, especially the large broadcasting groups. The Group also attaches great importance to auspicious channel planning, which is an important decision-making criterion when it comes to assigning cable channels and especially findability in the digital environment.
- Analog cable distribution is gradually being discontinued in Germany. Since the middle of 2019, the relevant cable network operators will halt analog TV broadcasts, relying instead on digital channels. Media institutions do not currently assign capacity on digital cable for private broadcasters.
- As only digital broadcasts will be available in the future, the free TV channel SPORT1 will no longer be just one of 30 analog programs, but rather one of several hundred digital programs. The ability to find channels will therefore be essential to them.

By means of targeted market research and analyses of use, the Highlight Group is attempting to anticipate future trends in terms of both content and technological developments, as is also reflected in the Film segment's digitalization strategy. The appeal of the products is enhanced by developing consumer-friendly programming and source material. The effects of piracy are reduced by means of lobbying, awareness campaigns and systematic prosecution of violations.

Overall, this risk continues to be classified as a significant risk.

Legal risks

The Highlight Group is subject to risks from legal disputes

As an international enterprise, the Highlight Group is exposed to a number of legal risks. These particularly include risks relating to copyright law, company law and securities trading law. The outcomes of currently pending and future legal proceedings often cannot be reliably predicted, meaning that, among others, court rulings or decisions by public authorities may result in expenses that are not covered, or not fully covered, by insurance policy benefits and could have a negative impact.

As part of the legal support for operating activities, legal risks are identified and assessed qualitatively and quantitatively in terms of their probability of occurrence and potential impact.

Based on the assessments made and the measures taken, this risk is still classified as small.

Operational risks

In the Film segment, the production of a theatrical or TV movie is a cost-intensive and long-term project

Production costs for a German theatrical movie with an average budget are between EUR 3 million and EUR 7 million, while major international productions can be many times this amount. The period from the initial idea to the final marketing stage may last several years. The following factors have a notable effect on this risk:

- In TV service productions, the cost risk can be high due to development costs. In the event of non-commissioning, these costs are often only partially borne by the respective broadcaster. Even in the case of an order, there is no requirement for these costs to be added as initial costs to the budget of the respective TV provider.
- For TV broadcasters, in terms of tying up big-spending advertising partners, successful coverage and market share performance are important when buying and producing program content. This is why program providers are increasingly reserving the option to back out of a format commissioned in their contracts with producers if it fails to meet ratings expectations. Therefore, producers increasingly face the risk of having productions canceled at short notice.
- In the unlikely event of a delay or cancellation of a theatrical or TV service production due to unforeseeable market or project developments, it is possible that already delivered or commissioned services may no longer be usable and additional costs may arise from renewed commissioning of the services.

- The lack of budget discipline in terms of release expenses can cause an overspend on film-related marketing costs and reduce a film's contribution margin.
- Unlike theatrical movies, international TV series cannot be financed largely by way of advance sales based on the script. Sales cannot generally be made until at least one completed pilot episode has been presented. As a result, production costs have already reached an advanced stage by the time any sales take place.

If budget overruns occur in the course of a production, this can then negatively affect a movie's planned gross and therefore its earnings. In addition to the regular monitoring of production costs, movie insurance and completion bonds in particular are agreed to help ensure the completion of a movie.

Constantin Film AG is applying for formats at various broadcasters and program providers/distribution platforms in Germany and abroad and has entered into development contracts for series and non-series formats. Thanks to its long-term experience in producing movies, Constantin Film AG has usually managed to fully cover production costs with the exploitation sales in the past. Furthermore, Constantin Film AG kept film productions on schedule and on budget and largely avoided unplanned costs or insured against them.

Overall, this risk continues to be classified as a medium risk.

The Highlight Group is dependent on a secure and well-functioning IT infrastructure

The Highlight Group depends on smooth functioning of its IT systems in order to ensure smooth operations. Despite security measures such as access control systems, contingency plans and an uninterruptible power supply for critical systems, back-up systems and regular data mirroring, it cannot be ruled out that the protection against damage from a failure of its IT systems may prove insufficient.

In the event of a failure of the IT systems, theft of company data or manipulation of the company's IT, there could be negative effects on operations and thus on earnings.

The risks with regard to unauthorized access to company data are largely eliminated by using virus scanners and firewall systems. In addition, the Group has taken measures to keep the existing IT service landscape in line with the current technological standard and to counteract the obsolescence process in device and program technology, which was also examined as part of a cyber risk assessment. Training courses are also provided to raise awareness of security among the employees.

An outflow of company data to external AI cannot be ruled out either.

Taking into account the effects of the countermeasures, this risk continues to be classified in the medium risk level.

The Highlight Group is dependent on the creativity, commitment and expertise of its employees

The future success of the Highlight Group depends to a significant extent on the performance of its managers and employees. There is intense and increasing competition for staff with the relevant qualifications and knowledge of the industry.

The Highlight Group therefore cannot guarantee that it will be able to retain its highly qualified and committed staff and gain new employees with the relevant qualifications in future.

If qualified staff or key personnel leave the Group, this could lead to a loss of expertise and give rise to unplanned costs for the recruitment and orientation of new staff, which would have negative effects on earnings.

To minimize this risk, target agreement and feedback discussions are held on a regular basis. In addition, the Highlight Group offers an attractive work environment, appropriate compensation and opportunities for development. To increase the Group's appeal as an employer on the recruitment market, increased investments have been made in social networks and job portals.

Overall, this risk continues to be classified in the small risk level.

The Highlight Group could have insufficient insurance against damages and claims

The Highlight Group decides on the type and scope of insurance cover on the basis of a business analysis of the costs and benefits in order to cover the risks it considers significant. However, the Highlight Group cannot guarantee that it will not suffer losses or that no claims will be raised that go beyond the scope of the existing insurance cover.

If the Highlight Group suffers material damages for which there is no insurance cover, or only insufficient insurance cover, this could have negative effects on earnings. In the event of damages, third-party claims or replacement investments would have to be financed from own resources.

Overall, this risk continues to be classified in the small risk level.

Compliance risks

Despite the existing control and monitoring systems in the Highlight Group, these may prove insufficient to prevent violations of the law by employees, representatives, external service providers or partners, and to detect violations of the law that have already taken place

It is not possible for the Highlight Group to comprehensively monitor the activities of employees, representatives and partners in paving the way for business with customers. If it transpires that persons whose actions are attributable to the Highlight Group accept or grant unfair advantages in connection with paving the way for business or use other corrupt business practices, this could lead to legal sanctions under Swiss and German law and under the law of other countries in which the Highlight Group operates. Possible sanctions could include substantial fines or a loss of orders.

This could have a negative impact on earnings and cause damage to the Highlight Group's reputation.

Overall, this risk continues to be classified in the small risk level.

Financial risks

The Group is exposed to various financial risks resulting from its operating and financing activities. Financial risks can be broken down into the categories liquidity risks, credit risks and market risks (including currency risks, interest rate risks and price risks).

The risks associated with financing are described in detail in note 8, disclosures on financial risk management, of the notes to the consolidated financial statements. The Group uses corresponding hedges for currency and interest rate risks where appropriate.

The Highlight Group is subject to the credit risk

A credit risk exists if a debtor cannot pay a receivable or cannot pay it on time. Credit risks include direct counterparty risk and the risk of deterioration in credit quality.

Potential risks of default on customer receivables are assessed regularly and allowances for bad debts are recognized if necessary. Furthermore, the Group also hedges the risk of default due to insolvency of a debtor by obtaining credit rating information. Therefore, the Group rates its credit quality for receivables that are neither overdue nor impaired as predominantly good.

Default on receivables from customers could have a negative impact on earnings.

Taking into account the measures implemented, this risk continues to be classified as a small risk.

The Highlight Group is subject to liquidity risks

Liquidity risks arise when the Group's payment obligations cannot be covered by its available liquidity or by corresponding credit facilities. As of the end of the reporting period, the Highlight Group had liquidity reserves taking into account the available short-term credit facilities. Nonetheless, it cannot be ruled out that the guarantee or master credit agreements in place will be canceled or not renewed by individual banks or investors, with the result that the Highlight Group, even taking into account the free working capital facilities, is forced to borrow further debt capital on the capital market or from banks, at short notice or in the medium term, to finance new projects or to refinance existing financial liabilities.

Therefore, there is the risk that, in the event of a deterioration of the Group's economic situation, further funding may not be available or not be available to a sufficient extent, or could only be available at more disadvantageous terms. If the Highlight Group does not service the respective loans when due or does not repay them following termination or at the end of their term, there is a risk that the respective lender may liquidate the assets pledged as security by the Highlight Group. In the event of such liquidation, there is a risk that assets might have to be sold below their actual value, which would have a significant negative impact on earnings.

Overall, this risk continues to be classified in the small risk level.

The Highlight Group is exposed to currency risks

These currency risks mainly relate to the euro, the US dollar and the Canadian dollar.

In significant transactions, the Group attempts to reduce currency risks by using suitable derivative financial instruments. However, it cannot be ensured that the currency hedging measures taken by the Group are sufficient, and that fluctuations in exchange rates will not have a negative impact on earnings.

In view of the fact that the EUR/CHF exchange rate recovered in the past reporting period compared to the previous years, this risk is currently still assessed as a medium risk.

The Highlight Group is subject to the risk of changes in interest rates

Interest rate risks primarily relate to current and non-current financial liabilities. There is also an interest rate risk resulting from the mismatching of maturities.

At the current time, the Highlight Group has fixed-rate and floating-rate current financial liabilities and fixed-rate non-current financial liabilities.

Risks from changes in the interest rates for financial liabilities may have a negative impact on earnings.

Overall, this risk continues to be classified in the small risk level.

The Highlight Group is subject to risks in the measurement of financial and non-financial assets

As of the end of the reporting period, the Highlight Group held material financial and non-financial assets such as film assets, other intangible assets, goodwill as well as other non-current financial assets.

The Highlight Group's goodwill and film assets are tested for impairment at least once a year or more frequently if there are indications of impairment.

If there is no market value available, the evaluation approach includes management estimates and assumptions on the basis of premises that reflect the most recent information available. The actual development, which is often beyond the control of the company, may outstrip the assumptions made and necessitate an adjustment of the carrying amounts. This may have a negative impact on earnings.

Overall, this risk continues to be classified in the medium risk level.

Despite proper processes and careful checks, the Highlight Group cannot rule out risks in connection with future tax or social security audits

Highlight Communications AG believes that the tax returns and details for the social security agencies prepared within the Group were submitted completely and correctly. Nonetheless, there is a risk that additional tax claims could be made, particularly in light of the complex regulations on sales tax and withholding tax in the media industry. In the event of a social security audit within the Highlight Group, it also cannot be ruled out that the social security agency may arrive at a different perception of the social security contributions, resulting in additional claims against the Highlight Group.

If differing tax assessments or additional social security claims arise, this could have a negative impact on earnings.

Overall, this risk continues to be classified in the small risk level.

OPPORTUNITY MANAGEMENT SYSTEM

Similarly to risk management, the Highlight Group's opportunity management has the objective of implementing the strategic and operational goals rapidly and efficiently by means of specific activities. Opportunities may arise in any area. Identifying opportunities and taking advantage of them in a target-oriented way is a management task that is involved in day-to-day decision-making.

To improve the structuring and communication of the opportunity portfolio, the existing risk management system (RMS) was supplemented by the identification and assessment of opportunities. The corresponding guidelines and procedures also apply.

In line with the definition of the term "risk", the Highlight Group defines an opportunity as a possible future development or event that may lead to a positive deviation from forecasts/targets for the company. This means that events that are already included in the budget planning or the medium-term planning do not represent opportunities according to this definition and are not reported below. As with risks, opportunities are classified in four categories: "minor", "medium", "significant" and "high".

INFORMATION ON INDIVIDUAL OPPORTUNITIES

Individual opportunities, their factors and their effects are set out below. The opportunities are presented in groups in line with the RMS opportunity categories. The presentation in the opportunity report has a higher level of aggregation than in the RMS itself.

Business and market opportunities

The Highlight Group sees opportunities in implementing the digital transformation strategy

Advancing digitization is changing the individual patterns of media use. For some time, the Highlight Group has been vigorously developing its business models, thus actively promoting digital transformation within the Group, for example by way of licensing agreements with digital distribution providers, new forms of digital marketing or productions for international and national providers such as Netflix. The broad operational positioning that covers the categories of Sports- and Event-Marketing and Film and Entertainment, the excellent and in several cases leading market positions of the Group's business, and its strong, well-known brands represent clear advantages in a media world that is undergoing massive upheaval. The shift towards digital evaluation channels, which was already apparent in the market before the coronavirus pandemic, could accelerate further as a result. In times of crisis, streaming in particular could benefit greatly from people's growing need for variety and entertainment, and from increased leisure time – with the result of stronger than anticipated content demand among streaming providers. In addition to this "added effect", the exclusively digital exploitation by streaming services of movies originally intended to be released in theaters first could enable a kind of "substitute business". The company is therefore increasingly monitoring the advantages and disadvantages of the possible forms of exploitation, and has suitable structures to respond relatively flexibly to the lessons learned.

The planning of the sales that can be generated using these business models is based on cautious assumptions. There is the chance that actual development will be far better than the assumptions made and that digital transformation results in increased sales more quickly than anticipated.

This opportunity continues to be classified as medium.

Operational opportunities

The Highlight Group sees opportunities in the exploitation and development of licenses, formats and source material that have already been secured, as well as in the connection to a distinctive network

The Highlight Group already has a range of exploitation or marketing rights for sports and entertainment events that are important for its operating activities in the different segments, as well as film rights and source material. This establishes the basis for generating sales beyond the planning period as well. The Group's image and the maintenance and updating of a distinctive network will continue to facilitate access to these rights in the future.

Attractive film rights and source material for films that have already been secured could lead to higher sales than planned along the entire exploitation chain if they suit customers' tastes better than expected. In particular, there is the option of international relaunches of existing established intellectual property/brands belonging to the Constantin Film Group.

Advancing digitalization is changing the individual patterns of media use. Therefore, the SPORT1 MEDIEN Group's strategy includes identifying relevant trends and deriving promising business models from them. The following factors are decisive for the management:

The expansion and establishment of existing and new mobile offerings in the sports and entertainment sector with the aim of benefiting as much as possible from the increasing use of mobile devices. In light of the potential reach on all mobile devices, this creates an opportunity for increasing revenue through new responsive marketing products and cooperations with new platforms and partner networks.

Another clear trend in consumers' media use is the sharp rise in the use of video content on all digital platforms. In order to benefit from this development, the Group continues to enhance its digital video infrastructure on the basis of data in order to increase the amount of content available, reduce editorial processing times and enable individual user recommendations for further video content. In order to maintain the relevant quantity and quality of content, SPORT1 acquired the clip rights for the Bundesliga and Bundesliga 2 in 2021 and can editorially expand the content portfolio in line with the trend from the second half of 2022. There is an opportunity to generate additional, unplanned sales through the exclusive marketing of these digital rights.

This opportunity continues to be classified as medium.

The Highlight Group sees opportunities in the cooperation with UEFA

Based on the TEAM Group's long-term collaboration with UEFA for marketing the commercial rights to the UEFA Champions League, the UEFA Europa League and the UEFA Super Cup until the 2023/24 season, the prospects for continuation of the close cooperation with the Union of European Football Associations are – subject to TEAM's ongoing performance – very strong. Following the conclusion of a tender process conducted by UEFA and the European Club Association (ECA), UEFA announced on February 7, 2022, that TEAM Marketing AG (TEAM) had been successful in securing a mandate to act as the global marketing agency for the worldwide marketing of the media, sponsorship and licensing rights (excluding the marketing of media rights in the USA) relating to the UEFA Champions League, the UEFA Super Cup, the UEFA Europa League, the UEFA Europa Conference League, the UEFA Youth League and the UEFA Futsal Champions League Finals for three seasons, from 2024/25 to 2026/27.

This opportunity continues to be classified as medium.

SUMMARY OF THE OPPORTUNITY AND RISK SITUATION

In line with the RMS directive, the risks and opportunities reported by the individual risk officers are combined, aggregated and assessed at the level of the Group as a whole. The decentralized Group structure is taken into account here. The officers at the company concerned are responsible for full and accurate identification, assessment and communication of opportunities and risks.

Based on the available information and estimates, particularly for probabilities of occurrence, maximum losses and the effect of the countermeasures taken, the Group management of Highlight Communications AG has come to the conclusion that these risks do not represent a threat to the existence of the Group as a going concern. This applies to the risks both on an individual basis and also in combination, provided the effect of the combined risks can be meaningfully simulated or estimated in another way. The Group management currently considers the Highlight Group to be equipped to deal with the residual risks that are not reduced by countermeasures.

In summary, three risk clusters can be identified: The first category comprises risks originating externally, which arise in particular from regulatory interventions and legal requirements and are difficult to influence. These topics are monitored closely in order to identify unfavorable developments at an early stage. In general, the effect of these topics is inherently not short-term, meaning that it is possible to respond to them with adjustments in the planning process. The second category covers topics that the Group management knowingly accepts for reasons relating to the implementation of the business strategy. These include in particular risks arising from film and TV production, access to license rights and source material, sales-, taste- and consumer-related risks. The Group management believes that the effects of these risks are manageable in relation to the income opportunities arising from the business areas concerned. By monitoring key indicators, it is possible to identify whether this relationship between risk and opportunity is worsening on a long- term basis in individual areas. If so, this can be addressed by adapting the strategy. The last group comprises operational risks and particularly includes business risks, safety and security plans, contractual/financial obligations, safeguarding liquidity and legal risks. These are controlled by the Group management by way of guidelines and process checks and by consulting external advisors, thereby ensuring that the residual risk remains at an economically acceptable level.

The Group management continues to see the biggest opportunities in the rigorous expansion of the digital strategy and the potential afforded by a transformation of the media world. There are further opportunities arising from the continuous maintenance of existing business relationships, the establishment of new partnerships and the diversification of business activities in the two established segments.

All the Group companies are established in their respective sectors, can access a broad network of technical and creative energy, and respond quickly to changes. Accordingly, the Group management believes that the measures taken keep the risk to an economically acceptable level and considers the Group’s risk-bearing capacity to be sufficient. At the same time, it is rigorously pursuing the existing opportunities.

INTERNAL CONTROL SYSTEM (ICS) AND RISK MANAGEMENT SYSTEM IN RELATION TO THE GROUP ACCOUNTING PROCESS

The Highlight Group's accounting-related ICS comprises the measures to ensure complete, correct and timely transfer of relevant information required for the preparation of the annual financial statements, the consolidated financial statements and the Group management report. This is intended to minimize risks of misstatements in the accounting and external reporting.

Like the risk management system, the ICS also follows the general principles of the overall framework for "enterprise risk management", as developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Accounting within the Highlight Group is organized on a decentralized basis. While separate departments exist at the levels of the subgroups, Highlight Communications AG supports its direct subsidiaries with specific accounting-related issues. The separate financial statements of Highlight Communications AG and its subsidiaries are prepared in accordance with the legal regulations of the individual countries. To fulfill the requirements to prepare consolidated financial statements in accordance with the provisions of IFRS, reconciliations are prepared for all companies included in the Group and are reported to Group Accounting. The accounting provisions in the Highlight Group regulate uniform accounting policies and define a uniform chart of accounts throughout the Group in accordance with the applicable IFRS provisions. Laws, accounting standards and other pronouncements are analyzed on an ongoing basis with regard to whether and to what extent they are relevant and how they affect the accounting. Relevant requirements are, for example, set out in the Group accounting directive and communicated. Together with the financial reporting calendar that applies throughout the Group, they represent the basis for the process of preparing the financial statements. In addition, supplementary procedural instructions, standardized report forms, IT systems and IT-based reporting and consolidation processes support the process of uniform and correct Group accounting. Where necessary, we also use external service providers, for instance to measure pension liabilities. The qualifications of the employees involved in the accounting process are ensured by means of suitable selection processes and regular training.

The specific control activities performed at Group level to ensure proper and reliable Group accounting comprise the analysis and, where necessary, the correction of the separate financial statements presented by the Group companies. Clear delimitations of responsibilities and process-integrated controls such as the use of the dual control principle constitute additional control measures. The correctness and effectiveness of the internal control system is ensured on an annual basis by process-independent auditing activities by the Internal Audit department and is regularly reported to the Group management and the Board of Directors.

RISKS AND OPPORTUNITIES OF HIGHLIGHT COMMUNICATIONS AG

The financial statements of Highlight Communications AG are largely impacted by the risks and opportunities of the subsidiaries, as it is directly involved as a financial holding company and parent company. Accordingly, the above-mentioned opportunities and risks also apply to Highlight Communications AG.

The risks and opportunities may impact Highlight Communications AG at a different time from when they impact the operating subsidiaries.

FORECAST

GENERAL ECONOMIC ENVIRONMENT

In its current "World Economic Outlook" of January 2025, the International Monetary Fund (IMF) expects the economic situation to remain stable overall in 2025. However, the degree of stability varies greatly from country to country. The global reduction in inflation continues, but there are signs that progress is faltering in some countries and that in a few cases, elevated inflation is persisting. Although the core inflation of goods prices has returned to or below trend, the inflation of services prices in many economies, particularly in the United States and the euro area, is still above the pre-coronavirus pandemic averages. Global financial conditions remain largely relaxed, although here too there are certain differences between individual countries. In advanced economies, stock markets rose, largely on expectations of more business-friendly policies in the United States. By contrast, equity valuations in emerging and developing markets were more subdued. In addition, a broad appreciation of the US dollar, driven largely by expectations of new tariffs and higher interest rates in the United States, has further tightened financial conditions in these regions. Experts estimate that the growth rate for global economic output will be 3.3 % in 2025. According to IMF data, global inflation fell to 5.9 % in 2024; annual average inflation of 4.2 % is predicted for 2025.

A slight decline in growth from 2.8 % in 2024 to 2.7 % in 2025 is forecast for the United States. However, growth in the US will remain stable thanks to robust demand, a less restrictive monetary policy and favorable financial conditions.

According to the IMF, the economy in the eurozone will grow by 1.0 % in 2025, which represents a slight improvement in growth compared to the previous year (0.8 %). For Germany, the IMF is forecasting a growth rate of just 0.3 % for 2025, which nevertheless represents an improvement after the decline in economic output in 2024 (–0.2 %).

According to its December 2024 forecasts for 2025, the State Secretariat for Economic Affairs (SECO) expects the Swiss economy to grow by 1.5 %, following 0.9 % in 2024. The recovery of the European economy is proving to be slower than expected. It is not expected that the international and Swiss economies will normalize until 2026. The Swiss economy is then expected to grow by 1.7 %.

MEDIA AND ENTERTAINMENT MARKET ENVIRONMENT IN GERMANY

The audit company PricewaterhouseCoopers (PwC) expects the German entertainment and media industry to grow by an average of 2.2 % annually until 2028, with total revenue rising to EUR 118.8 billion by 2028. By then, the digital sector is also expected to catch up with the non-digital sector, accounting for 49.2 % of sales. Even now, digitalization is the major growth driver in this industry. The digital segments will therefore grow by an average of 4.3 % per year until 2028, while the average growth of the non-digital sectors is negative (–0.7 %). Data consumption will also continue to rise sharply. PwC expects annual growth of 18.4 % to a total of 310.0 billion gigabytes (GB) by 2028.

FOCUS IN FISCAL YEAR 2025

Film segment

Industry conditions

The PwC German Entertainment and Media Outlook 2024 to 2028 predicts that cinema market revenues will likely reach pre-pandemic 2019 levels by 2025. By 2028, the cinema market is expected to grow by an average of 5.5 % annually. The highest growth rate within the forecast period of 2024 to 2028 is likely to be seen as early as 2025; the reason for this is seen in the postponement of some productions to 2025 due to the now-ended strike by authors and actors in Hollywood.

The PwC German Entertainment and Media Outlook 2024 to 2028 estimates positive growth rates in the digital home entertainment sector for the following years. Although the growth rate of revenues from subscriptions (SVoD) will decline by 2028, revenues are still expected to grow by an average of 6.2 % annually. The TVoD segment will also grow by an average of 2.4 % annually until 2028. However, due to the comparatively lower growth, the market share of the TVoD segment is expected to decrease until 2028. This is mainly due to the high availability of various titles in the SVoD area, which makes individual transactions unnecessary.

By contrast, the German television market will continue to decline until 2028, according to the forecast. An average annual decline of 1.2 % is expected. The pay-TV market will also shrink by an average of 1.2 % annually until 2028, but will thus maintain its share of the total market. An average annual decline of 1.2 % is also expected for revenues from agency fees and for the TV advertising market in linear consumption until 2028.

The order situation for fully financed service productions has declined overall as a result of the consolidation of the streaming market. There could be further consolidation in the streaming sector at international and national level in the future. At the same time, national broadcasters are increasing their orders again as the advertising market continues to recover.

Public broadcasting also faces exceptional challenges and restructuring debates and is dependent on the future development of broadcasting fees.

Key areas

In theatrical production/acquisition of rights, the Constantin Film Group focuses on continuously optimizing the consistently high commercial quality of its national and international in-house productions and co-productions. The goal is to produce titles that are heavily geared towards the audience's emotional needs and that are ideally based on well-known brands or are of an event nature. However, productions with smaller budgets and a correspondingly manageable box office risk are also considered if they have a convincing concept. Each planned production is centered around an analysis of the audience segment to be addressed and the commercial quality of the production.

In the area of theatrical distribution, the Constantin Film Group is implementing its proven strategy of combining national and international in-house and co-productions with high-quality third-party productions and releasing these titles in theaters with a suitable press and marketing strategy at a strategically favorable time. This year, too, estimating the potential success of movies with theatrical exploitation is of crucial importance to the Constantin Film Group.

Because theatrical exploitation and the associated brand launch continue to provide the foundations for the subsequent stages of exploitation, the Constantin Film Group intends to adopt a product-focused strategy. This means the quantity structures will depend on the extent to which promising titles can be produced or acquired.

As things stand at present, at least fourteen theatrical releases are planned for 2025. These include in-house and co-productions such as the Oscar-nominated drama "September 5" about the tragic hostage-taking of Israeli athletes at the 1972 Olympic Games in Munich, the long-awaited sequel to "Manitou's Shoe" starring and directed by Michael Bully Herbig, the major international production "In the Lost Lands", the new film version of the famous fantasy novel "Momo" by Michael Ende, and the modern adaptation of the cult teen comedy "Mädchen Mädchen". In addition, Constantin Film will bring "Pumuckl und das grosse Missverständnis", the film adaptation of the bestseller "22 Bahnen" by Caroline Wahl, as well as the sequel to the medieval epic "The Physician" to the screen in 2025. The licensed titles "Babygirl" starring Nicole Kidman, "Criminal Squad 2" starring Gerard Butler and "The Last Showgirl" starring Pamela Anderson will also be released in German movie theatres.

With its in-house and co-productions "Das Kanu des Manitu", "Der Spitzname" and "In the Lost Lands" as well as international licence purchases such as "Criminal Squad 2", to name just a few, Constantin Film is once again well positioned in the transactional home entertainment sector for 2025. In SVoD initial exploitation, the theatrical projects "Chantal and the Magic Kingdom" ("Chantal im Märchenland") and "Der Spitzname", among others, will have a relevant impact on revenue in 2025. In the area of streaming in-house and co-productions, the six-part series "Hagen" will also contribute significantly to revenues. Not least, the digital distribution operated by the Constantin Film group itself and the continued good sales figures for catalogue products also contribute to the positive outlook for 2025.

In 2025, the theatrical projects "Hagen", "Manta Manta – Zwoter Teil", "Sonne und Beton" and "Caveman", among others, will have a revenue-relevant impact in the free-TV exploitation. Significant revenues in this category are also expected from TV in-house and co-productions, such as "Stationär" and the international exploitation of the high-end series "Smilla's Sense of Snow". In the pay-TV sector, notable revenues will be generated by "200% Wolf" and "Home Sweet Home".

The subsidiaries of Constantin Film AG are constantly working to develop innovative TV formats in the service production business area. In addition to traditional service productions for German TV channels, the Constantin Film Group also realises productions on behalf of digital platforms such as Netflix or Amazon.

For the coming year, Constantin Film expects demand for content in the area of service and licensed productions for TV channels and streaming services to remain largely stable. The Constantin Film subsidiaries are therefore preparing numerous projects, including further seasons of the dailies "Dahoam is Dahoam" (BR), "Shopping Queen" (VOX), "Heiland" (ARD), new episodes of the TV series "Kroatien-Krimi" (ARD) and "Passau-Krimi" (ARD) as well as streaming productions such as a second season of "Achtsam Morden" (Netflix).

With its TV service productions and the TV exploitation of its theatrical productions, the Constantin Film Group is also assuming ratings above the respective network's average for the current year.

Sports and Event segment

Industry conditions

In the Ad Spend Report 2024 by the agency group Dentsu, analysts expect the German market to continue to grow in the coming years 2025 (+3.3 %), 2026 (+3.1 %) and 2027 (+3.2 %). However, these forecasts are on shaky ground, because factors such as higher tariffs on US imports, a generally weak growth forecast for Germany and the parliamentary elections in Germany could lead to uncertainty in the advertising industry and thus to a reluctance to spend on advertising.

The JOM Group also expects the economy to be weak in 2025, but estimates that net advertising expenditure will grow by around +3.2 %, thus also forecasting a continued positive development of the advertising market. Two major trend topics are seen as decisive for this: the rapid further development of possibilities within digital moving-picture advertising and an increasing range of advertising space in the retail media area. According to JOM experts, the out-of-home advertising segment is set to continue growing strongly due to digitalization and data-based advertising targeting. TV advertising spending is expected to remain constant, while print media are likely to see a further decline in revenues.

However, JOM also sees factors of uncertainty, such as a possible change of government in Germany and the change of government in the USA, the conflicts in Ukraine and the Middle East, and does not rule out the possibility of a negative impact on the advertising industry in Germany.

In its “German Entertainment and Media Outlook 2024–2028”, auditing firm PricewaterhouseCoopers (PwC) expects the German entertainment and media industry to see an average annual growth rate of +2.2 % between 2023 and 2028. Total revenue in 2028 is expected to reach EUR 118.8 billion. Ongoing digitalization means that the share of digital sectors will almost reach the revenue of non-digital sectors (49.2 % vs. 50.8 %). If we focus on advertising revenues, PwC expects an annual average growth rate of 4.5 % to EUR 37.8 billion in 2028. Here, too, the digital share will continue to grow to over two-thirds.

Analysis of the individual segments:

- Books, newspapers and magazines: Revenue is expected to fall by an average of –2.1 % per year during the forecast period from 2023 to 2028. (Books: down by an average of –1.0 % to EUR 7.7 billion, newspapers: down by an average of –2.8 % to EUR 5.7 billion, magazines: down by an average of –3.5 % to EUR 2.1 billion). Despite falling forecasts, Germany will remain the fourth-largest market worldwide and the largest market in Europe, according to PwC.
- Television/TV advertising: In the forecast period from 2023 to 2028, a decline in revenues from TV advertising and pay-TV services of –1.2 % per year on average to EUR 9.9 billion is expected. The largest share of the losses in the TV advertising market is due to the decline in advertising revenues in free TV.
- Internet video/OTT: Spending on VoD offers in Germany is expected to continue to grow in the years to 2028, at an average rate of 7.4 % annually. This growth is based on the number of subscriptions, which will grow by an average of 6.5 % annually until 2028. Online TV advertising will grow to generate revenues of EUR 485.4 million by 2028.
- Online advertising: PwC expects an average growth of 7.9 % to EUR 24.9 billion by 2028, with growth slowing from 10.7 % in 2024 to 5.1 % in 2028.
- Out-of-home advertising: The German out-of-home (OOH) market is becoming increasingly digital. Revenues from digital out-of-home advertising will grow by an average of 6.9 % annually until 2028. Its share will thus increase to 39.4 % of the total out-of-home advertising market in 2028. The out-of-home advertising market as a whole will continue to decline by an average of –0.7 % annually to EUR 1.3 billion.

- Cinema: The cinema market will continue to grow during the forecast period from 2024 to 2028, but not as strongly as in the recovery years after the pandemic. Annual average growth of 5.5 % to EUR 1.3 billion is forecast by 2028.
- Music, radio, and podcasts: Overall, PwC sees continued positive development with average annual growth of 2.0 % between 2023 and 2028 to a value of EUR 6.3 billion in revenue. The music industry will continue to account for the largest share with slightly above-average growth.
- Video games and e-sports: The video games and e-sports market is expected to grow continuously during the forecast period up to 2028, albeit at a slower rate. According to PwC, the average annual growth rate should be 4.5 %, which means an increase in revenue to EUR 9.8 billion in 2028. The main driver here is the video game market.
- Virtual and augmented reality: An average annual growth rate of 10.6 % to EUR 1.4 billion is expected between 2024 and 2028.

Key areas

TEAM Group

In the first half of 2025, the TEAM Group will support UEFA in delivering a successful end to the first league phase in the UEFA Champions League and UEFA Europa League. Starting in February, the first knock-out stage of the three-year rights cycle from 2024/25 to 2026/27 takes place, concluding with the UEFA Champions League final, which will be played in Munich (Germany) at the Allianz Arena for the first time since 2012. The finals of the UEFA Europa League and UEFA Conference League will be played in Bilbao (Spain) and Wrocław (Poland) respectively.

Sport1 Medien AG

The fundamental focus in the 2025 financial year is on the consistent use, distribution and capitalization of content in the areas of sports and entertainment. In particular, following ACUNMEDYA’s investment in Sport1 GmbH, the entertainment programme color will be significantly expanded as part of the strategic cooperation through an extensive content offensive. In addition to strengthening the SPORT1 portfolio by acquiring new rights and launching new formats, extending existing partnerships and developing new content co-operations and business areas, the cross-platform evaluation and staging of established programme pillars remain the focus. These include, in particular, football, darts and motor sports as core sports. In view of the still massively growing digital and cross-platform use of media offerings, the Sports segment will also continue to push the digital diversification of the SPORT1 brand and at the same time create new content and marketing environments. In doing so, the SPORT1 MEDIEN Group plans to gradually create its own digital products tailored to the target group of its platforms, based on the wide reach of its platforms, the long-term rights acquired and the existing target group, and thus become less dependent on the advertising market. In addition, one focus is on planning and implementing future-oriented projects in the Web 3 area.

PLAZAMEDIA’s focus in 2025, alongside the realization of complex live and non-live productions, continues to be the development and advancement of production technologies, content management solutions and production-related content distribution.

Jackpot50 GmbH plans to produce exclusive virtual slot machine games after the launch of the new iGaming platform Jackpot50.de in 2025, in order to stand out from the competition and drive its growth.

In the sports sector, the subsidiaries of Sport1 Medien GmbH are focusing on maintaining and expanding existing customer relationships, as well as developing new ones. Particular emphasis is placed on making the best possible use of synergies in the sports sector by enabling the subsidiaries to map the entire value chain and provide integrated services for partners and customers.

Highlight Event AG

In 2025, Highlight Event AG will again primarily focus on the successful consulting, performance and fulfillment of the agency agreements with the Vienna Philharmonic Orchestra and with the European Broadcasting Union (EBU) for the Eurovision Song Contest, as well as the associated media and marketing agreements.

In addition to the two major events in Vienna – the New Year's Concert at the Musikverein and the Summer Night Concert in the Schönbrunn Palace Gardens – events for the Vienna Philharmonic Orchestra will be realized in Milan, Paris and Seoul. Activities will also concentrate on contractual negotiations and preparations for the coming years.

The Eurovision Song Contest 2025 will take place in Basel. The sponsorship sale for this event has already been successfully completed. The partners include: Moroccanoil (presenting sponsor) and, as official partners, booking.com, easyJet, Baileys, Royal Caribbean and Idealista.

Financial targets of the Highlight Group

It should be noted that the actual results may differ significantly from the expectations for future developments if the underlying assumptions for the forward-looking statements prove to be incorrect.

Inflation, rising energy prices, consumer behavior and the current political crises are creating increased planning uncertainty for fiscal 2025.

The Constantin Film Group expects to release commercially successful movies in German theaters once again in fiscal 2025. Overall, the Board of Directors therefore expects sales from German theatrical exploitation to be significantly higher than in the previous year. Among the candidates with particular commercial potential at the box office is, in particular, "Das Kanu des Manitu", the long-awaited sequel to "Manitou's Shoe". The remake of Michael Ende's famous fantasy novel "Momo" and the modern adaptation of the cult teen comedy "Mädchen Mädchen" are further important and promising anchors in what is set to be a diverse and broad-based cinema season with at least fourteen titles.

In home entertainment, sales are also expected to be significantly higher than in the previous year. The top titles for exploitation in 2025 in the transactional sub-area are expected to be "Der Spitzname", "Das Kanu des Manitu" and "In the Lost Lands". In the SVoD initial exploitation, the successful cinema projects "Chantal and the Magic Kingdom" ("Chantal im Märchenland") and "Der Spitzname" among others, will have a relevant impact on sales in 2025; while in the area of streaming in-house and co-productions, the six-part series "Hagen" will make a significant sales contribution. Last but not least, considerable (pro-rata) sales are to be expected from the international exploitation of productions such as "In the Lost Lands" and "Regretting You".

In license trading/TV exploitation (pay TV and free TV), sales generated in Germany from fictional productions are expected to be on a slightly lower level than in the previous year. Key movies with high sales in 2025 will include "Hagen", "Manta Manta – Zwoter Teil" and "Sonne und Beton".

Noteworthy sales in this category are also expected from TV in-house and co-productions such as “Stationär” and from the international distribution of productions such as “Regretting You” and the high-end series “Smilla’s Sense of Snow”.

In the fictional area of service productions for TV broadcasters and streaming services, the Board of Directors expects a slight increase in sales in 2025 compared to the previous year. The major projects that will generate to significant sales in 2025 include the 22nd season of “Dahoam is Dahoam”, “Die Falle” and the fifth season of “Die Heiland”.

In the non-fiction area, the Constantin Entertainment group is expected to generate sales slightly below the level of the previous year. Overall, revenues in the commissioned production area (fiction and non-fiction) are expected to be roughly in line with the previous year.

The Board of Directors expects positive potential that cannot currently be quantified from higher revenues from theatrical exploitation and higher revenues from home entertainment exploitation. By contrast, slightly lower revenues are expected from the TV exploitation segment.

The TEAM Group will focus on assisting UEFA in staging the second half of the first season of the 2024/25 to 2026/27 commercial cycle. Compared to the previous rights cycle and due to the competitions’ format changes, there are an additional 125 matches to deliver per season across the UEFA Champions League, UEFA Europa League, UEFA Conference League and UEFA Super Cup.

SPORT1 will again focus on the use, distribution and capitalization of content in 2024. In addition to the exploitation of key sports, it is still working intensively on expanding its cross-platform media content to push the diversification of the SPORT1 brand. Furthermore, SPORT1 acquired ACUN-MEDYA as a new partner in 2024.

In 2025, Highlight Event AG will again concentrate on fulfilling its existing sponsorship agreements for the Eurovision Song Contest and sponsor events of the Vienna Philharmonic Orchestra.

Pratteln, April 2025

The Board of Directors

Notes and forward-looking statements

This document contains forward-looking statements that are based on estimates and expectations of the Group management. Words such as "anticipate", "intend", "expect", "can/could", "plan", "intended", "further improvement", "target is", and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not historical facts. These are subject to risks, uncertainty, and factors that are mostly difficult to assess and, in general, beyond the control of the Group management. If one or more of these risks or uncertainties materializes, or if underlying expectations do not occur or assumptions prove to be incorrect, the actual results, performance, or achievements of the Highlight Group may differ significantly from those described explicitly or implicitly in the forward-looking statements. Highlight Communications AG does not intend to update the forward-looking statements contained in this document on an ongoing basis.

Although every effort has been made to ensure that the information and facts provided are correct, and that the opinions and expectations are reasonable, no liability or warranty as to the completeness, correctness, adequacy, or accuracy of any forward-looking statements in this document is assumed.

The information within our annual report is originally published in German. Discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes.

If any questions arise related to the accuracy of the information contained in the translation, please refer to the German version of our annual report, which is the official and only binding version.

CONSOLIDATED FINANCIAL STATEMENTS 2024

as of December 31, 2024 of Highlight Communications AG, Pratteln

The hit series “Dear Child” has won the International Emmy in the category “TV Movie/Mini-Series”.


INTERNATIONAL
ACADEMY OF TELEVISIO
ARTS & SCIENCES
INTERN
ACADEMY
ARTS &

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2024

Highlight Communications AG, Pratteln

ASSETS (TCHF)	Note	Dec. 31, 2024	Dec. 31, 2023
Non-current assets			
In-house productions		216,580	189,193
Third-party productions		7,325	6,810
Film assets	6.1	223,905	196,003
Other intangible assets	6.2	45,822	49,977
Goodwill	6.2	109,069	107,901
Property, plant and equipment	6.3	15,502	18,129
Right-of-use assets	6.4	32,425	28,876
Investments in associates and joint ventures	6.6	700	47
Non-current receivables	6.7	15,620	16,699
Other assets	6.9	21,316	24,851
Deferred tax assets	6.8	6,622	8,125
		470,981	450,608
Current assets			
Inventories	6.10	7,905	7,486
Trade receivables and other receivables	6.11	117,906	84,389
Contract assets	6.12	10,091	26,175
Receivables from associates and joint ventures	12	148	7
Income tax receivables	6.13	836	4,649
Cash and cash equivalents	6.14	16,773	25,498
		153,659	148,204
Assets		624,640	598,812

This consolidated balance sheet is to be read in conjunction with the following notes.

EQUITY AND LIABILITIES (TCHF)	Note	Dec. 31, 2024	Dec. 31, 2023
Equity	6.15		
Issued capital		63,000	63,000
Treasury shares		–6,255	–6,255
Capital reserves		–79,523	–104,136
Other reserves		–75,371	–77,264
Profit carryforward		243,030	282,994
Equity attributable to shareholders		144,881	158,339
Non-controlling interests		6,972	2,052
		151,853	160,391
Non-current liabilities			
Financial liabilities	6.18	2,483	3,470
Lease liabilities	6.4	29,152	25,123
Other liabilities		–	81
Pension obligations	6.16	4,753	3,545
Deferred tax liabilities	6.17	26,061	22,457
		62,449	54,676
Current liabilities			
Financial liabilities	6.18	196,546	153,715
Lease liabilities	6.4	6,610	6,306
Advance payments received	6.19	42,771	42,068
Trade payables and other liabilities	6.20	148,110	149,879
Contract liabilities	6.21	11,466	28,482
Provisions	6.22	2,292	690
Income tax liabilities	6.23	2,543	2,605
		410,338	383,745
Equity and liabilities		624,640	598,812

This consolidated balance sheet is to be read in conjunction with the following notes.

CONSOLIDATED INCOME STATEMENT 2024

Highlight Communications AG, Pratteln

(TCHF)	Note	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Sales		**404,081**	**421,300**
Capitalized film production costs and other own work capitalized	7.2	**136,419**	**76,525**
Other operating income	7.3	**12,722**	**15,248**
Costs for licenses, commissions and materials		–48,679	–53,390
Cost of purchased services		–213,388	–166,398
Cost of materials and licenses	7.4	**–262,067**	**–219,788**
Salaries		–134,681	–145,697
Social security, pension costs		–19,631	–19,183
Staff costs		**–154,312**	**–164,880**
Amortization, impairment and reversals of impairment of film assets	6.1	–62,566	–43,902
Amortization, depreciation and impairment of intangible assets and property, plant and equipment	6.2/6.3	–14,398	–15,682
Amortization, depreciation and impairment of right-of-use assets	6.4	–6,873	–6,861
Amortization, impairment and reversals of impairment		**–83,837**	**–66,445**
Other operating expenses	7.5	**–58,945**	**–55,060**
Impairment/reversals of impairment of financial assets	7.6	**–410**	**–34**
Gains/losses from the derecognition of financial assets at amortized cost		**–8**	**–7**
Profit from operations		**–6,357**	**6,859**
Net income from equity investments in associates and joint ventures	6.6	**665**	**–3,928**
Financial income	7.7	5,671	5,145
Financial expenses	7.8	–21,727	–18,075
Financial result		**–16,056**	**–12,930**
Profit before taxes		**–21,748**	**–9,999**
Income taxes		–2,509	–3,705
Deferred taxes		–5,470	3,093
Taxes	7.9	**–7,979**	**–612**
Net profit for the period		**–29,727**	**–10,611**
thereof shareholders' interests		–27,683	–10,613
thereof non-controlling interests		–2,044	2

Earnings per share (CHF)			
Earnings per share attributable to shareholders (basic)		–0.49	–0.19
Earnings per share attributable to shareholders (diluted)		–0.49	–0.19
Average number of shares outstanding (basic)		56,745,482	56,745,482
Average number of shares outstanding (diluted)		56,745,482	56,745,482

This consolidated income statement is to be read in conjunction with the following notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/LOSS 2024

Highlight Communications AG, Pratteln

(TCHF)	Note	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Net profit for the period		**–29,727**	**–10,611**
Unrealized gains/losses from currency translation		2,339	–11,445
Reclassification of realized gains/losses through profit or loss		–	–
Currency translation differences	6.15	2,339	–11,445
Gains/losses from cash flow hedges	6.15	–506	173
Items that can be reclassified to profit or loss		**1,833**	**–11,272**
Actuarial gains/losses of defined benefit pension plans	6.15	–766	–1,066
Gains/losses from financial assets at fair value through other comprehensive income	6.15	–11,595	–2,173
Items that cannot be reclassified to profit or loss		**–12,361**	**–3,239**
Total other comprehensive income/loss, net of tax		**–10,528**	**–14,511**
Total comprehensive income/loss		**–40,255**	**–25,122**
thereof shareholders' interests		–38,071	–25,067
thereof non-controlling interests		–2,184	–55

This consolidated statement of comprehensive income/loss is to be read in conjunction with the following notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2024

Highlight Communications AG, Pratteln

(TCHF)	Note	Equity Issued capital	Treasury shares
Balance as of January 1, 2024		63,000	–6,255
Currency translation differences		–	–
Gains/losses from cash flow hedges		–	–
Items that can be reclassified to profit or loss		–	–
Actuarial gains/losses of defined benefit pension plans		–	–
Gains/losses from financial assets at fair value through other comprehensive income		–	–
Items that cannot be reclassified to profit or loss		–	–
Total other comprehensive income/loss, net of tax		–	–
Net profit for the period		–	–
Total comprehensive income/loss		–	–
Dividend payments		–	–
Personnel expenses from share-based payment		–	–
Change in non-controlling interests		–	–
Balance as of December 31, 2024	6.15	63,000	–6,255
Balance as of January 1, 2023		63,000	–6,255
Currency translation differences		–	–
Gains/losses from cash flow hedges		–	–
Items that can be reclassified to profit or loss		–	–
Actuarial gains/losses of defined benefit pension plans		–	–
Gains/losses from financial assets at fair value through other comprehensive income		–	–
Items that cannot be reclassified to profit or loss		–	–
Total other comprehensive income/loss, net of tax		–	–
Net profit for the period		–	–
Total comprehensive income/loss		–	–
Capital increase		–	–
Dividend payments		–	–
Personnel expenses from share-based payment		–	–
Balance as of December 31, 2023	6.15	63,000	–6,255

This consolidated statement of changes in equity is to be read in conjunction with the following notes.

attributable to shareholders					
Capital reserves	Other reserves	Profit carryforward	Total	Non-controlling interests	Total equity
−104,136	−77,264	282,994	158,339	2,052	160,391
–	2,399	–	2,399	−60	2,339
–	−506	–	−506	–	−506
–	1,893	–	1,893	−60	1,833
–	–	−766	−766	–	−766
–	–	−11,515	−11,515	−80	−11,595
–	–	−12,281	−12,281	−80	−12,361
–	1,893	−12,281	−10,388	−140	−10,528
–	–	−27,683	−27,683	−2,044	−29,727
–	1,893	−39,964	−38,071	−2,184	−40,255
–	–	–	–	−687	−687
123	–	–	123	–	123
24,490	–	–	24,490	7,791	32,281
−79,523	−75,371	243,030	144,881	6,972	151,853
−104,458	−66,049	296,846	183,084	2,938	186,022
–	−11,388	–	−11,388	−57	−11,445
–	173	–	173	–	173
–	−11,215	–	−11,215	−57	−11,272
–	–	−1,066	−1,066	–	−1,066
–	–	−2,173	−2,173	–	−2,173
–	–	−3,239	−3,239	–	−3,239
–	−11,215	−3,239	−14,454	−57	−14,511
–	–	−10,613	−10,613	2	−10,611
–	−11,215	−13,852	−25,067	−55	−25,122
109	–	–	109	105	214
–	–	–	–	−936	−936
213	–	–	213	–	213
−104,136	−77,264	282,994	158,339	2,052	160,391

CONSOLIDATED STATEMENT OF CASH FLOWS 2024

Highlight Communications AG, Pratteln

(TCHF)	Note	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Net profit for the period		–29,727	–10,611
Deferred taxes		5,470	–3,093
Income taxes		2,509	3,705
Research grant		–	–554
Financial result (without currency result)		13,763	12,740
Net income from equity investments in associates and joint ventures	6.6	–665	3,928
Amortization, impairment and reversals of impairment of non-current assets	6.1/6.2/6.3/6.4	83,837	66,445
Gain (–)/loss (+) from disposal of non-current assets	7.3/7.5	–43	–57
Other non-cash items		–183	–2,265
Increase (–)/decrease (+) in inventories, trade receivables and other assets not classified as investing or financing activities		–14,924	51,167
Decrease (–)/increase (+) in trade payables and other liabilities not classified as investing or financing activities		–12,487	41,628
Dividends received from associated companies and joint ventures		5	–
Interest paid		–13,388	–12,288
Interest received		228	439
Income taxes paid		–1,336	–11,688
Income taxes received		3,376	23
Research grant received		–	1,181
Cash flow from operating activities		**36,435**	**140,700**

This consolidated statement of cash flows is to be read in conjunction with the following notes.

(TCHF)	Note	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Payments for intangible assets	6.2	–3,988	–4,738
Payments for film assets		–89,257	–97,124
Payments for property, plant and equipment	6.3	–3,322	–5,470
Payments for financial assets	6.9	–296	–515
Payment for acquisition of equity investments in associates and joint ventures	6.6	–	–2,148
Proceeds from disposals of intangible assets and film assets		–	30
Proceeds from disposal of property, plant and equipment		125	61
Cash flow for investing activities		**–96,738**	**–109,904**
Proceeds from sale of non-controlling interests		16,551	–
Repayment of current financial liabilities	6.18	–9,967	–59,168
Repayment of lease liabilities	6.4	–5,962	–6,647
Proceeds from receipt of non-current financial liabilities	6.18	144	15,716
Proceeds from receipt of current financial liabilities	6.18	51,127	16,968
Dividend payments	6.15	–687	–936
Cash flow for financing activities		**51,206**	**–34,067**
Cash flow for the reporting period		**–9,097**	**–3,271**
Cash and cash equivalents at the beginning of the reporting period	6.14	25,498	29,909
Effects of currency differences		372	–1,140
Cash and cash equivalents at the end of the reporting period	6.14	16,773	25,498
Change in cash and cash equivalents		**–9,097**	**–3,271**

This consolidated statement of cash flows is to be read in conjunction with the following notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2024

Highlight Communications AG, Pratteln

1. GENERAL INFORMATION

The consolidated financial statements of the Highlight Group were adopted by the Board of Directors of Highlight Communications AG on April 29, 2025 and require the approval of the Annual General Meeting to be held in June 2025.

1.1 General information on the Group

The parent company Highlight Communications AG is based at Netzibodenstrasse 23b, Pratteln, Switzerland. Highlight Communications AG is included in the consolidated financial statements of Highlight Event and Entertainment AG, Pratteln, Switzerland.

The company is listed on the regulated market (Prime Standard) of the Frankfurt stock exchange.

The operating activities of Highlight Communications AG comprise the Film and Sports and Event segments. Please see note 10 for further information on segment reporting.

1.2 Basis of presentation

The consolidated financial statements of Highlight Communications AG were prepared in accordance with the IFRS Accounting Standards and the additional provisions of Swiss commercial law. All IFRSs/IASs and SICs/IFRICs applicable as of December 31, 2024, were complied with.

A list of the subsidiaries, associated companies and joint ventures included in the consolidated financial statements can be found in these notes. The effects of the first-time consolidation and deconsolidation of subsidiaries, joint ventures and associated companies are shown in the section “Scope of consolidation” (see note 3).

The consolidated income statement was prepared in line with the nature of expense method. The annual financial statements of the companies included in the consolidated financial statements are based on uniform accounting policies in line with their respective business activities. The consolidated financial statements are prepared based on historical cost; exceptions to this are described in the accounting policies (see note 4).

In preparing the consolidated financial statements in accordance with IFRS, the management is required to make estimates and assumptions influencing the income, expenses, assets, liabilities as well as contingent liabilities and assets reported as of the end of the reporting period. These estimates and assumptions are based on the management’s best possible assessment based on past experience and other factors including estimates of future events. Estimates and judgments are reviewed on an ongoing basis. Changes to estimates are required if the circumstances on which they are based have changed or new or additional information has become available. Such changes are recognized in the reporting period in which the estimate is modified. Further information on estimates can be found separately under the respective balance sheet item (see note 5).

The financial statements have been prepared in Swiss francs, which is the functional and reporting currency of the Group’s parent company. Amounts are reported in thousands of Swiss francs (TCHF) unless stated otherwise. For calculation-related reasons, rounding differences of +/- one unit (TCHF) may arise and the percentages shown may not precisely reflect the absolute figures to which they relate.

These consolidated financial statements have been prepared assuming the Group will continue as a going concern which contemplates the continuity of operations, realization of assets and the satisfaction of liabilities in the ordinary course of business.

Based on financial projections and available cash, management expects to either renew its loans or to obtain alternative financing to have sufficient resources to fund operations for at least the next twelve months.

Management intends to continue to explore further options to obtain additional funding. However, there is a material uncertainty related to the renewal of loans and related to alternative financing. Failure to obtain the necessary funding could adversely impact the Group’s business prospects or its ability to continue operations (also see note 6.18, financial liabilities).

2. ACCOUNTING

2.1 Relevant standards and interpretations applied for the first time

In the current financial year, the Group has applied the following standard amendments for the first time:

- Amendment to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Constraints
- Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Agreements

As a result of the application of the amendment to IAS 1, the Group has amended its accounting policy for the classification of loans as follows (see also note 4):

“Loans are classified as current liabilities unless the Group has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.”

The application of the standard amendments has not had any significant impact on the Group’s accounting policies or the need for retrospective adjustments.

2.2 Relevant standards, revised standards and interpretations published but not yet adopted

The Highlight Group waived early adoption of the new and revised standards and interpretations whose adoption is not yet required for Highlight Communications AG. The Group considers the impact of these new standards and interpretations on current or future reporting periods and foreseeable future transactions to be immaterial.

3. SCOPE OF CONSOLIDATION

3.1 Acquisitions and sales

On July 1, 2024, Constantin Film AG, Munich, acquired the remaining 50 % stake in the already fully consolidated Königskinder Music GmbH, Munich, thereby increasing its stake to 100 %. This is a transaction between equity providers.

On August 2, 2024, Sport1 Holding GmbH sold 50 % of the shares in Sport1 GmbH to Acunmedya Holding B.V. The shareholders’ agreement stipulates that an advisory board be set up at Sport1 GmbH. The advisory board decides on all operational, strategic and financing decisions. Both shareholders each have two representatives on the advisory board, with the one representative of Sport1 Holding GmbH having the casting vote in the event of a deadlock until at least December 31, 2025. Since all significant decisions regarding Sport1 GmbH are made in the advisory board, Sport1 Holding GmbH can decide on significant activities itself until at least December 31, 2025, thanks to the casting vote, and thus has control over Sport1 GmbH. For this reason, Sport1 GmbH continues to be fully consolidated. The sale of the shares is considered a transaction between owners and has no impact on the consolidated profit or loss. The selling price is recognized directly in equity.

3.2 Other changes

The wholly owned subsidiary Highlight Communications (Deutschland) GmbH, Munich, was sold to Constantin Vertriebs GmbH, Munich, with economic effect as of January 1, 2024. This is a transaction within the previous consolidation group.

Highlight Communications (Deutschland) GmbH, Munich, was merged with Constantin Film Vertriebs GmbH, Munich, with retroactive effect as of January 1, 2024.

With retroactive effect as of January 1, 2024, the shares in Rat Pack Filmproduktion GmbH, Munich, were assigned from Constantin Film AG, Munich, to Westside Filmproduktion GmbH, Munich.

These transactions had no impact on the accompanying consolidated financial statements.

3.3 Overview of consolidated companies

Fully consolidated companies as of December 31, 2024

	Activity	Country	Currency	Subscribed capital	Share in capital*	Voting rights of the respective parent company
TEAM Holding AG	Holding company	CH	CHF	250,000	100 %	100 %
TEAM Football Marketing AG	Exploitation of sports rights	CH	CHF	6,340,000	95.27 %	100 %
TEAM Marketing AG	Marketing of sports events	CH	CHF	200,000	100 %	100 %
TEAM Marketing UK Ltd.	Marketing of sports events	GB	GBP	1	100 %	100 %
TEAM Marketing Asia Limited	Marketing of sports events	HK	HKD	100	100 %	100 %
T Squared AG	Marketing	CH	CHF	100,000	100 %	100 %
Highlight Event AG	Event Marketing	CH	CHF	500,000	100 %	100 %
Rainbow Home Entertainment AG	Distribution	CH	CHF	200,000	100 %	100 %
Constantin Film und Entertainment AG	Acquisition and development of content	CH	CHF	500,000	100 %	100 %
Constantin Film AG	Film production and distribution	DE	EUR	12,742,600	100 %	100 %
Constantin Media GmbH audiovisuelle Produktionen	Acquisition and development of content	DE	EUR	26,000	100 %	100 %
Constantin Film Produktion GmbH	Film and TV production	DE	EUR	105,100	100 %	100 %
Constantin Film Services GmbH	Service provider	DE	EUR	25,000	100 %	100 %
Constantin Film Development Inc.	Acquisition and development of content	US	USD	530,000	100 %	100 %
Dahoam Television GmbH	TV entertainment production	DE	EUR	25,000	100 %	100 %
Constantin Film International GmbH	International film production	DE	EUR	105,000	100 %	100 %
Constantin Pictures GmbH	International film and TV production	DE	EUR	25,000	100 %	100 %
Constantin Entertainment GmbH	TV entertainment production	DE	EUR	200,000	100 %	100 %
Constantin Entertainment Polska Sp z.o.o.	TV entertainment production	PL	PLN	54,000	100 %	100 %
Constantin Entertainment SRB d.o.o.	TV entertainment production	RS	RSD	155,735,000	100 %	100 %
Constantin Entertainment CZ s.r.o.	TV entertainment production	CZ	CZK	200,000	100 %	100 %
Moovie GmbH	Film and TV production	DE	EUR	104,000	100 %	100 %
Westside Filmproduktion GmbH	Film and TV production	DE	EUR	104,000	51 %	51 %
Rat Pack Filmproduktion GmbH	Film and TV production	DE	EUR	103,000	100 %	100 %
Olga Film GmbH	Film and TV production	DE	EUR	603,000	100 %	100 %
Constantin Film Verleih GmbH	Theatrical distribution	DE	EUR	25,000	100 %	100 %
Constantin Film Vertriebs GmbH	License trading and theatrical distribution	DE	EUR	250,000	100 %	100 %
VERA contracts GmbH	Development and sale of contract production and contract application software and database	DE	EUR	25,000	100 %	100 %
Constantin Music Verlags GmbH	Exploitation of music rights	DE	EUR	70,000	100 %	100 %
Constantin Music GmbH	Exploitation of music rights	DE	EUR	25,000	90 %	90 %
Constantin Film Production Services GmbH	Film and TV production	DE	EUR	100,000	100 %	100 %
Königskinder Music GmbH	Record label and music consulting	DE	EUR	50,000	100 %	100 %
Constantin Television GmbH	TV entertainment production	DE	EUR	100,000	100 %	100 %
Hager Moss Film GmbH	TV entertainment production	DE	EUR	102,300	100 %	100 %
Constantin TV Productions GmbH (formerly: PSSST! Film GmbH)	Film and TV production	DE	EUR	25,000	51 %	51 %
Constantin Holding Inc.	Holding company	US	USD	10	100 %	100 %

	Activity	Country	Cur-rency	Subscribed capital	Share in capital*	Voting rights of the respec-tive parent company
Sport1 Medien AG	Holding company	DE	EUR	93,600,000	100 %	100 %
Sport1 Holding GmbH	Holding company	DE	EUR	55,000	100 %	100 %
Sport1 GmbH	Platform operator	DE	EUR	500,000	50 %	50 %
PLAZAMEDIA GmbH	Production service provider	DE	EUR	150,000	100 %	100 %
Magic Sports Media GmbH	Marketing	DE	EUR	25,000	100 %	100 %
Jackpot50 GmbH	Business and services relating to virtual online games	DE	EUR	33,333	75 %	75 %
Match IQ GmbH	Consulting	DE	EUR	30,000	50.1 %	50,1 %
Event IQ GmbH	Consulting	DE	EUR	25,000	100 %	100 %

** Direct/indirect share held by the Group*

3.4 Overview of companies not included in consolidation

Owing to a lack of business activities, Impact Pictures LLC, Delaware, is insignificant in providing a true and fair view of the Group's net assets, financial position and results of operations. This company is therefore not included in Highlight Communications AG's scope of consolidation.

The non-consolidated equity interest is reported at a carrying amount of TCHF 0 (previous year: TCHF 0). The company is currently inactive and has no operations. Its assumed fair value is equal to its carrying amount.

Companies not included in consolidation as of December 31, 2024

	Country	Currency	Subscribed capital	Share in capital
Impact Pictures LLC*	US	USD	1,000	51 %

** Share held by Constantin Pictures GmbH, Germany*

3.5 Overview of associated companies

The following associates are included in the consolidated financial statements using the equity method:

	Share of capital	Period recognized in the consolidated financial statements	Currency	Subscribed capital
BECO Musikverlag GmbH	50 %	Jan. 01 to Dec. 31, 2024	EUR	25,565
Upgrade Productions LLC	25 %	Jan. 01 to Dec. 31, 2024	USD	40,000

The annual financial statements of BECO Musikverlag GmbH as of December 31, 2023 were used for reporting as the 2024 annual financial statements are not yet available.

Detailed financial information on the associate companies can be found in note 6.6.

3.6 Overview of joint ventures

The following joint venture is included in the consolidated financial statements using the equity method:

	Share of capital	Period recognized in the consolidated financial statements	Currency	Subscribed capital
High-end productions GmbH	50 %	Jan. 01 to Dec. 31, 2024	EUR	35,000

Detailed financial information on the joint venture can be found in note 6.6. High-end Productions Germany GmbH, Munich, is included as a wholly owned subsidiary of High-end productions GmbH on a pro-rata basis through the at-equity valuation of High-end Productions GmbH.

4. SUMMARY OF KEY ACCOUNTING POLICIES

The balance sheet is structured by maturity. Assets and liabilities are reported as current if they are due within one year or one business cycle or they are primarily held for trading. Conversely, assets and liabilities are classified as non-current if they are held by the Group for more than one year or one business cycle. Trade accounts receivable, trade accounts payable, contract assets, contract liabilities and inventories are reported as current items. Loans are classified as current liabilities unless the Group has the right to defer settlement of the liability for at least twelve months after the reporting period. Deferred tax assets and liabilities are reported as non-current items.

4.1 Consolidation methods

All significant subsidiaries are included in the consolidated financial statements. Subsidiaries are companies that Highlight Communications AG controls directly or indirectly.

Highlight Communications AG monitors on an ongoing basis whether it controls an investee when facts or circumstances indicate that one or more of the three control criteria have changed.

If Highlight Communications AG holds less than a majority of the voting or similar rights in the investee, Highlight Communications AG takes into account all relevant facts and circumstances in assessing whether it controls an investee.

First-time capital consolidation is implemented by offsetting the cost (consideration rendered) of the equity interest against the remeasured pro rata share of equity in the subsidiary as of the date of acquisition. For this purpose, assets and liabilities (including contingent liabilities) are stated at their fair values regardless of the amount of any non-controlling interests in equity. Incidental costs of acquisition are recognized as an expense. If an acquisition is gradual, shares held before control is obtained are remeasured at fair value as of the time of acquisition and added to the consideration rendered. Gains or losses resulting from remeasurement are recognized in profit or loss. The remaining positive difference is recognized as goodwill, which is tested for impairment annually or when there are indications of impairment. Any impairment loss resulting from this is recognized in profit or loss. Any negative difference arising from capital consolidation is reported in full as income in the year incurred after re-assessment. For each acquisition, the acquirer can elect to measure non-controlling interests either at fair value (full goodwill method) or at the pro rata identifiable net assets (partial goodwill method).

An associated company is a company in which Highlight Communications AG has significant influence. Significant influence is the ability to participate in the financial and business policy decisions of the investee, but not control or joint control of these decisions.

A joint venture is a joint arrangement in which parties exercise joint control of the arrangement and have rights to the net assets of the arrangement. Joint control is the contractually agreed common control of an arrangement. It exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Associated companies and joint ventures are measured using the equity method. Equity interests are recognized at cost at the time of acquisition. Any goodwill identified is included in the carrying amount of the equity interest and is not recognized as separate goodwill.

The results of associated companies and joint ventures are absorbed into the Group pro rata and allocated to the carrying amount of the equity interest. Profit distributions by these companies reduce their carrying amount. If there are objective indications of impairment, impairment losses are recognized in profit or loss. Changes recognized in the equity of associated companies and joint ventures are recognized by the Group in the amount of its interest and shown in the statement of changes in consolidated equity. Items recognized in other comprehensive income (OCI) in the financial statements of associated companies and joint ventures (e. g. currency translation differences) are shown in the consolidated financial statements as a separate item in other comprehensive income (OCI).

Companies are deconsolidated when they are no longer controlled. Deconsolidation is shown as the disposal of all assets attributable to the subsidiary including goodwill, liabilities and the differences from currency translation. Expenses and income incurred prior to this date are still included in the consolidated financial statements.

The effects of intragroup transactions are eliminated. Receivables and liabilities between consolidated companies are netted off and intragroup profits are eliminated. Intragroup income is offset against the corresponding expenses. Non-controlling interests represent the share of earnings and net assets not attributable to the shareholders of the parent company. Non-controlling interests are reported separately in the consolidated income statement, the consolidated statement of comprehensive income/loss and the consolidated balance sheet. They are reported in the consolidated balance sheet under equity but separately from the equity attributable to the shareholders of the parent company.

The effects of transactions with non-controlling interests that do not result in a loss of control are recognized in equity as transactions with equity providers. If transactions lead to a loss of control, the resulting profit or loss is recognized in profit or loss. The profit or loss also includes effects from the remeasurement of the retained shares at fair value.

4.2 Currency translation

4.2.1 Functional currency

The functional currency of Highlight Communications AG and the reporting currency of the Group is Swiss francs. The functional currency is the local currency for a majority of the Group companies.

4.2.2 Measurement of balances and transactions in foreign currency

Transactions in currencies that are not the functional currency of the Group company in question are recognized by the companies using the exchange rate in effect on the transaction date. Monetary assets and liabilities are translated at the closing rate as of the end of the reporting period.

Gains or losses from the settlement of these transactions and gains or losses from the translation of monetary assets and liabilities are recognized in profit or loss. Gains or losses from qualified cash flow hedges and monetary items classified as the Group's net investments in a foreign operation constitute an exception to this. These gains or losses are shown in other comprehensive income (OCI). Translation differences on non-monetary equity instruments measured at fair value through other comprehensive income (OCI) are also recognized in other comprehensive income (OCI).

4.2.3 Currency translation in the Group

The balance sheet items of foreign subsidiaries with a functional currency other than Swiss francs are translated in accordance with the functional currency concept at the middle rate at the end of the reporting period while income statement items are translated at annual average exchange rates. Goodwill and fair value adjustments from purchase price allocation are also translated at the exchange rate at the end of the reporting period. Any translation differences or differences from currency translation in amounts carried forward from previous years resulting from this are recognized in OCI.

When a foreign Group company is sold and deconsolidated, the cumulative translation differences from the translation of the assets and liabilities of that company which were recognized in OCI are recognized as part of the gain or loss on its sale and deconsolidation.

4.2.4 Exchange rates

		Closing rate		Annual average rate	
		Dec. 31, 2024	Dec. 31, 2023	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Euro	(EUR)	0.94015	0.92883	0.95254	0.97173
US dollar	(USD)	0.90499	0.84153	0.88060	0.89874
British pound	(GBP)	1.13446	1.07112	1.12508	1.11711
Canadian dollar	(CAD)	0.62968	0.63503	0.64286	0.66602

4.3 Fair value measurement

The Group measures its financial instruments, including derivatives, and non-financial assets and liabilities measured at fair value at the end of each reporting period. Fair value is the price that independent market participants would receive or pay under normal market conditions as of the measurement date when selling an asset or transferring a liability (exit price).

In measuring this, it is assumed that the sale/transfer takes place on the priority market (market with the largest volume) for this asset/liability. If a priority market is not available, the most advantageous market must be used to measure fair value. The fair value of an asset or liability is measured assuming that market participants act in their economic best interest when pricing the asset or liability.

Counterparty non-performance risk is measured using the Standard & Poor's model (AAA – CCC). The risk of default is calculated using a percentage for each rating category. An entity's own rating is determined using a peer group model approach. Third-party credit risk is taken into account when measuring the fair value of financial assets and derivative financial instruments where material. An entity's own credit risk is taken into account in the measurement of debt instruments and derivative financial instruments, where material.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring non-financial liabilities and an entity's own equity instruments, a transfer to another market participant is assumed. An exit scenario is assumed here. When a quoted price for the transfer of an identical or a similar liability or entity's own equity instrument is not available, an entity shall measure the instruments from the perspective of a market participant that holds the identical item as an asset.

The Group applies measurement methods that are appropriate in the circumstances and for which there are sufficient data to measure fair value. In doing so, the use of relevant, observable input factors is maximized and that of non-observable input factors is minimized.

All financial assets and liabilities that are measured at fair value or for which the fair value is disclosed in the notes are assigned to the following levels of the fair value hierarchy based on the lowest input significant overall for measurement:

- Level 1: (non-adjusted) prices quoted on active markets accessible to the Group on the measurement date for identical assets or liabilities
- Level 2: other input factors than the quoted prices listed in level 1 that can be observed either directly or indirectly for the asset or liability
- Level 3: input factors that are not observable for the asset or liability

The fair value of non-current financial instruments measured at amortized cost is calculated for the disclosures in the notes by discounting the forecast future cash flows using the interest rates currently applicable for financial instruments with similar conditions and remaining terms if a level 1 measurement is not possible. Matched term interest rates are calculated annually as of the end of each reporting period.

For assets and liabilities that are measured at fair value on a recurring basis, the Group determines as of the end of the reporting period whether there were transfers between the levels of the fair value hierarchy based on the lowest input factor significant overall to measurement. Information on the measurement methods used and the input factors for determining the fair value of assets and liabilities can be found in notes 6, 7 and 8.

4.4 Film assets

Film assets include purchased rights to third-party productions (i. e. films produced outside the Group) and the costs of films produced within the Group (in-house and co-productions) plus the cost of developing new projects. The acquisition of rights to third-party productions usually includes movie theater, home entertainment and TV rights. The costs for third-party productions include minimum guarantees.

The individual payments of the minimum guarantee are recognized as advances and capitalized as film assets on delivery and acceptance of the material.

In-house productions are carried at cost. This cost also includes the financing costs that can be allocated to the production in question. Costs for releasing the film, such as press and marketing costs, are also incurred but not capitalized and instead are recognized immediately in other operating expenses.

A performance-based amortization method is applied to film rights (both third-party and in-house productions) that represents the loss in value of film assets based on the recoverable revenue. Under the individual film forecast method, the amortization for a film in a period is calculated by the formula “sales generated by the film in the period divided by the film’s estimated total remaining sales and multiplied by the residual carrying amount of the film”. The revenue used as a basis for calculating amortization includes all income generated by the film. This income is adjusted for home entertainment costs when calculating amortization in connection with home entertainment revenue. The maximum period for estimating sales is ten years for films as recognized in the film assets of the Highlight Group.

The estimate of the total sales is reviewed at the end of each quarter and adjusted if necessary. The quotient for the amortization for the period is calculated on the basis of any (adjusted) total sales. Each film is also tested for impairment at the end of each reporting period and if there are indications of impairment. If the cost or the carrying amount of the film is not covered by its estimated total sales less release costs yet to be incurred, the film is written down to its value in use. Estimated cash flows are discounted with an individual interest rate that takes into account the terms of the different periods of exploitation. Estimated cash flows can vary significantly as a result of a number of factors such as market acceptance. The Group examines and revises the cash flow forecasts and amortization expenses as soon as any changes arise in previous forecasts. Impairment losses on film assets are reversed if there are indications that the reasons for the original write-down have ceased to apply, resulting in a higher recoverable amount. They must not exceed the amortized cost. Reversals of impairment are offset against losses in value in the fiscal year.

Capitalized costs for the development of new projects (particularly script rights) are regularly reviewed to determine whether they can still be used as a basis for film productions. If, three years after first-time capitalization of costs for a project, the start of filming or the sale of the rights cannot be specifically determined or are no longer considered likely, the costs are written off in full. Any indications of early impairment are recognized accordingly.

4.5 Other intangible assets

This category essentially includes purchased software and licenses, internally generated intangible assets and intangible assets identified in purchase price allocation. They are measured at cost less straight-line amortization and impairment. Please also see the comments in the section “Impairment of non-financial assets” (see note 4.9). Amortization on computer programs is calculated on the basis of the term or the standard useful life of three to six years.

Internally developed intangible assets are measured at cost. Capitalized costs are amortized over their useful life once the development phase is complete and utilization is possible. The amortization period is determined according to the economic life and is between two and six years.

Customer relationships identified in purchase price allocations are reported under other intangible assets. Their carrying amount is their fair value as of the time of acquisition less necessary depreciation and amortization.

As a result of initial consolidation of Sport1 Medien AG in 2018, purchase price allocation identified customer relationships, the brand name for SPORT1 and licenses that are reported under other intangible assets. The amortization period is between six and 20 years. Their carrying amount is their fair value as of the time of acquisition less necessary depreciation and amortization.

The exclusive rights for the marketing of the Eurovision Song Contest and the Vienna Philharmonic Orchestra identified in the first-time consolidation of Highlight Event AG in 2020 and the corresponding purchase price allocation are reported under other intangible assets and amortized over a useful life of 40 years. Their carrying amount is their fair value as of the time of acquisition less necessary depreciation and amortization.

4.6 Goodwill

Goodwill is carried at cost less any cumulative impairment losses. The cost of goodwill is the total of

(i) the fair value of the consideration transferred as of the acquisition date,

(ii) the amount of any non-controlling interests and

(iii) the fair value of shares of the acquired company previously held by the acquirer in a step acquisition less the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Non-controlling interests can be measured on a transaction basis either at fair value (full goodwill method) or at the proportional share of the net assets of the company acquired (partial goodwill method). In the latter case, the goodwill is recognized only at the percentage share of the acquirer in the goodwill.

Goodwill is allocated to cash-generating units expected to benefit from the combination on recognition. The cash-generating units to which goodwill is allocated are the organizational units in the segments.

4.7 Property, plant and equipment

Property, plant and equipment comprises leasehold improvements, technical equipment and machinery, other equipment, operating and office equipment, advance payments and assets under construction.

Leasehold improvements are measured at cost less depreciation and impairment. Scheduled depreciation is usually carried out over the term of the respective rental agreement lease (from three to up to 27.5 years). Technical equipment and other equipment, operating and office equipment are measured at cost less depreciation and impairment. Scheduled depreciation is calculated on a straight-line basis over the normal useful life of three to eleven years for technical equipment and three to 25 years for operating and office equipment. Repairs and maintenance expenses are expensed as and when incurred. More extensive renovation work or improvements are capitalized. Renovation work is also depreciated over the above mentioned expected useful life. Costs and the associated cumulative depreciation are derecognized on disposal. Any resulting gains or losses are recognized in profit or loss in the fiscal year. If the cost of specific components of an item of property, plant and equipment is material, these components are recognized and depreciated individually.

4.8 Leases

A lease is a contract under which the lessor grants the lessee the right to use an asset for a period of time in exchange for a payment or a series of payments.

4.8.1 Lease liabilities

At the inception of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the term of the lease. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain to be exercised and the payments of penalties for terminating the lease early if the Group exercises the option. Variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

If it is not possible to determine the interest rate implicit in the lease, the Group uses the incremental borrowing rate at the inception of the lease to calculate the present value of the lease payments. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow the funds necessary to obtain an asset of a similar value and similar conditions to the right-of-use asset in a similar economic environment.

After the inception of the lease, the amount of the lease liability is increased by the interest accreted and reduced by the lease payments made. Furthermore, the carrying amount of the lease liabilities is remeasured if there is a change in the term of the lease, a change in the significant fixed lease payments or a change in the acquisition-date value of the lease asset.

4.8.2 Short-term leases and leases for low-value assets

The Group exercises the option of not recognizing short-term leases (i. e. leases with a term of twelve months or less from the inception date and without a purchase option).

The Group also refrains from recognizing leases for low-value assets (typically less than TCHF 5 per asset). Low-value assets include office machines.

Lease payments for short-term leases and leases for low-value assets are recognized in other operating expenses on a straight-line basis over the lease term.

4.8.3 Leases for intangible assets

The Group does not exercise the option concerning right-of-use assets for intangible assets, and accounts for intangible assets in accordance with the principles of IAS 38. In the case of IT leases where hardware and software cannot be separated, the leased asset including the software is recognized in accordance with IFRS 16 “Leases”.

4.8.4 Additional lease components

Contracts containing both lease components and non-lease components are not separated. Each lease component is recognized as a lease together with the other service components. The incidental costs when renting premises are not considered a lease component.

4.8.5 Right-of-use assets

The Group recognizes right-of-use assets at the inception of the lease, i. e. when the underlying asset is available for use. Right-of-use assets are measured at cost less cumulative depreciation and impairment and adjusted for the remeasurement of lease liabilities.

The cost of a right-of-use asset comprises the amount of the lease liabilities recognized, the initially incurred direct costs and the lease payments made at or before the inception of the lease, less any lease incentives received. If the Group is not reasonably certain that it will acquire ownership of the lease asset at the end of the lease term, the capitalized right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

4.8.6 Sale and leaseback

In the context of sale and leaseback transactions, the criteria set out in IFRS 15 must first be used to determine whether the transfer of an asset should be accounted for as a sale. If the transfer of an asset does not meet the requirements set out in IFRS 15 for recognition as a sale, the asset continues to be recognized and the proceeds received are recognized as a financial liability in accordance with IFRS 9.

If the transfer of the asset constitutes a sale, the leased-back assets are reflected in the consolidated financial statements in accordance with the lessee accounting principles outlined above. Accordingly, any gains or losses are recognized only to the extent that they relate to the rights transferred to the buyer or lessor.

4.9 Impairment of non-financial assets

Goodwill is tested for impairment at the level of cash-generating units, intangible assets with an indefinite useful life and internally generated assets not yet in use at least once per year, or more frequently if there are indications of impairment. Highlight Communications AG carries out annual impairment testing as of December 31 of each fiscal year. Impairment testing is carried out for other intangible assets, property, plant and equipment and right-of-use assets if there are indications of any impairment. Indications of impairment include, for example, a marked drop in the fair value of an asset, significant changes in the business environment, substantial evidence of obsolescence or a change in expected income. The basis for the impairment test is the calculation of the recoverable amount, which is the higher of fair value less costs to sell or the value in use of an asset. If the recoverable amount is determined on the basis of value in use, this will be based on the forecast future cash flows. Impairment is recognized if the recoverable amount is less than the carrying amount.

If the amount of impairment exceeds the goodwill assigned to the cash-generating unit, the unit's other assets must be written down proportionately in line with their carrying amounts. This is not the case if the carrying amount in question would be less than the higher of the fair value less costs to sell or the value in use.

Impairment recognized in prior periods on intangible assets, not including goodwill, property, plant and equipment and right-of-use assets is reversed if the reasons for impairment no longer apply. Reversals of write-downs are recognized in profit or loss and cannot exceed the theoretical amortized cost.

4.10 Inventories

Inventories, consisting of DVDs and Blu-rays in particular, are recognized at the lower of cost or net realizable value (sales-oriented, loss-free measurement). The net realizable value is the estimated sale price in normal business less costs to sell. The cost is determined using the first-in, first-out (FIFO) method.

Impairment on merchandise is recognized on the basis of coverage analyses. This means that the management analyzes whether merchandise is impaired per product on the basis of past movements and the products in stock. If this analysis shows that certain products have become impaired this is recognized accordingly. Further impairment losses are recognized for damaged or defective merchandise.

Inventories also include service productions where revenue is recognized at a point in time and that cannot be recognized as contract assets or liabilities, as well as service productions in development that have not yet been ordered by the broadcaster (see note 4.16). In addition, inventories include trade receivables not yet invoiced.

4.11 Financial instruments

The management classifies financial assets as of the time of acquisition and checks whether the criteria for classification are complied with at regular intervals. Their cost includes transaction costs. Transaction costs for financial assets measured at fair value through profit or loss are recognized in profit or loss immediately.

Regular way purchases and sales of financial assets are accounted for at the settlement date.

Financial assets and financial liabilities are usually not offset. They are netted only if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis.

Derivative financial instruments and separable embedded derivatives are measured at fair value as of the trading date on first-time recognition and subsequently if they are not part of a designated hedge. Gains/losses from fluctuations in value are recognized immediately in profit or loss.

Write-downs on receivables are generally recognized in separate allowance accounts. They are derecognized at the same time as the corresponding impaired receivable. Amounts in the allowance account are derecognized against the carrying amount of impaired financial assets only if the issue in question is past the statute of limitations.

4.11.1 Financial assets at amortized cost

The Group recognizes financial assets at amortized cost if the business model allows for the financial asset to be held and the terms of the instrument result only in cash flows that represent interest payments and principal repayments (cash flow condition). Financial instruments that do not meet these criteria are recognized at fair value.

The financial instruments assigned to this category are recognized at amortized cost using the effective interest method.

Current trade accounts receivable and other current receivables are carried at amortized cost. Interest-free monetary receivables with a maturity of more than one year are discounted with a matching interest rate.

The reported carrying amounts of the current receivables are the approximate fair values.

Cash and cash equivalents comprise cash in hand and bank balances, call and demand deposits at banks and other financial institutes. These are only reported as cash and cash equivalents if they can be converted into amounts of cash determined in advance at any time, are subject to only minor fluctuations in value and have a remaining maturity of three months or less from the date of acquisition. Cash and cash equivalents are measured at amortized cost.

4.11.2 Financial assets at fair value

Financial assets that cannot be recognized at amortized cost are recognized at fair value.

Financial instruments recognized at amortized cost can be measured at fair value using the fair value option if this prevents or significantly reduces accounting mismatches.

Equity instruments are always measured at fair value. On first-time recognition there is the irrevocable option to show realized and unrealized changes in value in other comprehensive income (OCI) rather than in the income statement, provided that the equity instrument is not held for trading. Amounts recognized in other comprehensive income (OCI) cannot be reclassified to profit or loss in the future.

The fair value is the market price as of the end of the reporting period. If no market price is available, the fair value is determined on the basis of similar market transactions or using recognized measurement methods. If the fair value of an active financial instrument cannot be reliably determined, the cost may be the best estimate.

The effects of the currency translation of monetary items are recognized in the income statement, while the currency translation effects of non-monetary items are recognized in other comprehensive income (OCI) with the change in fair value.

4.11.3 Financial liabilities

Financial liabilities held for trading (e. g. non-hedge derivative financial instruments) are measured at fair value through profit or loss.

All other financial liabilities are measured at amortized cost – unless Highlight Communications AG voluntarily designates them at fair value through profit or loss on initial recognition (fair value option). Low-interest and interest-free non-current liabilities are recognized at present value on acquisition and discounted on an accrual basis until maturity. Liabilities from outstanding invoices are reported under trade accounts payable and other liabilities. Non-current liabilities are measured using the effective interest method.

4.11.4 Impairment of financial assets (debt instruments at amortized cost)

The impairment model is based on expected credit losses and is applicable to financial debt instruments that are measured either at amortized cost or at fair value through other comprehensive income. In addition, the impairment provisions of IFRS 9 also apply to contract assets, lease receivables, irrevocable loan commitments and financial guarantees. Loss allowances are recognized in profit or loss in separate allowance accounts, thereby reducing the carrying amount of the financial assets accordingly.

The general impairment model uses a three-stage procedure to determine loss allowances in the amount of the expected credit losses.

Level 1: All instruments are initially assigned to level 1. The present value of expected credit losses from possible defaults in the twelve months after the end of the reporting period is expensed for such instruments. Interest is recognized on the basis of the gross carrying amount, i. e. the effective interest method is applied based on the carrying amount before loss allowances.

Level 2: This contains all instruments with significant increases in credit risk at the end of the reporting period compared to the initial amount. Loss allowances are recognized at the present value of all expected losses over the remaining term of the instrument. Interest is recognized on the basis of the gross carrying amount, i. e. the effective interest method is applied based on the carrying amount before loss allowances. Evidence of significant increases in credit risk includes:

- Significant deterioration in the expected performance and behavior of the debtor
- Significant deterioration in the credit quality of other instruments of the same debtor
- Actual or expected deterioration in the economic, financial, regulatory, or technological circumstances relevant to the debtor's credit rating

The application of an assumed number of days past due of 30 is not appropriate.

Level 3: If there is objective evidence of impairment in addition to a significant increase in credit risk at the end of the reporting period, the loss allowance is also measured on the basis of the present value of the expected losses over the remaining term. However, the recognition of interest in subsequent periods must be adjusted so that future interest income is calculated on the basis of the net carrying amount, i. e. the carrying amount after deducting loss allowances.

Objective evidence of impairment includes:

- Significant financial difficulty of the issuer or obligor
- A breach of contract, such as a default or delinquency in interest or principal payments
- It becoming probable that the borrower will enter bankruptcy or other financial reorganization

The simplified approach in accordance with IFRS 9 is always applied to trade accounts receivable or contract assets that do not contain a significant financing component. Changes in credit risk do not have to be tracked. Instead, a loss allowance is initially and subsequently recognized for the lifetime expected credit losses.

The Highlight Group recognizes specific loss allowances on trade accounts receivable and contract assets where there is clear objective evidence such as default or an increased probability of bankruptcy. For assets that are not credit-impaired, impairment is calculated using a provision matrix that determines the expected losses over the remaining term as percentages on the basis of the number of days past due and external ratings available for the borrower. These percentages are based on historical loss rates, which are adjusted for forward-looking estimates.

Besides additions to impairment losses, the item "Impairment and reversals of impairment on financial assets" also includes net income from the reversal of impairment losses.

Financial assets covered by the scope of the impairment provisions under IFRS 9 are derecognized when there is no reasonable expectation of recovery. These are reported at amortized cost under "Gains and losses on the derecognition of financial assets". Amounts previously written off received subsequently are recognized in the same item.

Cash and cash equivalents are also subject to the impairment provisions of IFRS 9. As long as the counterparties – banks and financial institutions – have a good rating and there are no doubts regarding the ability to continue as a going concern, no impairment losses are recognized on account of immateriality.

For long-term financial debt instruments, expected losses are discounted to the reporting date using the effective interest rate of the instrument determined at initial recognition to reflect the time value of money. The remaining term is the maximum term of the contract taking possible extension options into account.

4.11.5 Hedging instruments

Currency

As an international enterprise, the Group is exposed to currency fluctuations. Both derivative and primary financial instruments are used to hedge foreign currency fluctuations. Hedge accounting means hedging against changes in the fair value of assets, liabilities or unrecognized firm commitments under contracts for sale or purchase (fair value hedges) or as cash flow hedges to hedge against the risk of fluctuating cash flows. Currency forwards, currency swaps and non-derivative financial liabilities are designated as hedging instruments, either in full or in part. The currency component of non-derivative financial liabilities is designated to hedge sales contracts in foreign currencies that are currently still off-balance sheet.

If all relevant criteria are met, hedge accounting is used to eliminate the accounting mismatch between the hedging instrument and the hedged item. This results in the reporting of the following items in the income statement and in other comprehensive income:

For forward contracts used to hedge expected transactions, the Group designates the change in the fair value of the forward contract as a hedge, regardless of whether it is a fair value hedge or cash flow hedge. Any material ineffectiveness arising from the cross-currency basis spread (CCBS) is recognized directly in profit or loss. In a fair value hedge, any change in the credit quality of the other party impacts the fair value of the hedging instrument and thus the result of the measurement of effectiveness.

In case of a fair value hedge, the changes in the fair value of the hedged item attributable to the hedged risk and the change in the fair value of the hedging derivate are reported net in the income statement. When hedging unrecognized firm commitments under contracts for sale or purchase (hedged item), the cumulative change in the fair value of the hedged item is recognized as a separate asset or liability. In addition, a corresponding profit or loss is reported so that this is offset against the change in the fair value of the hedging instrument.

When presenting a hedge as a cash flow hedge, the effective portion of the change in the fair value of the derivative is recognized in other comprehensive income (OCI) and in equity under other reserves. Possible ineffectiveness is immediately recognized in profit or loss. When hedging foreign currency transactions, ineffectiveness may arise when the timing of the planned transaction differs from the original estimate, there is CCBS ineffectiveness or when changes occur in the probability of default of the Group or the derivative's counterparty.

Cumulative amounts recognized in other comprehensive income (OCI) as part of a cash flow hedge or assets or liabilities recognized as part of a fair value hedge are reclassified as follows in the periods in which the hedged item is recognized in profit or loss:

- If the hedged item results in the recognition of a non-financial asset (e. g. film assets), the deferred hedging gains and losses are included in the original cost of the asset. The deferred amounts are ultimately recognized in the income statement when the hedged item is recognized in profit or loss.
- If the hedging instrument expires or is sold or terminated, or when the hedge no longer meets the criteria for hedge accounting, any cumulative deferred hedging gains and losses previously recognized in other comprehensive income remains in equity, or in the recognized asset or liability, until the forecast transaction occurs and results in the recognition of a non-financial asset, such as film assets. If the transaction is no longer expected to occur, the cumulative deferred hedging gains and losses will be reclassified to profit or loss.

The hedges are considered highly effective in terms of compensating the risks of changes in the fair value of the hedged item and the hedging instrument. The effectiveness of the hedge is reviewed on the basis of prospective effectiveness tests to ensure that there is an economic relationship between the hedged item and the hedging instrument. The prospective effectiveness test uses the critical terms match method. The hedged item and the hedging instrument are therefore subject to the same risk and the resulting changes in value largely offset each other. At the inception of the hedge, both the hedge and the risk management goals and strategies of the Group for hedging are formally stipulated and documented.

Derivatives are solely used for hedging purposes and not as speculative investments. However, if derivatives do not meet the criteria for hedge accounting, they are recognized at fair value through profit or loss for accounting purposes. They therefore constitute current assets or liabilities expected to be settled within twelve months of the end of the reporting period.

Interest

Interest rate swaps as hedging instruments can be reported either as hedging against changes in fair value (fair value hedges) or as cash flow hedges to protect against the risk of fluctuating cash flows. Interest rate swaps are either fully or partially designated as hedging instruments.

If all relevant criteria under IFRS 9 are met, hedge accounting is used to reduce the accounting mismatch between the hedging instrument and the hedged item. This results in specific disclosures in profit or loss and other comprehensive income (OCI):

For expected hedges of transactions with interest rate swaps, the Group designates the change in fair value of the interest rate swap as a hedge, regardless of the type of hedge (fair value or cash flow). Ineffective portions are, where material, recognized directly in profit or loss.

In a fair value hedge, the fair value changes of both the hedged item and the interest rate swap are recognized in profit or loss and offset against each other.

For cash flow hedges, the effective portion of changes in the fair value of the interest rate swap is recognized in other comprehensive income (OCI) and reported in equity. Possible ineffectiveness is immediately recognized in profit or loss. Ineffectiveness can occur if the timing of the planned transaction changes or if there are changes in the credit rating of the Group or the counterparty.

Cumulative amounts from cash flow hedges that have been recognized in equity or assets/liabilities from fair value hedges are reclassified to the periods in which the hedged item affects the profit or loss:

- If interest rate swap hedges lead to the recognition of a non-financial asset, the deferred hedging gains and losses are included in the cost of this asset and ultimately recognized in profit or loss when the item is recognized.
- If an interest rate swap ends or is removed from the hedge and the criteria for hedge accounting no longer apply, accumulated gains or losses remain in equity until the expected transaction occurs. If the transaction is no longer expected to occur, it is immediately reclassified to profit or loss.

The effectiveness of the hedge with interest rate swaps is regularly reviewed to ensure a high degree of risk compensation between the hedged item and the hedging instrument. The effectiveness is confirmed by prospective tests, such as the critical terms match method, which ensures that the underlying transaction and the interest rate swap are exposed to the same risk.

Derivatives, including interest rate swaps, are used exclusively for hedging purposes. If hedge accounting is not used, they are recognized at fair value in profit or loss.

4.12 Pension obligations

Post-employment benefits comprise employee pension benefits. These are divided into defined benefit and defined contribution plans.

A defined contribution plan is a plan in which contributions are paid to a government or private pension scheme on the basis of statutory or private terms and the company has no further benefit obligations on payment of these contributions. The contributions are recognized in profit or loss on maturity.

For defined benefit plans, the present value of defined benefit obligations is calculated each year by an independent actuary using the projected unit credit method. The actuarial assumptions on which the calculations are based are determined by market expectations, at the end of the reporting period, for the period over which the obligations are to be settled. The pension plans are funded. The plan assets are recognized at fair value.

Actuarial gains and losses arise from changes in the assumptions made, deviations between the actual and forecast return on plan assets and differences between benefits acquired and those calculated using actuarial assumptions. These are recognized in other comprehensive income (OCI) under “Items that cannot be reclassified to profit or loss”. The current service cost and net interest are recognized in profit or loss under personnel expenses. Special events such as plan amendments that change employee claims, curtailments and settlements are recognized in profit or loss.

In addition, the TEAM Group maintains a provident fund for its management staff. This fund manages another savings facility in addition to the pension plan required by law. The fund participates in the capital TEAM Football Marketing AG. The dividend income of TEAM Football Marketing AG is added to the additional savings deposits of the members of management. This provident fund of the management staff is not relevant under IAS 19 as it is not a voluntary provident fund.

4.13 Provisions, contingent liabilities and contingent assets

Provisions are recognized for present legal or constructive obligations to third parties arising from past events for which an outflow of cash or other resources is likely in order to settle the obligation. Another requirement for recognition is that the amount of the obligation can be reliably estimated.

Provisions are measured in the amount of the most likely expenditure. Non-current provisions with a material interest effect are carried at the present value of the expected outflow calculated using current interest rates.

Provisions for onerous contracts (pending losses) are recognized when the unavoidable costs of meeting the obligations of a contract exceed the economic benefits expected to be received under it. Impairment on assets relating to this contract is recognized before the provision is recognized.

Possible obligations whose existence (occurrence/non-occurrence) must be confirmed by future events, or obligations whose extent cannot be reliably determined are disclosed as contingent liabilities. Contingent assets are not capitalized, but disclosed as for contingent liabilities if economic benefits are likely for the Group.

4.14 Income taxes

Current taxes are calculated on the basis of the results for the fiscal year and in accordance with the national tax laws of the respective tax jurisdiction. Forecast and actual additional tax payments or refunds for previous years are also taken into account.

Deferred tax assets and liabilities are recognized in line with the liability method. Deferred taxes are recognized in the consolidated financial statements for temporary differences between the carrying amounts and the tax carrying amounts of assets and liabilities and for tax loss carryforwards. Deferred tax assets on deductible temporary differences and tax loss carryforwards are reported only to the extent that it can be assumed with sufficient probability that the respective company will have sufficient taxable income against which temporary differences and unutilized loss carryforwards can be used.

Deferred taxes for temporary differences in the separate financial statements are calculated on the basis of the tax rates that apply in the individual countries as of the realization date or that will apply in future.

Deferred tax assets and deferred tax liabilities have been netted where they relate to the same tax debtor/creditor and the same type of tax and offset each other in the same fiscal year. Deferred tax assets and liabilities arising in the individual consolidated companies are netted depending on their maturities.

Deferred taxes on items recognized directly in other comprehensive income (OCI) are also recognized in other comprehensive income (OCI) and not in the income statement.

No deferred tax liabilities were recognized on temporary differences in connection with shares in subsidiaries provided that it is likely that these temporary differences will not reverse in the foreseeable future and Highlight Communications AG is not able to determine the time at which these temporary differences will reverse.

4.15 Equity

Bearer shares outstanding are classified as equity. If the Group acquires treasury shares, the amount paid for the shares including the attributable transaction costs is deducted from equity. The consideration received when treasury shares are sold or issued is added to equity.

4.16 Revenue from contracts with customers

Revenue for goods and services is recognized when a performance obligation is satisfied by the transfer of a promised good or service. Appropriate refund liabilities are recognized under trade accounts payable for additional expenses in connection with goods and services, including expenses for returned products.

Revenue from the exchange of services is recognized in profit or loss only when services of different types and values have been exchanged and the amount of the revenue can be reliably determined.

Revenue is recognized net of invoiced value added tax and trade discounts.

Dividend income is recognized in the fiscal year in which the right to receive payment arises. Interest income is recognized pro rata temporis using the effective interest method.

In the Film segment, revenue from theatrical films is recognized at a point in time from the time of their release. The revenue amount is directly dependent on the number of people who go to see the film. In line with standard practice in the industry, the film rental reported by the movie theater operators to the distributor is recognized as the distribution component of the total movie theater proceeds. Film rentals are calculated on the basis of a percentage of the box office takings.

Revenue from licenses for TV (pay/free) rights is recognized at a point in time on which the license takes effect, generally 18 to 32 months after the commencement of movie exploitation. With these forms of exploitation of film rights, revenue is realized on expiry of the contractual holdback period. They are therefore realized as of the date on which the respective license becomes available.

In global distribution, the Group usually receives minimum guarantees for the exploitation rights sold (movie theater, home entertainment, TV rights). These are allocated to the various revenue types. They are allocated on the basis of past experience in line with corporate planning at the following general rates: 25 % for movie theater rights, 15 % for home entertainment rights and 60 % for TV rights. The corresponding revenue is recognized at a point in time as follows: movie revenue on theatrical release, home entertainment revenue six months after theatrical release, TV revenue 24 months after theatrical release. Revenue from global distribution without any minimum guarantee is recognized on the royalty settlements being received from the licensees.

For home entertainment exploitation, revenue from DVDs and Blu-rays sold is recognized at a point in time as of release, taking into account the expected returns of merchandise. For digital purchase and rental transactions, revenue is also recognized at a point in time from release, based on the number of digital transactions. Revenue from licenses for home entertainment rights is recognized as of the date on which the license takes effect.

Revenue from service productions are generally recognized over time in the amount of the share of total revenue for the reporting period. Total contract sales and costs relating to this are recognized in profit or loss according to the performance progress, provided the earnings from a service production can be determined reliably.

In the case of productions with a comparatively high number of episodes (e. g. dailies, weeklies), an output-based method is generally used to determine the progress of performance. The decisive criterion here is the number of episodes that the client has accepted. For productions with a comparatively small number of episodes (e. g. one-part films, mini-series), the stage of completion is determined using the cost-to-cost method (input-based method). In this case, the stage of completion is based on the costs incurred in relation to the planned total costs. Sufficient certainty with regard to earnings from a service production when determining the stage of completion with the cost-to-cost method is usually achieved at the time the rough cut version is accepted by the client.

If the earnings from a service production cannot be reliably determined, sales are only recognized in the amount of the costs already incurred (zero profit method). If the uncertainties no longer apply at a later date and the earnings from a service production can be estimated reliably, pro rata profits are realized in line with the percentage of completion. If it is likely that the total cost of the production will exceed its total proceeds the expected loss is expensed immediately.

Current service productions are recognized as contract assets or contract liabilities in the amount of the difference between the revenue realized and invoiced. Service productions where revenue is recognized at a point in time and that cannot be recognized as contract assets or liabilities, as well as service productions in development that have not yet been ordered by the broadcaster, are included in inventories.

In addition to the activities of the TEAM Group and Highlight Event AG, the Sports and Event segment includes the operating business of the Group company Sport1 Medien AG and its subsidiaries (see also note 10).

Revenue recognition is based on the contractual terms of the respective project. The Group has an interest in the earnings from the respective project. This comprises fixed remuneration and a variable component based on the revenue generated by the project. The project earnings are calculated using project accounting. The annual project accounting period does not have to be the same as the fiscal year. If it becomes clear that the latest expectations differ from the expectations previously applied, the variable revenue from the respective project is adjusted over the remaining project term in line with the latest expectations. Revenue received for services performed over a defined period and invoiced on a periodic basis is recognized over the period in which the services are performed.

In the free TV and online video business, revenue is generated in the form of advertising revenue (sale of advertising time). This takes the form of traditional advertisements as well as program sponsorship. Advertising revenue comprises net revenue after discounts, rebates, agency commission and value-added tax. TV advertising revenue is recognized at a point in time when the respective advertisements are broadcast on the SPORT1 channel. Online advertising revenue includes revenue from the marketing of digital services. As online advertising space is sold to an external agency on an annual basis, this revenue is recognized over time.

Production revenue is generally recognized over time (output-oriented method), as the programs produced are created over an extended period, the contractual provisions mean there is no alternative use for their content, and there is a legal right to payment for production services already rendered. The degree of progress is determined by reference to the number of programs produced or the broadcast duration. The normal payment period is generally 30 days. As a matter of principle, there is no right of return for live productions.

4.17 Government grants

4.17.1 Project promotion

Project promotion as a contingently repayable loan

Project film promotions are provided in the form of a contingently repayable interest-free loan in accordance with the requirements of the Film Promotion Act and/or the relevant regional promotions (rules of the Bavarian Film Promotion Fund ("FFF Bayern") for example). These are repayable as soon as or if the producer's income from a film exceeds a certain amount. These are government grants for assets. In the balance sheet, they are deducted from the carrying amount of the film assets in the amount which is sufficiently certain not to have to be repaid.

The grants are recognized in profit or loss using a reduced amortization amount of capitalized cost over the exploitation cycle of a film.

The amount which is sufficiently certain not to have to be repaid can usually be determined at the time of release. If it is determined at a later date that a further part of the loan is repayable, the carrying amount of the film asset is raised by this amount and a liability is recognized at the same time for the corresponding obligation.

Project subsidies

Project subsidies are non-refundable subsidies that a producer is entitled to depending on the number of people who go to see the (subsidized) film in theatrical exploitation for financing the project costs of a subsequent film. These are government grants for assets. The subsidies granted are deducted from the carrying amount of the subsidized film in the balance sheet when filming on the subsequent film commences. If a residual carrying amount is no longer at the time of requesting the subsidies for the subsidized film, income from the project subsidies remains in the income statement.

The grants are recognized in profit or loss using a reduced amortization amount of capitalized cost over the exploitation cycle of a film.

Project film funding in accordance with BKM (DFFF) and Creative Europe MEDIA regulations

Project film funding in accordance with BKM (DFFF) regulations – such as the MFG Line Producer grant, the German Motion Picture Fund (GMPF) – or the regulations of Creative Europe MEDIA are grants that do not have to be repaid and serve to refund the production costs of theatrical movies or TV movies/series after clearly defined requirements are fulfilled.

These are government grants for assets. Project film promotions granted are deducted from the carrying amount of the film in the balance sheet when the decision is received in accordance with the matching principle. Prior to theatrical release these are capitalized as other receivables. At the same time, deferred income is reported under other liabilities.

The grants are recognized in profit or loss using a reduced amortization amount of capitalized cost over the exploitation cycle of a film.

4.17.2 Distribution loans

Distribution loan as a contingently repayable loan

Distribution loans are provided in the form of a contingently repayable interest-free loan in accordance with the requirements of the Film Promotion Act and/or the relevant regional promotions (rules of the Bavarian Film Promotion Fund ("FFF Bayern") for example). These are repayable as soon as or if the distributor's income from a film exceeds a certain amount.

These are government grants for expenses already incurred. These are recognized as a reduction of release costs by the amount which is sufficiently certain not to have to be repaid. These grants are recognized in the periods in which the corresponding release costs are incurred.

The amount which is sufficiently certain not to have to be repaid can usually be determined at the time of release. If it is determined at a later date that a further part of the loan is repayable, this is posted as an expense and the corresponding amount recognized as a liability.

Sales subsidies

Sales subsidies are non-repayable subsidies which a distributor is entitled to depending on the number of people who go to see the (subsidized) film in the theatrical exploitation for financing the release costs for a subsequent film. Distribution funding under Creative Europe MEDIA regulations also qualifies as a sales subsidy. These are government grants for expenses already incurred. The sales subsidies granted are recognized in profit or loss as a reduction of release costs at the time of the subsequent film's release.

The extent of Swiss film grants is of immaterial significance. The accounting policies described above apply analogously to Swiss film grants.

4.18 Share-based remuneration

Share-based remuneration transactions that are offset by equity instruments are measured at fair value at the time they are granted. The fair value of the liability is recognized over the vesting period as personnel expenses and offset against the capital reserve. In the case of share-based remuneration transactions that are offset by equity instruments, the fair value is determined using a measurement method (Black-Scholes model). The assumptions for estimating the fair value of share-based remuneration transactions are set out in note 9. No share-based remuneration transactions were issued that stipulate settlement in cash.

5. JUDGMENT/ESTIMATION UNCERTAINTY

In preparing the consolidated financial statements in accordance with IFRS, the management is required to make estimates and assumptions influencing the income, expenses, assets, liabilities as well as contingent liabilities and assets reported as of the end of the reporting period. These estimates and assumptions are based on the management's best possible assessment based on past experience and other factors including estimates of future events. There is also uncertainty due to the energy crisis and high inflation. These developments are dynamic and so deviations from the estimates and assumptions made in these consolidated financial statements cannot be ruled out. Estimates and judgments are reviewed on an ongoing basis. Changes to estimates are required if the circumstances on which they are based have changed or new or additional information has become available. Such changes are recognized in the reporting period in which the estimate is modified.

The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the reported income, expenses and contingent liabilities within the next twelve months are discussed below.

5.1 Significant risks

5.1.1 Impairment of non-financial assets

To assess whether assets have become impaired, the expected future cash flows from the use and possible disposal of such assets are estimated per cash-generating unit. The estimates and assumptions are based on premises that reflect the most recent information available. The actual cash flows may differ significantly from the discounted future cash flows based on these estimates. Changes in revenue and cash flow forecasts could lead to impairment.

5.2 Other risks

5.2.1 Estimates used to determine the transaction price for revenue from contracts with customers

Certain contracts with customers at the Highlight Group have transaction-based consideration. Typically, however, the effective transaction prices are known when the financial statements are prepared and no estimates are required. Nonetheless, it may occur that transaction-based consideration has to be estimated; this is done using the probability-weighted expected value or the most likely amount – depending on which of the two values is closest to the consideration owed to the Highlight Group. Future revenue from licenses based on future transactions (user-based royalties) are recognized at the later of license utilization or fulfillment of the performance obligation.

5.2.2 Financial assets

The fair value of financial assets which are traded on organized markets is determined on the basis of the quoted market price at the end of the reporting period. The fair value of financial assets for which there is no active market is determined by using measurement methods. Measurement methods include using the most recent transactions between knowledgeable, willing parties in an arm's length transaction, comparing the fair values of other, mostly identical financial instruments, analyzing discounted cash flows and using other measurement models based on management assumptions.

5.2.3 Impairment of financial assets (debt instruments)

The requirements for the recognition of impairment on financial assets, which is based on the expected loss model, include substantial judgments regarding the extent to which expected credit losses can be influenced by changes in economic factors. Financial assets must be divided into different risk classes/ratings in accordance with historical and expected probabilities of default (for example, due to the general economic situation and related forecasts). Loss allowances must be recognized before loss events occur.

At the Highlight Group, expected losses are defined as the weighted average of credit losses or using available external ratings, which are weighted by the respective probabilities of default. The estimates always account for the possibility of default and the possibility of non-default, even if the most probable scenario is non-default.

Please see note 4.11.4 for further disclosures.

5.2.4 Service productions

The percentage of completion of customer-specific service productions for which revenue is recognized over time is determined using the cost-to-cost method (recognition in the amount of costs incurred as of the end of the reporting period in proportion to the expected total costs) or the physical completion method. The expected production cost and the stage of completion are calculated on the basis of estimates. Changes in estimates have a direct effect on earnings generated.

5.2.5 Refund liabilities for expected returns of merchandise

The Group's refund liabilities for expected returns of merchandise are based on an analysis of contractual or legal obligations, historical trends and the Group's experience. On the basis of information currently available, management considers the refund liabilities recognized for expected returns of merchandise to be adequate. As they are based on management estimates, they may have to be revised upon better information becoming available. Such adjustments could affect the refund liabilities recognized for expected returns of merchandise and the sales in future periods.

5.2.6 Provisions for litigation

The Group companies are involved in various legal disputes. On the basis of current knowledge, the Group assumes that its provisions recognized are adequate. However, further litigation could arise resulting in costs not covered by the existing provisions. Moreover, it cannot be ruled out that the extent, duration and the costs of legal disputes could increase. Such changes may affect the provisions recognized for litigation in future reporting periods.

5.2.7 Pension obligations

Pension liabilities and the associated net pension costs for each period are calculated by way of actuarial measurement. Such measurement is based on key premises, including discounting factors, salary trends and pension trends. The discounting factors used are determined on the basis of the returns at the end of the reporting period on high quality corporate or government bonds of a consistent currency and term. The premises used can differ from actual development owing to fluctuations in the market and economic situation. This can have a material impact on pension obligations. Differences resulting from this are recognized in other comprehensive income (OCI) in the period in which they arise.

5.2.8 Income taxes

Extensive estimates are required to determine deferred tax assets and liabilities. Some of these estimates are based on an interpretation of existing tax laws and regulations. Management is of the opinion that the estimates are appropriate and take sufficient account of any uncertainty in the tax assets and liabilities recognized. In particular, the deferred tax assets arising from loss carryforwards that can be offset are dependent on future profits being generated. Deferred tax claims arising from remeasurement are also dependent on future profits. Moreover, tax loss carryforwards expire after a certain number of years in some countries. Actual profits may differ from estimates. Such changes may affect the deferred tax assets and liabilities recognized in future reporting periods.

5.2.9 Leases

The Group determines the lease term as the non-cancellable lease term and all periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and all periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. The Group assesses whether it is reasonably certain to exercise the extension option at its own discretion. This means that management takes into account all relevant factors that create an economic incentive to extend the lease. After the inception of the lease, the Group reassesses the term of the lease when a material event or change in circumstances (such as a change in business strategy) occurs within the Group's control and affects its ability to exercise (or not exercise) the option.

6. NOTES TO INDIVIDUAL ITEMS OF THE BALANCE SHEET

6.1 Film assets

(TCHF)	Third-party productions	In-house productions	Total film assets
Acquisition and production costs 2024			
January 1, 2024	352,495	1,470,943	1,823,438
Currency translation differences	3,406	16,796	20,202
Additions	4,046	84,370	88,416
Disposals	19,100	–	19,100
Balance on December 31, 2024	**340,847**	**1,572,109**	**1,912,956**
Accumulated amortization, impairment and reversals of impairment 2024			
January 1, 2024	345,685	1,281,750	1,627,435
Currency translation differences	3,329	14,821	18,150
Depreciation for the year	4,204	46,192	50,396
Impairment	56	13,481	13,537
Reversals of impairment losses	652	715	1,367
Disposals	19,100	-	19,100
Balance on December 31, 2024	**333,522**	**1,355,529**	**1,689,051**
Acquisition and production costs 2023			
January 1, 2023	381,366	1,476,299	1,857,665
Currency translation differences	–18,864	–94,838	–113,702
Additions	3,392	93,086	96,478
Disposals	13,399	3,604	17,003
Balance on December 31, 2023	**352,495**	**1,470,943**	**1,823,438**
Accumulated amortization, impairment and reversals of impairment 2023			
January 1, 2023	374,395	1,327,918	1,702,313
Currency translation differences	–18,422	–83,373	–101,795
Depreciation for the year	3,955	36,818	40,773
Impairment	45	6,684	6,729
Reversals of impairment losses	889	2,711	3,600
Disposals	13,399	3,586	16,985
Balance on December 31, 2023	**345,685**	**1,281,750**	**1,627,435**
Net carrying amounts on December 31, 2024	**7,325**	**216,580**	**223,905**
Net carrying amounts on December 31, 2023	**6,810**	**189,193**	**196,003**

Impairment losses of TCHF 13,537 (previous year's period: TCHF 6,729) were recognized in the year under review as the value in use no longer covers the acquisition costs or the carrying amount of certain films due to a lack of market acceptance. The pre-tax discount rates used for determination of impairment are between 6.61 % and 6.90 % (previous year: between 6.76 % and 7.47 %). The disposals relate to co-productions and third-party productions to which the distribution rights expired in the year under review. Reversals of impairment losses are recognized for projects for which a write-down has been recognized in the past and whose forecast revenues for the remaining exploitation period are considerably higher than the previous year's estimates.

In the year under review, the Highlight Group received project subsidies and project promotion loans of TCHF 43,349 (previous year's period: TCHF 16,497), which were deducted from the capitalized production costs.

Deferred project promotion loans amounted to TCHF 5,389 as of December 31, 2024 (previous year: TCHF 15,515). Project promotions of TCHF 1,453 were repaid in the year under review (previous year's period: TCHF 2,249).

In addition, sales subsidies and distribution loans of TCHF 3,095 (previous year's period: TCHF 3,281) were recognized in the consolidated income statement in the year under review as a reduction of release costs. These grants are recognized in the periods in which the corresponding release costs are incurred.

There were no deferred distribution loans as of December 31, 2024 (previous year: TCHF 46). Distribution loans of TCHF 1,905 (previous year's period: TCHF 1,587) were repaid over the year under review. As of December 31, 2024, there were receivables for subsidies and grants of TCHF 19,946 (previous year: TCHF 19,812).

Directly attributable financing costs of TCHF 5,294 (previous year's period: TCHF 3,510) were capitalized in the year under review. The costs to be capitalized were calculated using the interest rates from the funds borrowed specifically for the financing. The financing interest rate varied from 4.0 % to 11.48 % (previous year: 4.0 % to 12.19 %).

6.2 Other intangible assets and goodwill

(TCHF)	Patents and licenses	Purchased software	Internally developed intangible assets	Advance payments	Total intangible assets	Goodwill
Acquisition and production costs 2024						
January 1, 2024	71,141	13,056	13,859	2,352	100,408	113,983
Currency translation differences	31	60	99	37	227	1,212
Additions	515	1,739	–	1,734	3,988	–
Disposals	636	318	–	–	954	–
Transfers	–	–	2,411	–2,411	–	–
Balance on December 31, 2024	**71,051**	**14,537**	**16,369**	**1,712**	**103,669**	**115,195**
Accumulated amortization/ impairments 2024						
January 1, 2024	30,352	9,855	10,224	–	50,431	6,082
Currency translation differences	21	50	58	–	129	44
Depreciation for the year	3,972	2,136	2,135	–	8,243	–
Disposals	636	320	–	–	956	–
Balance on December 31, 2024	**33,709**	**11,721**	**12,417**	**–**	**57,847**	**6,126**
Acquisition and production costs 2023						
January 1, 2023	70,775	11,542	11,510	3,150	96,977	120,531
Currency translation differences	–122	–324	–647	–167	–1,260	–6,548
Additions	488	1,885	–	2,365	4,738	–
Disposals	–	47	–	–	47	–
Transfers	–	–	2,996	–2,996	–	–
Balance on December 31, 2023	**71,141**	**13,056**	**13,859**	**2,352**	**100,408**	**113,983**
Accumulated amortization/ impairments 2023						
January 1, 2023	24,716	8,349	8,561	–	41,626	6,324
Currency translation differences	–76	–206	–423	–	–705	–242
Depreciation for the year	5,712	1,759	2,086	–	9,557	–
Disposals	–	47	–	–	47	–
Balance on December 31, 2023	**30,352**	**9,855**	**10,224**	**–**	**50,431**	**6,082**
Net carrying amounts on December 31, 2024	**37,342**	**2,816**	**3,952**	**1,712**	**45,822**	**109,069**
Net carrying amounts on December 31, 2023	**40,789**	**3,201**	**3,635**	**2,352**	**49,977**	**107,901**

Goodwill

The table below shows the allocation of goodwill:

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Sport1 Medien AG (Sports and Event segment)	84,537	83,520
Jackpot50 GmbH (Sports and Event segment)	7,264	7,176
Constantin Film Vertriebs GmbH (Film segment)	12,025	12,025
Constantin Entertainment GmbH (Film segment)	3,268	3,229
Constantin Television GmbH (Film segment)	1,493	1,475
Hager Moss Film GmbH (Film segment)	442	437
Other (Film segment)	40	39
Total	**109,069**	**107,901**

Goodwill was tested for impairment at the level of the cash-generating units in the respective segment. The recoverable amounts in impairment testing for goodwill are equal to the value in use. The basis of the discounted cash flow method in the Highlight Group is future cash flows derived from three- or five-year earnings planning. The growth rate beyond the detailed planning period was set at 1 % for the impairment test of Constantin Film Vertriebs GmbH (previous year: 1 %), 2 % for Sport1 Medien AG (previous year: 2 %) and between 0 % and 0.5 % for other items (previous year: 0 % to 0.5 %). The capital asset pricing model (CAPM) was used to calculate the costs of capital and a peer group was referred to. As of December 31, 2024, the CAPM-based discount factor before taxes was set at 10.26 % (previous year: 10.52 %) for the impairment test of Constantin Film Vertriebs GmbH, at 9.94 % for Sport1 Medien AG (previous year: 9.56 %) and at 10.77 % to 11.35 % for other items (previous year: 9.97 % to 10.99 %).

As of December 31, 2024, goodwill was tested for impairment as part of the annual impairment test. This did not result in any impairment losses.

The impairment is recognized in the income statement under “Goodwill impairment”.

Corporate planning was also supplemented by further alternative scenarios for the possible development of the Highlight Group and these were also used for the purposes of impairment testing. Even using more conservative scenarios, no goodwill impairment was required.

Results and sensitivity of impairment testing

Goodwill Sport1 Medien AG

At the measurement date, the recoverable amount, which is based on the value in use, exceeded the relevant carrying amount for impairment testing for all cash-generating units. The recoverable amount depends on the occurrence of assumptions relating to future cash flows.

At the measurement date, impairment testing did not result in any reduction in goodwill. The recoverable amount exceeds the net carrying amount by CHF 46.6 million (previous year: CHF 44.4 million). The following changes in the significant assumptions would lead to the value in use corresponding to the net carrying amount:

Sensitivities

	2024	
	Assumption	Sensitivity
Revenue growth in 2029 with EBITDA margin unchanged as compared to the business plan	29.4 %	23.9 %
Normalized EBITDA margin in 2029	14.0 %	9.8 %
Discount rate after taxes	8.1 %	10.5 %
Long-term growth rate	2.0 %	–1.4 %

	2023	
	Assumption	Sensitivity
Revenue growth in 2028 with EBITDA margin unchanged as compared to the business plan	2.6 %	–3.2 %
Normalized EBITDA margin in 2028	17.7 %	12.2 %
Discount rate after taxes	7.9 %	10.7 %
Long-term growth rate	2.0 %	–2.0 %

The corresponding disclosures relate to the cash-generating unit Sport1 Medien AG.

6.3 Property, plant and equipment

(TCHF)	Leasehold improvements	Technical equipment and machinery	Other equipment, operating and office equipment	Advance payments and assets under construction	Total property, plant and equipment
Acquisition and production costs 2024					
January 1, 2024	4,517	29,332	19,922	77	53,848
Currency translation differences	19	363	209	1	592
Additions	64	940	2,275	43	3,322
Disposals	–	–	1,075	–	1,075
Reclassifications	–	79	–	–79	–
Balance on December 31, 2024	**4,600**	**30,714**	**21,331**	**42**	**56,687**
Accumulated depreciation 2024					
January 1, 2024	3,953	17,039	14,727	–	35,719
Currency translation differences	14	161	127	–	302
Depreciation for the year	343	4,263	1,549	–	6,155
Disposals	–	–	991	–	991
Balance on December 31, 2024	**4,310**	**21,463**	**15,412**	**–**	**41,185**
Acquisition and production costs 2023					
January 1, 2023	4,509	27,029	20,127	–	51,665
Currency translation differences	–94	–1,771	–906	–4	–2,775
Additions	102	4,079	1,208	81	5,470
Disposals	–	5	507	–	512
Balance on December 31, 2023	**4,517**	**29,332**	**19,922**	**77**	**53,848**
Accumulated depreciation 2023					
January 1, 2023	3,627	13,857	14,302	–	31,786
Currency translation differences	–76	–1,023	–597	–	–1,696
Depreciation for the year	402	4,205	1,518	–	6,125
Disposals	–	–	496	–	496
Balance on December 31, 2023	**3,953**	**17,039**	**14,727**	**–**	**35,719**
Net carrying amounts on December 31, 2024	**290**	**9,251**	**5,919**	**42**	**15,502**
Net carrying amounts on December 31, 2023	**564**	**12,293**	**5,195**	**77**	**18,129**

6.4 Leases

Right-of-use assets

(TCHF)	Real estate	Vehicles	Technical equipment	Operating and office equipment	Total right-of-use assets
Acquisition and production costs 2024					
January 1, 2024	47,427	1,593	3,311	415	52,746
Currency translation differences	435	13	40	3	491
Additions	9,824	665	–	69	10,558
Disposals	2,482	279	–	–	2,761
Balance on December 31, 2024	**55,204**	**1,992**	**3,351**	**487**	**61,034**
Accumulated depreciation 2024					
January 1, 2024	20,450	1,125	2,120	175	23,870
Currency translation differences	151	12	20	1	184
Depreciation for the year	5,963	411	423	76	6,873
Disposals	2,039	279	–	–	2,318
Balance on December 31, 2024	**24,525**	**1,269**	**2,563**	**252**	**28,609**
Acquisition and production costs 2023					
January 1, 2023	48,787	1,500	4,019	420	54,726
Currency translation differences	–2,413	–102	–227	–28	–2,770
Additions	1,259	324	70	288	1,941
Disposals	206	129	551	265	1,151
Balance on December 31, 2023	**47,427**	**1,593**	**3,311**	**415**	**52,746**
Accumulated depreciation 2023					
January 1, 2023	15,866	919	2,166	384	19,335
Currency translation differences	–957	–69	–137	–16	–1,179
Depreciation for the year	5,747	404	642	68	6,861
Disposals	206	129	551	261	1,147
Balance on December 31, 2023	**20,450**	**1,125**	**2,120**	**175**	**23,870**
Net carrying amounts on December 31, 2024	**30,679**	**723**	**788**	**235**	**32,425**
Net carrying amounts on December 31, 2023	**26,977**	**468**	**1,191**	**240**	**28,876**

Reconciliation of liabilities arising from financial liabilities

(TCHF)	
Balance on December 31, 2022	**37,879**
Additions (net)	1,937
Interest cost	853
Payments	–7,500
Cash change from repayment	*–6,647*
Cash change from interest	*–853*
Currency translation	–1,740
Balance on December 31, 2023	**31,429**
Additions (net)	10,100
Interest cost	819
Payments	–6,781
Cash change from repayment	*–5,962*
Cash change from interest	*–819*
Currency translation	333
Other	–138
Balance on December 31, 2024	**35,762**
thereof non-current lease liabilities	29,152
thereof current lease liabilities	6,610

The amounts in the consolidated income statement attributable to leases are shown in the following table:

Lease payments in the consolidated income statement

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Income from the disposal of right-of-use assets	15	–
Expenses from short-term leases	1,609	1,595
Expenses from leases of low-value assets (if not already short-term)	31	15
Expenses from variable lease payments (not included in lease liabilities)	1,205	1,056
Amortization on right-of-use assets from leases	6,873	6,861
Interest expenses from lease liabilities	819	853
Total	**10,522**	**10,380**

The ancillary costs from renting buildings are recognized as variable lease expenses.
The cash outflows in the consolidated cash flow statement attributable to leases are shown in the following table:

Lease payments in the consolidated cash flow statement

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Short-term leases	1,609	1,595
Leases for low-value assets	31	15
Variable lease payments	1,205	1,056
Repayment and interest on lease liabilities	6,781	7,500
Total	**9,626**	**10,166**

Under IFRS 16, the following lease-related future payments are not included in the measurement of lease liabilities:

Future unrecognized lease payments

(TCHF)	Future payments from short-term leases	Future payments from leases for low-value assets	Future variable lease payments	Future payments from contractually agreed leases that have not yet begun	Future payments from unrecognized residual value guarantees	Future payments from uncertain extension options	Future payments from uncertain termination options	Total
As of December 31, 2024								
Due within one year	414	36	494	–	–	–	–	944
Due between one year and five years	–	86	1,730	–	–	3,163	–	4,979
Due after five years	–	–	1,650	–	–	784	–	2,434
Total	**414**	**122**	**3,874**	**–**	**–**	**3,947**	**–**	**8,357**
As of December 31, 2023								
Due within one year	495	15	600	94	–	–	232	1,436
Due between one year and five years	–	1	986	4,377	–	3,125	–	8,489
Due after five years	–	–	947	8,027	–	948	–	9,922
Total	**495**	**16**	**2,533**	**12,498**	**–**	**4,073**	**232**	**19,847**

6.5 Financial information of subsidiaries with material non-controlling interests

Material non-controlling interests

	Dec. 31, 2024
Sport1 GmbH	50.00%

Disclosures on financial information (after elimination of internal relations)

(TCHF)	Dec. 31, 2024
Share in equity of non-controlling interests	4,634

(TCHF)	Jan. 01 to Dec. 31, 2024
Share of earnings of non-controlling interests	–3,135
Other share of earnings of non-controlling interests	–80
Paid dividends to non-controlling interests	–

Disclosures on financial information (before elimination of internal relations)

(TCHF)	Dec. 31, 2024
Current assets	21,586
Non-current assets	41,660
Total assets	**63,246**
Current liabilities	44,787
Non-current liabilities	9,191
Total liabilities	**53,978**
Net assets	**9,268**

(TCHF)	Jan. 01 to Dec. 31, 2024
Sales	36,881
Earnings from continuing operations after taxes	–6,271
Other earnings after taxes	–160
Total earnings for the year	**–6,431**
Cash flow from operating activities	2,731
Cash flow for investing activities	–923
Cash flow for/from financing activities	–1,794
Cash flow for the reporting period	**14**

As in the previous year, all other non-controlling interests are immaterial.

6.6 Investments in associates and joint ventures

Associated companies

As in the previous year, the Group holds interests in two associated companies that are included in the consolidated financial statements using the equity method as of December 31, 2024.

Carrying amounts

(TCHF)	
Balance on December 31, 2022	**1,809**
Additions	1,866
Share of earnings	4
Impairment	–3,499
Currency translation	–133
Balance on December 31, 2023	**47**
Dividends/repayments of capital	–5
Share of earnings	4
Currency translation	1
Balance on December 31, 2024	**47**

Financial information

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Earnings after taxes	7	9
Profit from discontinued operations after taxes	–	–
Other comprehensive income/loss (OCI)	–	–
Total earnings	**7**	**9**

	Dec. 31, 2024	Dec. 31, 2023
Contingent liabilities (proportional)	–	–

For updating reasons, the annual financial statements of BECO Musikverlag GmbH as of December 31, 2023 were used for reporting on associated companies as the annual financial statements as of December 31, 2024 have not yet been prepared. No circumstances arose in the current fiscal year that would have necessitated an adjustment to the annual financial statements used as a basis.

An operating loss of TCHF 124 at Upgrade Productions LLC was not included in the consolidated financial statements and was carried forward off the balance sheet. In the previous year the equity interest was written off in full in the amount of TCHF 3,499.

Joint ventures

As of December 31, 2024 – as in the previous year – the Group has investments in one joint venture that is included in the consolidated financial statements using the equity method.

Carrying amounts

(TCHF)	
Balance on December 31, 2022	**154**
Additions	282
Share of earnings	–433
Currency translation	–3
Balance on December 31, 2023	**–**
Share of earnings	661
Currency translation	–8
Balance on December 31, 2024	**653**

Financial information

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Earnings after taxes	1,323	–867
Profit from discontinued operations after taxes	–	–
Other comprehensive income/loss (OCI)	–	–
Total earnings	**1,323**	**–867**

	Dec. 31, 2024	Dec. 31, 2023
Contingent liabilities (proportional)	–	–

In the reporting period, there were no unrecognized pro rata losses of companies valued at equity (previous year: 7 TCHF).

6.7 Non-current receivables

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Non-current trade accounts receivable (financial assets)		
Non-current trade accounts receivable	15,307	13,421
Credit losses expected over the entire term (level 2)	–	–
Individual value adjustments (level 3)	–	–
Total	**15,307**	**13,421**
Non-current other receivables (financial assets)		
Non-current other receivables	313	1,022
Credit losses expected over 12 months (level 1)	–	–
Credit losses expected over the entire term (level 2)	–	–
Individual value adjustments (level 3)	–	–
Total	**313**	**1,022**
Non-current other receivables (non-financial assets)		
Non-current other receivables	–	2,256
Total	**–**	**2,256**
Total non-current receivables	**15,620**	**16,699**

Non-current financial receivables primarily relate to the transfer of rights. They also relate to the VAT portion for revenue not yet recognized in accordance with IFRS. They are discounted in line with their maturity and measured in accordance with the impairment provisions general impairment approach.

Other non-current non-financial assets contained an advance payment for licensing rights for 2025 made in the previous year. As of December 31, 2024, this advance payment was reclassified as current.

6.8 Deferred tax assets

Breakdown of deferred tax assets

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Tax loss carryforwards	3,803	6,192
Intangible assets/film assets	21,596	9,849
Property, plant and equipment	473	487
Trade receivables and other receivables	6,094	8,887
Contract assets	1	2
Other financial assets	215	9
Inventories	19,242	30,660
Lease liabilities	9,401	7,830
Trade payables and other liabilities	1,542	2,327
Contract liabilities	2,333	1,134
Advance payments received	9,076	5,050
Provisions	247	45
Pension obligations	475	355
Total	**74,498**	**72,827**
Netting with deferred tax liabilities	–67,876	–64,702
Deferred tax assets (net)	**6,622**	**8,125**

Maturities

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Current deferred tax assets	936	837
Non-current deferred tax assets	5,686	7,288

For the year under review, deferred tax assets were recognized on tax loss carryforwards to the extent that the Group expects the respective companies to generate future taxable profits. In addition, deferred tax assets were recognized for temporary differences. After offsetting against deferred tax liabilities, deferred tax assets totaling TCHF 6,622 (previous year: TCHF 8,125) result as of December 31, 2024.

The Group has total loss carryforwards of TCHF 97,459 (previous year: TCHF 73,510) for which no deferred tax assets were recognized. These are scheduled to expire as follows:

2024 (TCHF)	Expiry date			
	< 1 year	1 – 5 years	> 5 years	thereof without expiry
	–	18,365	79,094	55,287

2023 (TCHF)	Expiry date			
	< 1 year	1 – 5 years	> 5 years	thereof without expiry
	–	18,365	55,145	32,283

Deferred tax assets are measured at the tax rates applicable in the individual countries at the realization date or in future.

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Changes in deferred taxes (assets and liabilities)	–5,107	4,001
thereof:		
Change in income statement	–5,470	3,093
Change in other comprehensive income/loss	482	38
Change in currency translation	–119	870

6.9 Other assets

Other financial assets

Other non-current financial assets

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Equity instruments at fair value through other comprehensive income (FVTOCI)		
Investment in Summacum GmbH	–	28
Profit participation rights	–	1,636
Investment in Deutsche Streaming Allianz GmbH	1,151	1,908
Investment in Starzz LLC	165	1,624
Investment in Tigerspin GmbH	4,068	6,020
Investment in Footbao.world AG	2,998	4,253
Investment in Car4Sports GmbH	4,339	8,573
Investment in Racemates GmbH	2,356	–
Investment in Clanq GmbH	5,739	–
Other investments	14	14
Total	**20,830**	**24,056**

During the reporting period, two new media-for-equity deals were concluded. In spring 2024, 10 % of Clanq AG and 16.5 % of Racemates GmbH were acquired.

In the previous year, 17.5 % of Car4Sports GmbH, 25 % of Deutsche Streaming Allianz GmbH, 19.5 % of Tigerspin GmbH, 12.51 % of Starzz LLC (Kingstown/St. Vincent and the Grenadines) and 10 % of Footbao.world AG, Zug, were acquired through media-for-equity deals. Due to the provisions in the shareholders' agreement, there is no significant influence in relation to the interest in Deutsche Streaming Allianz GmbH. These equity interests are measured at fair value through other comprehensive income (FVTOCI) and allocated to level 3 of the fair value hierarchy (see note 8.4). Due to the business performance being below expectations and the failure to meet the planned figures, impairments on the investments amounting to a total of TCHF 10,111 (previous year: TCHF 1,023) were recognized in other comprehensive income in the reporting period.

Profit participation rights were acquired in return for advertising services in the previous year. Through this profit participation right, Sport1 GmbH is entitled to 19.99 % of the EBIT of a third-party company's profit center. As the profit participation rights contain a combined call/put option in a company yet to be founded, this is treated as an equity instrument, recognized at fair value through other comprehensive income (FVTOCI) and assigned to level 3 of the fair value hierarchy (see note 8.4). Due to business performance falling short of expectations, a fair value adjustment of CHF 1,656 thousand (previous year: CHF –1,150 thousand) was recognized in other comprehensive income in the reporting year.

As in the previous year, there are no other current financial assets as of the end of the reporting period.

Other non-financial assets

Other non-current non-financial assets contain pension assets in connection with defined benefit pension plans of TCHF 486 (previous year: TCHF 795).

6.10 Inventories

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Unfinished goods and services	7,408	6,861
Blu-rays/DVDs	398	527
Constants	99	98
Total	**7,905**	**7,486**

Unfinished goods and services essentially relate to service productions in development that have not yet been ordered by the broadcaster, as well as service productions where revenue is recognized at a point in time and that cannot be recognized as contract assets or liabilities.

In the year under review, impairment losses were recognized in the amount of TCHF 599 (previous year's period: TCHF 1,490) and none were reversed (previous year's period: TCHF 58).

6.11 Trade receivables and other receivables

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Trade accounts receivable	45,449	36,459
Other receivables	72,457	47,930
Total	**117,906**	**84,389**

6.11.1 Trade accounts receivable

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Trade accounts receivable (financial assets)		
Current receivables	44,499	33,195
Receivables due from related parties	265	122
Credit losses expected over the entire term (level 2)	–88	–119
Individual value adjustments (level 3)	–2,777	–2,471
Total	**41,899**	**30,727**
Trade accounts receivable (non-financial assets)		
Receivables from countertrades	3,550	5,732
Total	**3,550**	**5,732**
Total trade accounts receivable	**45,449**	**36,459**

Receivables from countertrades arise when the Group receives a service or goods in an exchange transaction but the agreed consideration has not yet been paid in full. This is a trade receivable without a direct cash payment.

In connection with a media-for-equity fund, embedded derivatives and options of TCHF 415 (previous year: TCHF 297) were recognized under other financial assets. These items were measured at TCHF 360 (previous year: TCHF 92) in financial income through profit or loss and TCHF 143 (previous year: TCHF 90) in financial expenses through profit or loss.

The carrying amount of receivables not yet due and receivables that are overdue by up to 90 days is approximately their fair value.

Impairment losses

(TCHF)	Credit losses expected over the entire term (level 2)	Individual value adjustments (level 3)
Balance on December 31, 2022	**252**	**2,675**
Currency translation differences	–9	–160
Addition due to an increase in the volume of receivables	50	–
Reduction due to a decrease in the volume of receivables	–174	–
Additions	–	162
Utilization	–	–206
Balance on December 31, 2023	**119**	**2,471**
Currency translation differences	–	26
Addition due to an increase in the volume of receivables	17	–
Reduction due to a decrease in the volume of receivables	–48	–
Additions	–	391
Utilization	–	–111
Balance on December 31, 2024	**88**	**2,777**

Trade accounts receivable are measured using the simplified approach. Stage 3 impairment is recognized following an individual assessment. There is no relevant collateral or other credit enhancements.

The level 3 impairment losses relate to various individual matters that were not yet completed and therefore were not derecognized.

Currency profile

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
CHF	955	500
EUR	3,767	33,274
USD	12,477	2,646
Other	250	39
Total	**45,449**	**36,459**

6.11.2 Other receivables

Other receivables (financial assets)

(TCHF)		Expected credit losses			
Dec. 31, 2024	Gross	Level 1	Level 2	Level 3	Net
Suppliers with debit balances	756	–1	–	–	755
Receivables from loans	643	–1	–	–235	407
Subsidies receivables	19,947	–1	–	–	19,946
Positive fair value of derivative financial instruments without hedging relationships	1,340	–	–	–	1,340
Receivables due from personnel (financial)	774	–	–	–	774
Other assets (financial)	3,978	–3	–	–	3,975
Other receivables due from related parties	28,869	–	–	–	28,869
Total	**56,307**	**–6**	**–**	**–235**	**56,066**

(TCHF) Dec. 31, 2023	Gross	Expected credit losses Level 1	Level 2	Level 3	Net
Suppliers with debit balances	1,057	–1	–	–	1,056
Receivables from loans	788	–1	–	–232	555
Subsidies receivables	19,815	–2	–	–	19,813
Positive fair value of derivative financial instruments without hedging relationships	517	–	–	–	517
Receivables due from personnel (financial)	754	–	–	–	754
Other assets (financial)	4,249	–4	–	–285	3,960
Other receivables due from related parties	9,894	–	–	–	9,894
Total	**37,074**	**–8**	**–**	**–517**	**36,549**

Receivables from loans essentially include loans to co-producers and service producers of ongoing productions.

Other financial assets in the financial year and the previous year essentially include options for script rights and deposits paid.

The carrying amount for all current financial assets is approximately their fair value. They are measured using the general approach.

Impairment losses

(TCHF)	Credit losses expected over 12 months (level 1)	Credit losses expected over the entire term (level 2)	Individual value adjustments (level 3)
Balance on December 31, 2022	**27**	**–**	**2,552**
Currency translation differences	–1	–	–35
Reduction due to a decrease in the volume of receivables	–18	–	–
Additions	–	–	25
Utilization	–	–	–2,025
Balance on December 31, 2023	**8**	**–**	**517**
Currency translation differences	–	–	10
Reduction due to a decrease in the volume of receivables	–2	–	–
Additions	–	–	71
Utilization	–	–	–363
Balance on December 31, 2024	**6**	**–**	**235**

No material impairment was taken on receivables from the public sector.

Other receivables (non-financial assets)

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Prepaid expenses	6,054	5,935
Input tax	831	1,329
Other taxes	3,270	185
Advance payments	247	621
Other assets (non-financial)	5,989	3,311
Total	**16,391**	**11,381**

Advance payments include advance payments for various future projects in the Film segment.

The increase in other assets is primarily due to the reclassification of a down payment for a licence right from the non-current area (see section 6.7).

Currency profile

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
CHF	15,836	12,685
EUR	51,533	33,825
USD	3,761	1,027
CAD	903	–
PLN	262	296
Other	162	97
Total	**72,457**	**47,930**

6.12 Contract assets

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Contract assets	10,094	26,182
Credit losses expected over the entire term (level 2)	–3	–7
Individual value adjustments (level 3)	–	–
Total	**10,091**	**26,175**

The contract assets are mainly services rendered that have not yet been invoiced or that it has not yet been possible to invoice. They are measured using the simplified approach in accordance with IFRS 9.

The contract assets include TCHF 1,410 from a media-for-equity deal concluded in December 2024 (8 % in Crowdtransfer, Baar, with the option to acquire an additional 7 % if certain targets are met). As the corresponding shareholding had not yet been transferred as of the reporting date, no investment could yet be recognized.

Development of contract assets

(TCHF)	
Balance on December 31, 2022	**28,992**
Currency translation differences	–834
Additions	26,750
Impairment	–7
Reclassification to trade accounts receivable	–28,726
Balance on December 31, 2023	**26,175**
Currency translation differences	213
Additions	29,264
Impairment	–3
Reclassification to trade accounts receivable	–45,558
Balance on December 31, 2024	**10,091**

6.13 Income tax receivables

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Income taxes Switzerland	305	1,150
Income taxes Germany	252	3,349
Income taxes rest of the world	279	150
Total	**836**	**4,649**

6.14 Cash and cash equivalents

Interest is paid on call money and short-term sight deposits. The interest rate varies between 0% and 2.85% (previous year: 0% to 0.25%).

6.15 Equity

Changes in equity are shown in the consolidated statement of changes in equity.

Subscribed capital

As of December 31, 2024, the fully paid-up share capital of the parent company, Highlight Communications AG, totaled CHF 63,000,000 (previous year: CHF 63,000,000), divided into 63,000,000 bearer shares with a par value of CHF 1.00 per share (previous year: 63,000,000 bearer shares of CHF 1.00 per share).

Treasury shares

As of December 31, 2024, the separately reported item “Treasury shares” amounted to TCHF –6,255 (previous year: TCHF –6,255). The amount reflects the nominal capital of treasury shares. The number of directly and indirectly held non-voting treasury shares in Highlight Communications AG was 6,254,518 as of December 31, 2024 (previous year: 6,254,518). No treasury shares were purchased or sold in the year under review.

Capital reserves

As of December 31, 2024, the Group’s capital reserve amounted to a total of TCHF –79,523 (previous year: TCHF –104,136).

Based on a loan agreement, it is not permitted to distribute dividends, implement nominal value reductions or carry out share buybacks at the level of Highlight Communications AG.

The capital reserve increased by TCHF 123 (previous year: TCHF 213) as a result of share-based remuneration (see note 9). Furthermore, in the previous year, the conversion of a loan served to increase the capital reserve by TCHF 109.

The sale of 50% of the shares in Sport1 GmbH led to an increase in the capital reserve of TCHF 24,346. In this context, directly attributable legal and consulting fees of TCHF 1,030 were recorded without affecting profit or loss.

The increase in the stake in Königskinder Music GmbH led to an increase in the capital reserve of a further TCHF 144.

Non-controlling interests

Non-controlling interests in consolidated subsidiaries amounted to TCHF 6,972 as of December 31, 2024 (previous year: TCHF 2,052).

Dividend payments in the reporting year amounted to TCHF 687 (previous year’s period: TCHF 936) and the net profit for the period attributable to non-controlling interests was TCHF –2,044 (previous year’s period: TCHF 2). Differences from currency translation amounted to TCHF –60 (previous year: TCHF –57).

The sale of 50% of the shares in Sport1 GmbH and the increase in the stake in Königkinder Music GmbH led to a change in the non-controlling interests of TCHF 7,979 and TCHF –188 respectively.

Other reserves

Other reserves totaled TCHF –75,371 as of the end of the reporting period (previous year: TCHF –77,264).

As of December 31, 2024, these relate to the translation of the equity of companies that do not use Swiss francs as their functional currency (December 31, 2024: TCHF –75,442; previous year: TCHF –77,841) and to other cash flow hedge reserves of TCHF 71 (previous year: TCHF 577).

The cash flow hedge reserve before taxes developed as follows as of December 31, 2024:

Reconciliation of the market valuation of financial instruments

(TCHF)

Balance as of December 31, 2022	**585**
Gains or losses from effective hedging relationships	250
Balance as of December 31, 2023	**835**
Gains or losses from effective hedging relationships	–732
Balance as of December 31, 2024	**103**

The changes in other components of equity in fiscal years 2024 and 2023 were as follows:

Other comprehensive income/loss (OCI)

2024 (TCHF)	Before taxes	Tax effect	After taxes
Unrealized gains/losses from currency translation	2,339	–	2,339
Reclassification of realized gains/losses through profit or loss	–	–	–
Currency translation differences	2,339	–	2,339
Gains/losses from cash flow hedges	–732	226	–506
Items that can be reclassified to profit or loss	**1,607**	**226**	**1,833**
Actuarial gains/losses of defined benefit pension plans	–850	84	–766
Gains/losses from financial assets at fair value through other comprehensive income	–11,767	172	–11,595
Items that cannot be reclassified to profit or loss	**–12,617**	**256**	**–12,361**
Other comprehensive income/loss	**–11,010**	**482**	**–10,528**

2023 (TCHF)	Before taxes	Tax effect	After taxes
Unrealized gains/losses from currency translation	–11,445	–	–11,445
Reclassification of realized gains/losses through profit or loss	–	–	–
Currency translation differences	–11,445	–	–11,445
Gains/losses from cash flow hedges	250	–77	173
Items that can be reclassified to profit or loss	**–11,195**	**–77**	**–11,272**
Actuarial gains/losses of defined benefit pension plans	–1,181	115	–1,066
Gains/losses from financial assets at fair value through other comprehensive income	–2,173	–	–2,173
Items that cannot be reclassified to profit or loss	**–3,354**	**115**	**–3,239**
Other comprehensive income/loss	**–14,549**	**38**	**–14,511**

Information on capital management

In managing capital, the Highlight Group pays particular attention to ensuring that the continuation of the Group's operating activities is guaranteed. Consolidated equity is the most important control parameter in this respect.

Highlight Communications AG aims to increase the capital provided to the company by the capital market and to generate an appropriate return for shareholders. The parent company uses its equity for this purpose by acquiring equity interests and co-financing of their own operating activities. The Highlight Group can also distribute a dividend, pay back capital to the shareholders or issue new shares. The aim of management in this is to use equity and borrowed capital efficiently in order to ensure financial flexibility on the basis of a solid capital structure and thereby guarantee sufficient liquidity resources.

Liquidity consists of the inflows from operating activities, cash on hand and the borrowings available. The liquidity of the Highlight Group is managed centrally for all segments by Highlight Communications AG. This does not include Constantin Film AG and Sport1 Medien AG, which manage their own liquidity independently of Highlight Communications AG. In addition to a liquidity report and liquidity planning to assess its liquidity status, Highlight Communications AG essentially uses its gearing and net debt ratios, defined as current and non-current financial liabilities less cash and cash equivalents, to monitor its liquidity resources.

The equity management of Highlight Communications AG comprises all items of equity reported in the balance sheet.

Highlight Communications AG also monitors the borrowed capital in the context of Group management. Debt capital is monitored non-centrally by Highlight Communications AG, Sport1 Medien AG and Constantin Film AG. Financial ratios and other conditions must be complied with for borrowed funds, and information must be provided.

The credit agreements of Highlight Communications AG and Constantin Film AG include compliance with certain financial covenants. The financial covenants of Highlight Communications AG relate to minimum EBIT, gearing and reported equity including non-controlling interests, while the financial covenants of Constantin Film AG relate to the economic equity ratio, the level of economic equity and the interest coverage ratio. Highlight Communications AG applied for a waiver for the financial covenants of minimum EBIT and gearing ratio as of September 30, 2024, December 31, 2024 and March 31, 2025, which was approved on December 20, 2024. At Constantin Film AG, the covenants are currently being renegotiated; in addition, a defined minimum liquidity will be maintained as an additional financial covenant in the future. If the conditions on borrowed funds are violated, the interest rate could increase and the existing termination option could be invoked. In fiscal 2024, no financial covenants were violated within the Group, or there was a corresponding waiver or waiver declaration from the lending banks.

6.16 Pension obligations

6.16.1 Defined benefit pension plans

The defined benefit pension plans in place relate to the Swiss companies of the Highlight Group. Practically all employees and pensioners of these companies are insured in various pension plans. These pension plans have ties to various collective facilities. These are independent legal entities in the form of foundations for the purpose of retirement and invalidity pensions for employees and their surviving dependents after their death.

The pension plans grant more than the individual benefits demanded by law in the event of invalidity, death, old age and resignation. The risk benefits are defined on the basis of the insured salary. The retirement pension is calculated on the basis of the projected interest-bearing savings and a conversion rate.

Through these defined benefit pension plans, the Group is exposed to actuarial risks such as longevity, interest rate risk as well as market and investment risk.

Companies abroad have defined contribution plans only.

Funding agreements for future contributions

The Swiss occupational pension scheme (BVG – Swiss Federal Law on Occupational Retirement, Surviving Dependents' and Disability Pension and related ordinances) stipulates the minimum pension benefits. Legislation prescribes minimum annual amounts for employers. However, an employer can also pay higher contributions than those prescribed by law. These contributions are set out in the pension plan/regulations. In addition, an employer can also pay non-recurring contributions or advances to the scheme. However, these contributions cannot be paid back to the employer. However, they are available to the employer in order to settle future employer contributions (employer contribution reserve).

Even if the pension plan has a statutory excess, the law still demands annual minimum contributions. For active insured parties, both the employer and the employee must pay contributions. The employer contribution must at least equal the employee contributions. The minimum annual contributions are dependent on the age and insured salary of the insured party. They are set out in the pension plan/regulations.

In the event that an insured party changes employer before reaching pension age, termination benefits (accrued savings) are payable. These are transferred by the pension scheme to the pension plan of the new employer.

As described above, the pension plans/regulations prescribe minimum requirements for contributions. The pension plans/regulations do not stipulate additional funding requirements provided that the pension plan has a statutory excess. If, however, funding is insufficient, additional contributions ("restructuring contributions") are required from the insured party and the employer until pension obligations are covered again.

The forecast employer contributions for fiscal year 2025 amount to TCHF 1,772.

Maturity profile of defined benefit obligation

(TCHF)	2024	2023
Less than 1 year	5,438	5,140
Weighted average maturity of defined benefit obligation (in years)	13.7	13.0

Change in defined benefit liabilities

The defined benefit liabilities recognized in the consolidated balance sheet are calculated as follows:

Pension liabilities

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Present value of defined benefit obligation	46,787	41,672
Fair value of plan assets	46,364	43,403
Asset ceiling	3,844	4,481
Carrying amount	**4,267**	**2,750**

The pension liabilities totaling TCHF 4,267 (previous year: TCHF 2,750) consist of pension assets of TCHF 486 (previous year: TCHF 795, see note 6.9) and pension liabilities of TCHF 4,753 (previous year: TCHF 3,545).

The figure to be included as assets is limited to the amount of the employer contribution reserve, resulting in an asset ceiling of TCHF 3,844 as of December 31, 2024 (previous year: TCHF 4,481).

Development of defined benefit obligation

(TCHF)	2024	2023
Present value of defined benefit obligation as of January 1	**41,672**	**35,844**
Current service cost (without employee contributions and administrative expenses)	2,016	1,758
Employee contributions	1,038	996
Interest cost	617	687
Amendment	–	–666
Benefits paid	–2,267	–167
Actuarial losses/(gains) from experience adjustments	444	–76
Actuarial losses/(gains) from changes in financial assumptions	3,267	3,280
Actuarial losses/(gains) from changes in demographic assumptions	–	16
Present value of defined benefit obligation as of December 31	**46,787**	**41,672**
thereof actively insured persons	40,850	35,914
thereof pensioners	5,937	5,758

Development of plan assets

(TCHF)	2024	2023
Fair value of assets as of January 1	**43,403**	**40,214**
Interest income	575	665
Employee contributions	1,038	996
Employer contributions	1,477	1,057
Administrative expenses of the foundation	–86	–90
Benefits paid	–2,267	–167
Income from plan assets (excluding amounts contained in net interest cost)	58	130
Actuarial (losses)/gains from experience adjustments	2,166	598
Fair value of assets as of December 31	**46,364**	**43,403**

Retirement benefit expenses broke down as follows:

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Current service cost (without employee contributions and administrative expenses)	2,016	1,758
Administrative expenses of the foundation	86	90
Effects from curtailments	–	–666
Net interest cost (income)	42	22
Total income statement	**2,144**	**1,204**

Plan assets

The plan assets are divided among the individual investment categories as follows:

(TCHF)	2024	2023
Cash and cash equivalents	335	395
Bonds with quoted market prices on active markets	8,581	6,750
Shares with quoted market prices on active markets	15,105	14,012
Real estate	16,256	15,343
Insurance surrender value	3,992	4,212
Other	2,095	2,691
Total	**46,364**	**43,403**

The actual return on plan assets in the year under review amounted to TCHF 2,799 (previous year's period: TCHF 1,393).

Actuarial assumptions

The calculation of the pension provision was based on the following assumptions (in %):

	2024	2023
Discount rate	0.95	1.50
Pension trend	0.10	0.00
Salary trend	1.25	2.00
Average life expectancy after pension men (in years)	23.07	22.95
Average life expectancy after pension women (in years)	24.81	24.70

As in the previous year, the new BVG 2020 generation table was used for the actuarial assumptions for mortality, disability and employee turnover.

Sensitivity analysis

Changes in one of the key actuarial assumptions that would reasonably be expected to be possible as of the end of the reporting period would affect the pension obligation as follows:

	Discount rate (incl. change in interest rate applied)		Pension trend		Salary trend		Average life expectancy
2024 (TCHF)	+25 BP	–25 BP	+25 BP	–25 BP	+25 BP	–25 BP	+ 1 year
Effect on defined benefit obligation	–1,558	1,659	826	–319	242	–234	1,264

	Discount rate (incl. change in interest rate applied)		Pension trend		Salary trend		Average life expectancy
2023 (TCHF)	+25 BP	–25 BP	+25 BP	–25 BP	+25 BP	–25 BP	+ 1 year
Effect on defined benefit obligation	–1,316	1,423	690	–	232	–201	1,110

Although the analysis does not fully reflect the forecast cash outflow from the pension plans, it shows an approximation of the sensitivity of assumptions. The same method (present value of defined benefit pension obligations calculated with the projected unit credit method as of the end of the reporting period) was used as for the calculation of the pension liabilities recognized in the consolidated balance sheet.

6.16.2 Defined contribution pension plans

The expenses recognized in profit or loss for defined contribution plans (including state plans) amounted to TCHF 6,162 in the year under review (previous year's period: TCHF 7,034).

6.17 Deferred tax liabilities

Breakdown of deferred tax liabilities

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Film assets	46,664	37,628
Intangible assets	9,766	10,722
Right-of-use assets	8,520	7,153
Inventories	2	2
Trade receivables and other receivables	5,410	4,785
Contract assets	1,412	3,153
Other financial assets	114	65
Pension assets	65	107
Provisions	37	–
Trade payables and other liabilities	4,421	3,630
Contract liabilities	137	165
Advance payments received	17,389	19,749
Total	**93,937**	**87,159**
Netting with deferred tax assets	–67,876	–64,702
Deferred tax liabilities (net)	**26,061**	**22,457**

Maturities

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Current deferred tax liabilities	–	–
Non-current deferred tax liabilities	26,061	22,457

6.18 Financial liabilities

Reconciliation of liabilities arising from financial liabilities

			Non-cash changes			
(TCHF)	Jan. 01, 2024	Cash	Accrual of interest	Currency translation	Reclassi-fication	Dec. 31, 2024
Non-current financial liabilities	**3,470**	144	–	56	–1,187	**2,483**
Current financial liabilities	**153,715**	41,160	81	403	1,187	**196,546**
Total financial liabilities	**157,185**	**41,304**	**81**	**459**	**–**	**199,029**

			Non-cash changes			
(TCHF)	Jan. 01, 2023	Cash	Accrual of interest	Currency translation	Reclassi-fication	Dec. 31, 2023
Non-current financial liabilities	**77,058**	15,716	108	–402	–89,010	**3,470**
Current financial liabilities	**112,267**	–42,200	468	–5,830	89,010	**153,715**
Total financial liabilities	**189,325**	**–26,484**	**576**	**–6,232**	**–**	**157,185**

Please see note 6.4 for the reconciliation with lease liabilities.

6.18.1 Current financial liabilities

As of the end of the reporting period, there were current liabilities to banks of TCHF 195,295 (previous year: TCHF 152,545), TCHF 109,408 (previous year: TCHF 60,611) of which relates to the financing of film projects. Furthermore, current financial liabilities as of December 31, 2024 included liabilities from sale and leaseback agreements with buyback options amounting to TCHF 1,251 (previous year: TCHF 1,170), which are reported as a financing transaction.

The Highlight Group had free short-term credit facilities totaling around TCHF 97,251 (previous year: TCHF 141,359) as of the end of the reporting period. Of this, the Constantin Film Group's credit facilities (production financing and license trading facilities) are secured by the film rights reported as film assets (and the resulting exploitation revenues) in the amount of TCHF 223,905 (previous year: TCHF 196,003) as well as receivables and contract assets of TCHF 39,196 (previous year: TCHF 32,963). The security interests of the banks serve as collateral for all current and future receivables of the banks from Constantin Film AG. The banks are entitled to liquidate this collateral if necessary. They will be transferred back to Constantin Film AG by the banks after all secured claims have been satisfied (also see note 6.15).

In the 2024 reporting period, Highlight Communications AG had a loan from the bank syndicate for TCHF 73,333 and TEUR 15,274. In the reporting period, repayments of TCHF 3,000 and TEUR 3,000 were made for the current loan. Highlight Communications AG's credit facility of TCHF 70,333 and TEUR 12,174 (previous year: TCHF 73,333 and TEUR 15,274) is secured by the shares in Sport1 Medien AG and Constantin Film AG and the maturity date for the entire credit facility was agreed to be June 30, 2025. The Board of Directors is currently in discussions with the bank syndicate to extend the agreements.

As of the reporting date, the SPORT1 MEDIEN Group had a variable-rate working capital credit line of TCHF 8,461 (previous year: TCHF 10,217) and guarantee lines of TCHF 5,423 (previous year: TCHF 7,430). As of December 31, 2024, a total of 6,182,518 Highlight Communications AG shares with a carrying amount of TCHF 6,626 (previous year: 6,182,518 Highlight Communications AG shares with a carrying amount of TCHF 15,619) were pledged for these credit lines as well as a blanket assignment of receivables from Sport1 GmbH of TCHF 8,471 (previous year: TCHF 8,934) and from PLAZAMEDIA GmbH of TCHF 1,240 (previous year: TCHF 1,659) from the delivery of goods and services against third-party debtors. No financial covenants are required for these borrowings.

Currency profile

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
CHF	70,001	73,181
EUR	79,049	60,181
USD	46,677	18,799
CAD	819	1,554
Total	**196,546**	**153,715**

6.18.2 Non-current financial liabilities

Non-current financial liabilities of TCHF 2,483 as of December 31, 2024 (previous year: TCHF 3,470) relate to the non-current portion of sale and leaseback agreements with buyback options, which are reported as financing transactions.

6.19 Advance payments received

Advance payments received of TCHF 42,771 in total (previous year: TCHF 42,068) essentially include amounts received from productions for which revenue has not yet been recognized.

6.20 Trade payables and other liabilities

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Trade accounts payable	68,352	56,813
Other liabilities	79,758	93,066
Total	**148,110**	**149,879**

6.20.1 Trade accounts payable

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Trade accounts payable (financial)		
Current liabilities	48,284	37,809
Liabilities to related parties	146	57
Outstanding invoices	17,117	15,960
Total	**65,547**	**53,826**

Trade accounts payable (non-financial)		
Liabilities from countertrades	2,805	2,987
Total	**2,805**	**2,987**

Total trade accounts payable	**68,352**	**56,813**

Apart from the customary retentions of title, the reported trade accounts payable are not secured in any other way. They essentially relate to licensing and services.

Overall, the trade accounts payable are mostly non-interest-bearing and short-term, which means that the carrying amount of the financial trade accounts payable is approximately their fair value.

Currency profile

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
CHF	1,338	659
EUR	63,771	52,555
USD	1,387	2,424
Other	1,856	1,175
Total	**68,352**	**56,813**

6.20.2 Other current liabilities

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Other liabilities (financial)		
Liabilities from conditional loan repayment (subsidies)	11,020	14,174
Short-term interest liabilities	5,115	–
Customers with credit balances	563	643
Commissions, licenses and royalty payments	27,580	30,856
Current other loans	160	–
Negative fair value of derivative financial instruments without hedging relationships	13	1,908
Personnel-related liabilities (financial)	12,770	18,189
Other current liabilities (financial)	8,135	1,956
Other liabilities to related parties	454	254
Total	**65,810**	**67,980**
Other liabilities (non-financial)		
Value-added tax liabilities	2,323	3,858
Other taxes	3,599	2,895
Social security	748	500
Deferred income	6,494	16,868
Personnel-related liabilities (non-financial)	784	965
Total	**13,948**	**25,086**

Deferred income essentially includes subsidies that have already been received that were not offset by any expenses in the reporting year.

Currency profile

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
CHF	12,223	16,546
EUR	46,777	53,653
USD	20,400	22,593
Other	358	274
Total	**79,758**	**93,066**

6.21 Contract liabilities

Development of contract liabilities

(TCHF)	
Balance on December 31, 2022	**21,633**
Currency translation differences	–891
Additions	29,006
Amounts utilized due to performance	–21,266
Balance on December 31, 2023	**28,482**
Currency translation differences	260
Additions	9,673
Amounts utilized due to performance	–26,949
Balance on December 31, 2024	**11,466**

Contract liabilities relate to consideration already received from customers for which the Highlight Group has not yet fulfilled its performance obligations.

The line "Amounts consumed due to performance" relates to revenue recognized in the reporting period that was contained in net contract liabilities at the beginning of the period.

6.22 Provisions

(TCHF)	Jan. 01, 2024	Currency translation differences	Utilization	Reversal	Addition	Dec. 31, 2024
Provisions for litigation risks	124	2	38	12	–	76
Staff provisions	554	–15	568	–	2,245	2,216
Other provisions	12	1	13	–	–	–
Total	**690**	**–12**	**619**	**12**	**2,245**	**2,292**
thereof current provisions	690	–12	619	12	2,245	2,292

(TCHF)	Jan. 01, 2023	Currency translation differences	Utilization	Reversal	Addition	Dec. 31, 2023
Provisions for litigation risks	328	–12	128	88	24	124
Staff provisions	1,029	–45	430	–	–	554
Other provisions	18	–2	4	–	–	12
Total	**1,375**	**–59**	**562**	**88**	**24**	**690**
thereof current provisions	1,375	–59	562	88	24	690

The provisions for litigation risks were recognized to provide for various pending and possible legal proceedings. The provision is expected to be utilized in fiscal 2025.

Provisions for personnel mainly comprise the risk from future obligations arising from the termination of employment contracts in the amount of TCHF 2,216 (previous year: TCHF 554) in connection with the restructuring programme of the SPORT1 MEDIEN Group. The personnel provisions are expected to be utilized within the first twelve months after the balance sheet date.

As in the previous year, there were no non-current provisions as of the end of the reporting period.

6.23 Income tax liabilities

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Income taxes Switzerland	222	240
Income taxes Germany	1,951	2,219
Income taxes rest of the world	370	146
Total	**2,543**	**2,605**

7. NOTES TO INDIVIDUAL ITEMS OF THE INCOME STATEMENT

7.1 Revenue from contracts with customers

Please see the segment reporting under note 10 for a breakdown of revenue.

Revenue from contracts with customers from prior periods recognized in the current period amounted to TCHF 74 (previous year's period: TCHF 571).

Future revenue from contracts with customers

Revenue expected to be recognized (TCHF)	Dec. 31, 2024	Dec. 31, 2023
within one year	236,300	234,247
between one and five years	183,130	112,972
after five years	2,124	2,758
Total	**421,554**	**349,977**

7.2 Capitalized film production costs and other own work capitalized

Capitalized film production costs and TV service productions increased to TCHF 134,686 (previous year: TCHF 73,822) due to the higher value of the production volume. Other own work capitalized of TCHF 1,733 (previous year's period: TCHF 2,703) mainly relates to digital internally generated intangible assets.

7.3 Other operating income

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Income from the reversal of provisions and deferred liabilities	2,203	3,717
Prior-period income	333	839
Recharges	488	480
Price gains	2,802	1,879
Income from rents and leases	108	105
Write-off of liabilities	80	7
Income from the disposal of non-current assets	61	47
Income from deconsolidation	–	54
Income from settlements of claims for damages and settlement agreements	3,197	4,654
Income from the disposal of right-of-use assets from leasing	15	–
Miscellaneous operating income	3,435	3,466
Total	**12,722**	**15,248**

Income from the reversal of provisions and deferred liabilities is primarily due to the discontinuation of obligations for licenses. No material provisions for potential litigation were reversed in the reporting year.

Income from settlements of claims for damages and settlement agreements essentially includes income from compensation for copyright violations.

In addition to a number of items that cannot be assigned to any of the items mentioned separately, other operating income mainly includes sales proceeds from productions (such as costume sales) and reimbursements from the default fund (previous year: refunds from the default fund, sales revenues from the productions (such as costume sales) and income from benefits in kind).

7.4 Cost of materials and licenses

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Licenses and commission	38,058	42,567
Other costs of material	10,621	10,823
Total licenses, commissions and material	**48,679**	**53,390**

Production costs	205,920	155,507
Purchased services	501	644
Royalty payments in the Film segment	6,967	10,247
Total purchased services	**213,388**	**166,398**

7.5 Other operating expenses

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Rental costs	2,751	2,775
Repair and maintenance costs	966	970
Advertising and traveling expenses	7,255	7,321
Legal, consulting and auditing costs	11,121	8,222
IT costs	7,418	6,610
Administrative costs	1,813	1,351
Other personnel-related expenses	2,102	1,997
Insurance, dues and fees	2,004	2,121
Expenses relating to other periods	691	182
Price losses	2,234	2,307
Vehicle costs	721	673
Bank fees	267	229
Losses from the disposal of non-current assets	18	2
Other taxes	427	421
Release and promotion expenses	12,166	13,886
Expenses from short-term leases	1,609	1,595
Expenses from leases of low-value assets (if not already short-term)	31	15
Expenses from variable lease payments (not included in lease liabilities)	1,205	1,056
Miscellaneous operating expenses	4,146	3,327
Total	**58,945**	**55,060**

Legal, consulting and auditing costs include the costs of auditing the consolidated and separate financial statements, tax consulting fees and the costs of legal advice including for ongoing legal proceedings and copyright violations. The increase is due in particular to the advice provided in connection with the restructuring of the SPORT1 MEDIEN Group.

Release and promotion expenses include the costs of promoting and distributing theatrical movies and of releasing home entertainment titles.

Miscellaneous operating expenses include a number of items that cannot be allocated to separate items. These mainly relate to purchased services.

7.6 Impairment/reversals of impairment on financial assets

This item includes impairment losses on financial assets of TCHF 473 (previous year's period: TCHF 237) and reversals of impairment losses on financial assets totaling TCHF 63 (previous year's period: TCHF 203).

7.7 Financial income

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Interest and similar income	1,259	1,374
Gains from changes in the fair value of financial instruments	2,917	394
Currency exchange gains	1,495	3,377

Total	5,671	5,145

The interest and similar income item contains essentially income from accrued interest on non-current receivables with a financing component.

Gains from changes in the fair value of financial instruments include those on the embedded derivatives and options in connection with advertising services with a media-for-equity fund.

As in the previous year, several derivative financial instruments were not in a formal hedge in accordance with IFRS 9 in the year under review. However, there were still economic hedges. The measurement of derivative financial instruments without a hedge resulted in higher income in the reporting year than in the previous year.

7.8 Financial expenses

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Interest and similar expenses	16,661	13,300
Losses from changes in the fair value of financial instruments	459	355
Currency exchange losses	3,788	3,567
Interest expenses from lease liabilities	819	853
Total	**21,727**	**18,075**

The increase in other interest and similar expenses is due to the higher credit volume and the increased interest rate level.

Losses from changes in the fair value of financial instruments include those on the embedded derivatives and options in connection with advertising services with a media-for-equity fund.

The developments in exchange rates resulted in higher expenses from the remeasurement of bank balances, financial liabilities and derivative financial instruments without hedges in the reporting period.

7.9 Taxes

Income taxes paid or owed in the individual countries and deferred taxes are recognized as taxes. The expected tax rate of 17.93% (previous year: 17.93%) relates to the tax rate applicable at the domicile of Highlight Communications AG.

Effective tax rate reconciliation

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Profit before taxes	–21,748	–9,999
Expected taxes based on a tax rate of 17.93% (previous year: 17.93%)	3,899	1,793
Differing tax rates	–800	1,262
Reversal of deferred tax assets	105	–
Write-down on deferred tax assets	–3,095	–119
Permanent differences	239	1,458
Non-deductible expenses	–5,901	–2,792
Non-deductible value adjustments of shares	–13	–2,568
Aperiodic income taxes	–352	330
Other effects	824	962
Unrecognized deferred taxes	–2,885	–938
Actual tax expense	**–7,979**	**–612**
Effective tax rate in %	**n/a**	**n/a**

8. DISCLOSURES ON FINANCIAL RISK MANAGEMENT

8.1 Financial instruments by class

The table below shows the carrying amounts and fair values of financial instruments by class and a breakdown into the various categories of financial instruments in accordance with IFRS 9.

Disclosures IFRS 7: Classes as of December 31, 2024

ASSETS (TCHF)
Cash and cash equivalents
Trade accounts receivable
Contract assets
Receivables from associates and joint ventures (current and non-current)
Other receivables (current)
Financial assets at fair value
Other receivables
Non-current receivables
Financial assets at fair value
Other receivables
Other financial assets (non-current)
Financial assets at fair value

EQUITY AND LIABILITIES (TCHF)
Financial liabilities (current and non-current)
Financial liabilities with hedging relationships (current and non-current)
Lease liabilities (current and non-current) **
Trade accounts payable (current and non-current)
Contract liabilities
Other liabilities (current and non-current)
Financial liabilities at amortized cost
Financial liabilities at fair value
Derivative financial instruments with a hedge

AGGREGATED BY CATEGORY
Assets (TCHF)
Financial assets at amortized cost
Financial assets at fair value through profit or loss
Financial assets at fair value through OCI
Equity and liabilities (TCHF)
Financial liabilities at amortized cost
Financial liabilities at fair value

Note	Classification category IFRS 9	Carrying amount as on Dec. 31, 2024	thereof not relevant under IFRS 7*	Valuation in the balance sheet under IFRS 9 Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Fair value on Dec. 31, 2024
	AC	**16,773**	–	16,773	–	–	**16,773**
6.11.1	AC	**45,449**	–3,550	41,899	–	–	**41,899**
6.12	without category	**10,091**	–10,091	–	–	–	**–**
12	AC	**148**	–	148	–	–	**148**
6.11.2							
	FVTPL	**1,340**	–	–	–	1,340	**1,340**
	AC	**71,117**	–16,391	54,726	–	–	**54,726**
6.7							
	FVTPL	**15,190**	–	–	–	15,190	**15,190**
	AC	**430**	–	430	–	–	**430**
6.9							
	FVTOCI	**20,830**	–	–	20,830	–	**20,830**
6.18	AC	**198,766**	–	198,766	–	–	**199,138**
	AC	**263**	–	263	–	–	**263**
6.4	without category	**35,762**	–	–	–	–	**–**
6.20.1	AC	**68,352**	–2,805	65,547	–	–	**65,547**
6.21	without category	**11,466**	–11,466	–	–	–	**–**
6.20.2							
	AC	**79,585**	–13,948	65,637	–	–	**65,637**
	FLTPL	**13**	–	–	–	13	**13**
	without category	**160**	–	–	160	–	**160**
	AC	**133,917**	–19,941	113,976	–	–	113,976
	FVTPL	**16,530**	–	–	–	16,530	16,530
	FVTOCI	**20,830**	–	–	20,830	–	20,830
	AC	**346,966**	–16,753	330,213	–	–	330,585
	FLTPL	**13**	–	–	–	13	13

**Not relevant under IFRS 7: It does not concern financial instruments.*
***In accordance with IFRS 7.29(d), no fair value disclosures are required for lease liabilities.*

AC: Financial assets at amortized cost
FVTOCI: Financial assets at fair value through OCI
FVTPL: Financial assets at fair value through profit or loss
FLTPL: Financial liabilities at fair value through profit or loss

Disclosures IFRS 7: Classes as of December 31, 2023

ASSETS (TCHF)
Cash and cash equivalents
Trade accounts receivable
Contract assets
Receivables from associates and joint ventures (current and non-current)
Other receivables (current)
Financial assets at fair value
Other receivables
Non-current receivables
Financial assets at fair value
Other receivables
Other financial assets (non-current)
Financial assets at fair value
EQUITY AND LIABILITIES (TCHF)
Financial liabilities (current and non-current)
Financial liabilities with hedging relationships (current and non-current)
Lease liabilities (current and non-current) **
Trade accounts payable (current and non-current)
Contract liabilities
Other liabilities (current and non-current)
Financial liabilities at amortized cost
Financial liabilities at fair value
AGGREGATED BY CATEGORY
Assets (TCHF)
Financial assets at amortized cost
Financial assets at fair value through profit or loss
Financial assets at fair value through OCI
Equity and liabilities (TCHF)
Financial liabilities at amortized cost
Financial liabilities at fair value

The category of financial assets measured at fair value through profit or loss includes derivative financial instruments as well as a non-current receivable. The category of financial liabilities measured at fair value through profit or loss includes derivative financial instruments. Of the receivables (current and non-current) totaling TCHF 113,585 (previous year: TCHF 81,719), an amount of 63.6 % (previous year: 69.7 %) is attributable to the film industry.

Note	Classification category IFRS 9	Carrying amount as on Dec. 31, 2024	thereof not relevant under IFRS 7*	Valuation in the balance sheet under IFRS 9 Amortized cost	Fair value through other comprehensive income	Fair value through profit or loss	Fair value on Dec. 31, 2024
	AC	**25,498**	–	25,498	–	–	**25,498**
6.11.1	AC	**36,459**	–5,732	30,727	–	–	**30,727**
6.12	without category	**26,175**	–26,175	–	–	–	**–**
12	AC	**7**	–	7	–	–	**7**
6.11.2							
	FVTPL	**517**	–	–	–	517	**517**
	AC	**47,413**	–11,381	36,032	–	–	**36,032**
6.7							
	FVTPL	**13,334**	–	–	–	13,334	**13,334**
	AC	**3,365**	–2,256	1,109	–	–	**1,109**
6.9							
	FVTOCI	**24,056**	–	–	24,056	–	**24,056**
6.18	AC	**156,350**	–	156,350	–	–	**156,494**
	AC	**835**	–	835	–	–	**835**
6.4	without category	**31,429**	–	–	–	–	**–**
6.20.1	AC	**56,813**	–2,987	53,826	–	–	**53,826**
6.21	without category	**28,482**	–28,482	–	–	–	**–**
6.20.2							
	AC	**91,239**	–25,086	66,153	–	–	**66,153**
	FLTPL	**1,908**	–	–	–	1,908	**1,908**
	AC	**112,742**	–19,369	93,373	–	–	93,373
	FVTPL	**13,851**	–	–	–	13,851	13,851
	FVTOCI	**24,056**	–	–	24,056	–	24,056
	AC	**305,237**	–28,073	277,164	–	–	277,308
	FLTPL	**1,908**	–	–	–	1,908	1,908

*Not relevant under IFRS 7: It does not concern financial instruments.
**In accordance with IFRS 7.29(d), no fair value disclosures are required for lease liabilities.

AC: Financial assets at amortized cost
FVTOCI: Financial assets at fair value through OCI
FVTPL: Financial assets at fair value through profit or loss
FLTPL: Financial liabilities at fair value through profit or loss

8.2 Offsetting

For derivative financial instruments, according to the contractual agreements in the event of insolvency, all asset and liability derivatives with the counterparty in question are offset and only the net amount of the receivable or liability remains. As offsetting is only legally enforceable in the event of insolvency and the Group neither has a legal right to offset amounts at the current time nor does it intend to settle on a net basis, the derivative financial instruments are reported in the consolidated balance sheet on a gross basis.

The following tables provide an overview of the offsetting that has been carried out or is contractually agreed.

Offsetting as of December 31, 2024

Offsetting of financial assets

(TCHF)	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amounts of financial assets shown in the balance sheet	Related amounts not offset in the balance sheet	Net amount
Financial assets at fair value through profit or loss	1,340	–	1,340	–13	1,327

Offsetting of financial liability

(TCHF)	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amounts of financial liabilities shown in the balance sheet	Related amounts not offset in the balance sheet	Net amount
Financial assets at fair value through profit or loss	13	–	13	–13	–
Derivative financial instruments with a hedge	160	–	160	–	160

Offsetting as of December 31, 2023

Offsetting of financial assets

(TCHF)	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the balance sheet	Net amounts of financial assets shown in the balance sheet	Related amounts not offset in the balance sheet	Net amount
Financial assets at fair value through profit or loss	517	–	517	–71	446

Offsetting of financial liability

(TCHF)	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets offset in the balance sheet	Net amounts of financial liabilities shown in the balance sheet	Related amounts not offset in the balance sheet	Net amount
Financial liabilities at fair value through profit or loss	1,908	–	1,908	–71	1,837

8.3 Management of financial risks

The Group is exposed to various financial risks resulting from its operating and financing activities. Financial risks can be broken down into the categories liquidity risks, credit risks and market risks (including currency risks, interest rate risks and price risks). These risks are monitored centrally within the Highlight Group. The risk situation is tracked by the risk manager on the basis of a risk management directive that applies to the whole Group using standardized risk reports and reported to the Board of Directors of Highlight Communications AG. Financial risks are identified, assessed and hedged in close cooperation with the Group's operating companies.

8.3.1 Liquidity risks

A liquidity risk arises if future payment obligations of the Group cannot be covered by available liquidity or corresponding credit facilities. In order to limit this risk, processes are in place within the Highlight Group, with which cash inflows or outflows and maturities are monitored and controlled on an ongoing basis. Highlight Communications AG and the Highlight Group had liquidity reserves taking into account the available short-term credit facilities as of the end of the reporting period.

The liquidity risk tables show the maturity structure of the primary financial liabilities and an analysis of the cash outflows from derivative financial liabilities and assets. These are undiscounted cash flows.

Liquidity risk

		Due within one year			Due within one year and five years			Due after five years		
2024 (TCHF)	Carrying amount Dec. 31, 2024	Fixed interest	Variable interest	Repayment	Fixed interest	Variable interest	Repayment	Fixed interest	Variable interest	Repayment
Non-derivative financial liabilities										
Liabilities due to banks and similar liabilities*	199,029	58	7,711	191,338	–	–	2,604	–	–	–
Lease liabilities	35,762	–	–	7,395	–	–	21,844	–	–	11,250
Other interest-bearing and non-interest-bearing financial liabilities	131,184	213	4,622	126,349	–	–	–	–	–	–
Derivative financial liabilities										
Derivatives without hedging relationships	13	–	–	1,498	–	–	–	–	–	–
Other Derivatives	160	–	–	–	–	–	–	–	–	–
Derivative financial assets										
Derivatives without hedging relationships	1,340	–	–	35,359	–	–	–	–	–	–

		Due within one year			Due within one year and five years			Due after five years		
2023 (TCHF)	Carrying amount Dec. 31, 2023	Fixed interest	Variable interest	Repayment	Fixed interest	Variable interest	Repayment	Fixed interest	Variable interest	Repayment
Non-derivative financial liabilities										
Liabilities due to banks and similar liabilities*	157,185	–	5,105	151,480	–	–	3,689	–	–	91
Lease liabilities	31,429	–	–	6,892	–	–	18,482	–	–	8,572
Other interest-bearing and non-interest-bearing financial liabilities	119,979	940	–	119,039	–	–	–	–	–	–
Derivative financial liabilities										
Derivatives without hedging relationships	1,908	–	–	29,445	–	–	4,335	–	–	–
Derivative financial assets										
Derivatives without hedging relationships	517	–	–	5,793	–	–	–	–	–	–

*Financial liabilities include sale and leaseback transactions. For this reason, only monthly payments are shown in the repayment column in the liquidity risk table.

In general, the Group companies are responsible for the management of cash and cash equivalents on their own, including current deposits of excess liquidity and the procurement of loans to bridge liquidity bottlenecks. Highlight Communications AG partly supports its subsidiaries in credit financing and at times acts as a coordinator with banks and capital markets. This also includes the ability to issue equity and debt instruments on the capital market. It should be noted that various projects, especially in the film business, and other financing activities such as the purchase of non-controlling interests and the acquisition of treasury shares, can influence liquidity differently over time.

Despite unused working capital facilities, it may be necessary to borrow further debt capital on the capital market or from banks both in order to refinance existing liabilities and to finance new projects. There is therefore the risk that, in the event of a deterioration of the economic situation, funding may not be available to a sufficient extent or could only be available at significantly more disadvantageous terms.

8.3.2 Credit risks

The default risk arises from cash and cash equivalents, contractual cash flows from debt instruments carried at amortized cost, from derivative financial instruments that are assets, balances with banks and financial institutions and lending to customers including outstanding receivables.

A credit risk exists if a debtor cannot pay a receivable or cannot pay it on time or assets pledged as collateral lose value and therefore cause financial losses. Credit risks include the direct counterparty risk and the risk of deterioration in credit quality.

Banks and financial institutions with which the Highlight Group performs transactions must have a good credit quality and a good rating. In addition, any risks to cash and cash equivalents are minimized by allocating cash deposits among several banks.

The default risks of the Highlight Group's key customers are monitored and assessed on an ongoing basis. Furthermore, in significant cases, the company also hedges the risk of default by a creditor by obtaining credit rating information.

Risks from the international distribution of film licenses are minimized by concluding business only with companies of reliable credit quality, by transferring rights to the contractual partner only after payment, and/or entering into transactions in exchange for corresponding collateral (e. g. letters of credit).

The maximum credit risk of the Highlight Group is equal to the carrying amount of its financial assets.

Please see note 4.9 for further information on impairment of non-financial assets.

8.3.3 Market risks

Currency risk

The Highlight Group is exposed to currency risks in its ordinary business activities. This primarily relates to the euro, the US dollar and the Canadian dollar. Exchange rate movements can lead to undesirable and unforeseen earnings and cash flow volatilities.

Each subsidiary is subject to risks associated with exchange rate fluctuations when it performs transactions with international contractual partners and incurs future cash flows in a currency other than its functional currency. The Highlight Group does not enter into any operating activities in currencies that are otherwise considered to be especially prone to risk.

Currency translation differences in net operating income and net finance costs of TCHF –1,725 (previous year's period: TCHF –618) were recognized in profit or loss in the year under review. In addition, currency differences from the translation of foreign subsidiaries of TCHF 2,339 (previous year's period: TCHF –11,445) and from cash flow hedges of TCHF –506 (previous year's period: TCHF 173) were recognized in other comprehensive income (OCI).

Hedge accounting is used where permissible; otherwise, the earnings effects of economic hedges largely offset each other as a result of natural hedging.

Interest risk

An interest risk arises when market interest rates fluctuate, which could improve or worsen the proceeds from deposits or payments for money borrowed. In addition, due to the mismatching of maturities, there is a risk of changes in interest rates which is actively controlled in the Group, in particular by monitoring changes in the yield curve.

The risk of change in interest rates to which the Group is exposed primarily relates to financial liabilities. The Group currently utilizes financial instruments to hedge the risk of changes in interest rates.

Fixed interest agreements provide protection against additional expenses in phases of rising interest rates. They have the disadvantage that the company does not profit from corresponding developments in times of falling interest rates. Fixed interest agreements provide sufficient planning security for financial liabilities without flexible regulations on utilization and repayment. By contrast, for credit agreements with high flexibility, variable interest agreements take into account future fluctuations in credit utilization. For further information on financial liabilities please see note 6.18.

The Group hedges a portion of the interest rate risks arising from variable interest-bearing financial liabilities and future financing measures with interest rate swaps.

In the case of interest rate swaps, variable interest payments are exchanged for fixed interest payments, or a compensation payment equal to the difference between the two payments is made or received. This transforms the future variable and therefore uncertain interest payments from the secured loans into fixed interest payments. The market values of interest rate swaps are determined by discounting the forecast future cash flows. The interest rate swaps are recognized as stand-alone hedge accounting transactions at fair value.

In the reporting year, interest effects from cash flow hedges amounting to TCHF –160 (previous year: TCHF 0) were recognized in equity.

Other price risks

Other price risks are defined as the risk that the fair value or future cash flows of a financial instrument could fluctuate as a result of changes in market prices not already arising from interest or currency risks. Other price risks apply to financial assets measured at fair value. These financial assets are not hedged.

Sensitivities

The sensitivity analysis shows the effects of possible changes in market interest rates on earnings before taxes or equity. Changes in market interest rates affect interest income and expenses on floating-rate financial instruments. The interest rate sensitivity analysis was prepared assuming a change in the market interest rate of 100 basis points upwards and downwards.

The Group's currency sensitivities were calculated for the main currency pairings of EUR/CHF, EUR/USD and EUR/CAD (each expressed in Swiss francs) assuming that the underlying exchange rate of the pairing fluctuates by 10 % in either direction with all other currency parameters remaining the same. The sensitivity analysis does not include translation risks. The following table shows the effects of a change in the exchange rate of 10 %. The closing rate was used for the sensitivity analysis.

Sensitivity analysis

Dec. 31, 2024 (TCHF)	Interest rate risk –1 %	+1 %
Financial assets		
Cash and cash equivalents	–168	168
Trade accounts receivable (current and non-current)	–	–
Other receivables (current and non-current)	–	–
Derivative financial instruments	–	–
Other financial assets (current and non-current)	–	–
Financial liabilities		
Financial liabilities (current and non-current)	1,956	–1,956
Lease liabilities (current and non-current)	–	–
Trade accounts payable (current and non-current)	386	–386
Other liabilities (current and non-current)	–	–
Derivative financial instruments	–	–
Total increase/decrease	**2,174**	**–2,174**
thereof through OCI	–	–
thereof through profit or loss	2,174	–2,174

Dec. 31, 2023 (TCHF)	Interest rate risk –1 %	+1 %
Financial assets		
Cash and cash equivalents	–255	255
Trade accounts receivable (current and non-current)	–	–
Other receivables (current and non-current)	–	–
Derivative financial instruments	–	–
Other financial assets (current and non-current)	–	–
Financial liabilities		
Financial liabilities (current and non-current)	1,572	–1,572
Lease liabilities (current and non-current)	–	–
Trade accounts payable (current and non-current)	–	–
Other liabilities (current and non-current)	–	–
Derivative financial instruments	–	–
Total increase/decrease	**1,317**	**–1,317**
thereof through OCI	–	–
thereof through profit or loss	–	–

Exchange rate risk									
EUR/CHF		EUR/USD		EUR/CAD		Total		Other price risks	
–10 %	+10 %	–10 %	+10 %	–10 %	+10 %	–10 %	+10 %	–10 %	+10 %
–142	142	–48	58	–1	1	–191	201	–	–
–88	104	–2,516	3,075	–	–	–2,604	3,179	–	–
–6	6	–374	457	–	–	–380	463	–	–
–	–	–1,547	1,891	–	–	–1,547	1,891	–	–
–	–	–	–	–	–	–	–	–2,125	2,125
1,141	–1,141	4,245	–5,188	74	–91	5,460	–6,420	–	–
–	–	125	–152	–	–	125	–152	–	–
190	–200	127	–154	–	–	317	–354	–	–
1	–1	1,854	–2,267	–	–	1,855	–2,268	–	–
–	–	–1,547	1,892	–	–	–1,547	1,892	–	–
1,096	**–1,090**	**319**	**–388**	**73**	**–90**	**1,488**	**–1,568**	**–2,125**	**2,125**
–	–	–1,100	900	–	–	–1,100	900	–2,084	2,084
1,096	–1,090	1,419	–1,288	73	–90	2,588	–2,468	–41	41

Exchange rate risk									
EUR/CHF		EUR/USD		EUR/CAD		Total		Other price risks	
–10 %	+10 %	–10 %	+10 %	–10 %	+10 %	–10 %	+10 %	–10 %	+10 %
–784	784	–11	13	–1	1	–796	798	–	–
–30	30	–1,455	1,779	–	–	–1,485	1,809	–	–
–148	148	–90	111	–	–	–238	259	–	–
–	–	–616	753	–	–	–616	753	–	–
–	–	–	–	–	–	–	–	–2,429	2,429
1,420	–1,420	1,709	–2,089	141	–173	3,270	–3,682	–	–
–	–	158	–193	–	–	158	–193	–	–
152	–152	220	–270	–	–	372	–422	–	–
1	–1	2,050	–2,505	–	–	2,051	–2,506	–	–
–	–	–1,775	2,169	–	–	–1,775	2,169	–	–
611	**–611**	**190**	**–232**	**140**	**–172**	**941**	**–1,015**	**–2,429**	**2,429**
–	–	–	–	–	–	–1,023	837	–	–
–	–	–	–	–	–	1,964	–1,852	–	–

8.4 Fair value of financial and non-financial assets and liabilities

8.4.1 Fair value of financial assets and liabilities

The following table shows the allocation to the three levels of the fair value hierarchy of financial assets and liabilities measured at fair value/the fair values to be disclosed in the notes:

Fair value hierarchy

2024 (TCHF)		Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Derivative financial instruments	FVTPL/without category	–	925	415	1,340
Financial assets at fair value through profit or loss	FVTPL	–	15,190	–	15,190
Financial assets at fair value through OCI	FVTOCI	–	–	20,830	20,830
Financial liabilities at fair value					
Derivative financial instruments	FLTPL/without category	–	173	–	173

2023 (TCHF)		Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Derivative financial instruments	FVTPL/without category	–	280	237	517
Financial assets at fair value through profit or loss	FVTPL	–	13,334	–	13,334
Financial assets at fair value through OCI	FVTOCI	–	4,253	19,803	24,056
Financial liabilities at fair value					
Derivative financial instruments	FLTPL	–	1,908	–	1,908

Disclosures on level 3 financial instruments

	Equity investments	Profit participation rights	Embedded derivatives
Fair value on December 31, 2022	**38**	**2,969**	**300**
Gains/(losses) through profit or loss	–	–	–60
Gains/(losses) through equity	–247	–1,333	–16
Purchase	18,376	–	62
Sale	–	–	–49
Fair value on December 31, 2023	**18,167**	**1,636**	**237**
Transfer to level 3	4,253	–	–
Gains/(losses) through profit or loss	–	–	50
Gains/(losses) through equity	–9,900	–1,636	1
Purchase	8,310	–	127
Fair value on December 31, 2024	**20,830**	**–**	**415**

The financial assets measured at fair value through profit or loss and included in level 1 are measured using stock market prices.

The derivative financial instruments in level 2 are measured at current market rates. A discounted cash flow method was used to determine the fair value of level 2 derivative financial instruments.

Level 3 equity instruments are measured at fair value through other comprehensive income (see also note 6.9). On the one hand, present value methods are used with discount rates in the double-digit percentage range on the basis of the five-year planning of the corresponding companies. The estimated fair value of all financial instruments in level 3 would decrease by TCHF 3,390 if the discount rate were to increase by 300 basis points or increase by TCHF 5,807 if the discount rate were to decrease by 300 basis points. A discounted cash flow method was used to determine the fair value of level 3 derivative financial instruments.

During the reporting period, there was a reclassification between the individual levels of the fair value hierarchy. They are reclassified quarterly in each reporting period if circumstances requiring a different classification arise.

8.4.2 Financial assets and liabilities at amortized cost

Given the short remaining term, the carrying amounts of current financial receivables and liabilities as of the end of the reporting period are approximately the fair value. Non-current receivables are discounted according to their remaining term. Their carrying amounts are therefore also approximately their fair value. Please see note 8.1 for the fair value disclosures on non-current receivables.

8.4.3 Fair value of non-financial assets and liabilities

As of December 31, 2024 and December 31, 2023, there were no non-financial assets or liabilities measured at fair value.

8.5 Use of hedging instruments

Currency

In significant transactions, particularly in US dollars and euro, the Group attempts to minimize currency risks by using suitable derivative and non-derivative financial instruments. Derivative financial instruments are transacted with banks. The financial instruments predominantly relate to future cash flows in foreign currencies for film projects and loans.

The Group ensures that the amount of the hedge does not exceed the value of the hedged item. The Group entered into currency forwards and currency swaps for hedging purposes in the current fiscal year. To the extent possible, these are accounted for as fair value hedges or cash flow hedges in accordance with IFRS 9.

The hedged items essentially relate to pending sales in US dollars. Furthermore, currency forwards were bought as a hedge for recognized foreign currency receivables and liabilities.

Interest

The Group uses interest rate swaps to reduce interest risks arising from liabilities with variable interest rates. These derivative instruments are concluded with renowned credit institutions. The interest rate swaps are directly related to future interest payments resulting from these financial liabilities.

In the current fiscal year, the Group entered into interest rate swaps for hedging purposes. These hedges are recognized as cash flow hedges under IFRS 9 whenever possible. The hedged transactions primarily involve future interest payments from loans. The objective of these hedges is to stabilize the predictable cash flows and the financial risks associated with changes in interest rates.

8.5.1 Fair values of hedging instruments in hedges

Cash flow hedges

As of December 31, 2024, the currency risk component of non-derivative financial liabilities with a nominal amount of TCHF 10,279 (previous year: TCHF 10,155) and interest rate risk components with a nominal value of TCHF 23,504 (previous year: TCHF 0) were designated as a hedging instrument in cash flow hedges. The hedged items are forecast transactions that are highly likely to occur.

The unrealized profit before tax from the remeasurement of hedging instruments recognized in other comprehensive income amounts to TCHF –732 (previous year: TCHF 250).

Derivatives and non-derivative financial liabilities included in hedge accounting are used only to hedge currency risks and interest risks.

The following table shows the conditions of the non-derivative financial instruments designated in existing hedges as of the end of the reporting period:

Primary financial instruments in hedges

				Dec. 31, 2024	
(TCHF)	< 1 year	1 – 5 years	> 5 years	Nominal volume	Annual average rate
Primary financial instrument (financial liability)					
USD	10,279	–	–	10,279	0.98829
Loan	–	23,504	–	23,504	–
Forward exchange transaction/purchase of interest rate swap					
FX Swap	10,279	–	–	10,279	–
Interest rate swap	–	23,504	–	23,504	–

				Dec. 31, 2023	
(TCHF)	< 1 year	1 – 5 years	> 5 years	Nominal volume	Annual average rate
Primary financial instrument (financial liability)					
USD	10,155	–	–	10,155	0.98829
Forward exchange transaction/purchase of interest rate swap					
FX Swap	10,155	–	–	10,155	–

The carrying amounts and nominal amounts of hedging instruments in existing cash flow hedges are shown in the following table. Only the designated foreign currency component of the financial liability is recognized as carrying amount:

Information on hedging instruments

	Currency risk		Interest risk	
(TCHF)	2024	2023	2024	2023
Cumulative fair value changes to determine ineffectiveness	–572	250	–160	–
Carrying amount of financial liabilities	263	835	–160	–
Nominal value	10,279	10,155	23,504	–

The designated hedged items are as follows:

Information on underlying transactions

Currency risk/interest risk

(TCHF)	2024	2023
Cumulative fair value changes to determine ineffectiveness	732	–250
Nominal value	–103	–835

Only the change in the carrying amount of the designated currency and interest rate risk component is shown in the table.

Hedging instruments in hedge accounting

Currency risk/interest risk

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Unrealized gains and losses from hedging instruments	–732	250

Please see note 6.15 for the reconciliation of the reserve for the fair value remeasurement of financial instruments in other comprehensive income.

CCBS ineffectiveness and credit risks were immaterial in fiscal year 2023 and was therefore not recognized in profit or loss.

Fair Value Hedges

There were no fair value hedges in the year under review or the previous year.

8.5.2 Derivative financial instruments without a hedge

Derivatives that are not or no longer included in a hedge are still used to hedge a financial risk from operating activities. The hedging instruments are closed out if the operating hedged item no longer exists or is no longer expected.

The nominal amounts and fair values of derivatives not designated in hedge accounting as of December 31, 2024 and 2023 are as follows:

Derivative financial instruments without a hedge

	Dec. 31, 2024		Dec. 31, 2023	
(TCHF)	Nominal value	Fair value	Nominal value	Fair value
Foreign currency forwards (sale)				
CZK	–	–	4,508	–360
USD	–	–	5,729	279
thereof credit balance	–	–	5,729	279
thereof debit balance	–	–	4,508	–360
Foreign currency forwards (acquisition)				
CZK	–	–	4,934	–63
PLN	1,498	–13	1,055	–7
USD	35,359	925	23,283	–1,478
ZAR	–	–	64	1
thereof credit balance	35,359	925	64	1
thereof debit balance	1,498	–13	29,272	–1,548

9. SHARE-BASED PAYMENT

As part of a stock option program, the ultimate parent company, Highlight Event and Entertainment AG, issued stock options to eligible employees and selected quasi-employees without employee status at Constantin Film AG. The stock options entitle participants to shares in Highlight Event and Entertainment AG at the end of the three-year vesting period. The date of issue for all stock options was July 23, 2021. The program expired on July 22, 2024.

The stock option program resulted in the following development:

	Number of options	Weighted average exercise price in CHF
Outstanding as of Dec. 31, 2022	**218,000**	**26.60**
Expired	14,000	–
Outstanding as of Dec. 31, 2023	**204,000**	**–**
Expired	204,000	–
Outstanding as of Dec. 31, 2024	**–**	**–**

The program was measured at fair value on the grant date and costs were recognized as an expense in stages over the respective service period in accordance with a vesting schedule, less expected forfeitures of shares. The fair value of the stock options was based on the closing price of the Highlight Event and Entertainment AG share on the grant date. The fair value of the stock options was calculated using the Black-Scholes model.

The expense for the share-based payment in the reporting year was TCHF 123 (previous year's period: TCHF 213). The table below shows the measurement parameters used:

(TCHF)	2024	2023
Valuation model	Black-Scholes model	Black-Scholes model
Expected volatility	30%	30%
Expected dividend yield	–	–
Expected term	3 years	3 years
Risk-free interest rate	–0.7%	–0.7%

The stock options matured in July 2024, could be exercised at fixed purchase prices and were measured using an option pricing model. As well as the share price observable on the market and the risk-free interest rates, average share price volatilities for Highlight Event and Entertainment AG and comparable companies derived from past and present values were also used, as these are a more reliable estimate of this input at the end of the reporting period than exclusively current market volatility. The share options were not exercised by the exercise date and therefore expired in July 2024.

10. SEGMENT REPORTING

Segments and segment reporting are defined on the basis of internal reporting (Management Approach) to the chief operating decision maker with regard to the allocation of resources and the assessment of earnings power. The management of the company as the chief operating decision maker makes decisions on the allocation of resources to the segments and assesses their success on the basis of key indicators for revenue and segment earnings. The Group's management does not rate the segments on the basis of their assets and liabilities, which is why the corresponding values are not calculated and reported.

The Group consists of the Film segment and the Sports and Event segment. Group functions of Highlight Communications AG are shown under "Other" and therefore do not represent an operating segment. These include actual Group Management, Corporate Finance, Investor Relations, Controlling, Legal, Group Accounts, Corporate Communications, Internal Audit and Human Resources. Segment earnings are defined as EBIT as this figure is used internally for performance measurement.

The activities of Constantin Film AG and its subsidiaries plus the Highlight Communications equity interest in Rainbow Home Entertainment AG and its subsidiary are combined in the Film segment as have a similar operational activity. Its activities comprise the production of films, the exploitation of the rights to the films it produces and acquires and the distribution of theatrical, DVD/Blu-ray and TV movies.

The Sports and Event segment comprises the activities of TEAM Holding AG, Highlight Event AG and Sport1 Medien AG. The main activities of this segment include as main projects:

- The marketing of the UEFA Champions League, the UEFA Europa League, the UEFA Europa Conference League and the UEFA Super Cup
- The marketing of the Eurovision Song Contest and the Vienna Philharmonic Orchestra
- TV and digital activities with the SPORT1 brand, as well as production, content solutions services and content marketing with PLAZAMEDIA
- Marketing offers and comprehensive competencies in the areas of betting, poker and casino games, as well as an event agency specializing in sports preparation for professional teams and top athletes, as well as the implementation of sports events and brand activation measures

Sales and service transactions between the segments are performed as arm's length transactions.

Segment information 2024

(TCHF)	Film	Sports and Event	Other	Reconciliation	Group
External sales	251,398	152,683	–	–	404,081
Intragroup sales	813	313	–	–1,126	–
Total sales	252,211	152,996	–	–1,126	404,081
Other segment income	144,574	4,755	–	–188	149,141
Segment expenses	–387,245	–168,324	–5,324	1,314	–559,579
thereof amortization and depreciation	*–55,195*	*–16,472*	*–*	*–*	*–71,667*
thereof impairment and reversals of impairment	*–12,170*	*–*	*–*	*–*	*–12,170*
Segment earnings	**9,540**	**–10,573**	**–5,324**	**–**	**–6,357**
Timing of revenue recognition					
Over time	132,287	58,488	–	–	190,775
Point in time	119,111	94,195	–	–	213,306
	251,398	**152,683**	**–**	**–**	**404,081**
Sales by product type					
Film	118,368	–	–	–	118,368
Production services	133,030	–	–	–	133,030
Sports and Event	–	54,651	–	–	54,651
Platform	–	80,220	–	–	80,220
Services	–	17,812	–	–	17,812
	251,398	**152,683**	**–**	**–**	**404,081**

Segment information 2023

(TCHF)	Film	Sports and Event	Other	Reconciliation	Group
External sales	253,580	167,720	–	–	421,300
Intragroup sales	157	651	–	–808	–
Total sales	253,737	168,371	–	–808	421,300
Other segment income	85,544	6,442	–	–213	91,773
Segment expenses	–330,544	–170,920	–5,771	1,021	–506,214
thereof amortization and depreciation	*–45,264*	*–18,052*	*–*	*–*	*–63,316*
thereof impairment and reversals of impairment	*–3,129*	*–*	*–*	*–*	*–3,129*
Segment earnings	**8,737**	**3,893**	**–5,771**	**–**	**6,859**
Timing of revenue recognition					
Over time	144,883	63,099	–	–	207,982
Point in time	108,697	104,621	–	–	213,318
	253,580	**167,720**	**–**	**–**	**421,300**
Sales by product type					
Film	101,004	–	–	–	101,004
Production services	152,576	–	–	–	152,576
Sports and Event	–	64,688	–	–	64,688
Platform	–	84,572	–	–	84,572
Services	–	18,460	–	–	18,460
	253,580	**167,720**	**–**	**–**	**421,300**

The elimination of inter-segment transactions is reported in the reconciliation column.

Segment information by region

Jan. 01 to Dec. 31, 2024 (TCHF)	Switzerland	Germany	Rest of Europe	Rest of world *	Total
External sales	65,395	192,317	64,693	81,676	404,081
Non-current assets	120,124	307,299	-	-	427,423

** TCHF 80,574 of which attributable to US*

Jan. 01 to Dec. 31, 2023 (TCHF)	Switzerland	Germany	Rest of Europe	Rest of world *	Total
External sales	75,391	195,731	87,149	63,029	421,300
Non-current assets	120,565	280,368	-	-	400,933

** TCHF 62,216 of which attributable to US*

External sales by customers

	2024		2023	
(TCHF)	nominal	in %	nominal	in %
Customer A (Sports and Event segment)	51,197	13	60,952	14
Customer B (Film segment)	34,520	9	47,509	11
Customer C (Film segment)	31,345	8	28,521	7
Sales with other customers	287,019	70	284,318	68
Total external sales	**404,081**	**100**	**421,300**	**100**

In total, the Highlight Group generated more than 10 % of total revenue with one customer (previous year: two customers).

11. FINANCIAL COMMITMENTS, CONTINGENT LIABILITIES AND OTHER UNRECOGNIZED FINANCIAL OBLIGATIONS

11.1 Overview

Financial commitments, contingent liabilities and other unrecognized financial obligations

(TCHF)	Financial commit-ments	Contingent liabilities	Purchase commit-ments for licenses	Other unrecognized financial obligations	Lease liabilities	Total
As of December 31, 2024						
Due within one year	36,424	–	37,039	22,473	944	96,880
Due between one year and five years	4,137	–	22,694	19,758	4,979	51,568
Due after five years	25	–	–	109	2,434	2,568
Total	**40,586**	**–**	**59,733**	**42,340**	**8,357**	**151,016**

(TCHF)	Financial commit-ments	Contingent liabilities	Purchase commit-ments for licenses	Other unrecognized financial obligations	Lease liabilities	Total
As of December 31, 2023						
Due within one year	39,659	–	49,229	21,597	1,436	111,921
Due between one year and five years	–	–	21,896	16,830	8,489	47,215
Due after five years	25	–	–	282	9,922	10,229
Total	**39,684**	**–**	**71,125**	**38,709**	**19,847**	**169,365**

11.2 Financial commitments

As of December 31, 2024, there were guarantees to various TV stations for the completion of service productions totaling TCHF 40,586 (previous year: TCHF 39,684). As there are no indications that the collateralized service productions will not be completed as contractually agreed, it is not expected that material actual liabilities will result from the contingent liabilities.

11.3 Contingent liabilities

There were no contingent liabilities as at the balance sheet date.

11.4 Purchase commitments for licenses

The Group secures its access to future film rights by concluding license agreements. Film purchasing and production preparations result in future financial obligations of TCHF 20,432 (previous year: TCHF 16,790).

Furthermore, the purchase commitments for licenses include TCHF 39,301 (previous year: TCHF 54,335) for broadcasting and transmission rights of Sport1 GmbH – chiefly for the Bundesliga rights purchased in 2020.

11.5 Other financial obligations not recognized in the balance sheet

Other financial obligations not recognized in the balance sheet include TCHF 19,388 (previous year: TCHF 16,127) for obligations under option, work and film contracts for the development of in-house productions in addition to obligations for distribution costs and other services of TCHF 22,952 (previous year: TCHF 22,582).

11.6 Rental and lease obligations

The Highlight Group rents numerous offices, warehouses, vehicles and facilities.

The Group has recognized right-of-use assets for these leases with the exception of short-term leases and leases for low-value assets (for more information see notes 4.8 and 6.4).

12. RELATED PARTY DISCLOSURES

As part of its normal business activities, the company maintains relations with associated companies, joint ventures, the main shareholder and its subsidiaries as well as with companies controlled by members of the Board of Directors.

Related party disclosures

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Receivables	15,983	–
Liabilities	213	77

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Sales and other income	–	–
Cost of materials and licenses and other expenses	65	66

Parent company and its direct subsidiaries

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Receivables	13,151	10,016
Liabilities	387	234

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Sales and other income	360	504
Cost of materials and licenses and other expenses	691	232

Associates and joint ventures

(TCHF)	Dec. 31, 2024	Dec. 31, 2023
Receivables	148	7
Liabilities	–	–

(TCHF)	Jan. 01 to Dec. 31, 2024	Jan. 01 to Dec. 31, 2023
Sales and other income	–	–
Cost of materials and licenses and other expenses	–	–

Other expenses of the direct parent company Highlight Event and Entertainment AG were incurred in the amount of TCHF 152 in the reporting year (previous year: TCHF 145).

As of December 31, 2024, there were further liabilities to various members of the Board of Directors and managing directors of TCHF 213 (previous year: TCHF 77).

Related parties include the members of the Board of Directors, the members of Group management and their relatives. Highlight Communications AG did not perform significant services for companies controlled by related parties in the reporting period or in the same period of the previous year.

Total remuneration for the members of the executive board

(TCHF)	2024 Remuneration	Expenses for pension benefits	Remuneration as a member of the Board of Directors	**Total remuneration**
Bernhard Burgener, Chairman and Delegate of the BoD, executive member of the BoD (highest remuneration)	1,547	190	20	1,757
Hasan Dilsiz, executive member since July 1, 2024	475	68	–	543
Peter von Büren, executive member until June 30, 2024	439	68	42	549
Total	**2,461**	**326**	**62**	**2,849**

(TCHF)	2023 Remuneration	Expenses for pension benefits	Remuneration as a member of the Board of Directors	**Total remuneration**
Bernhard Burgener, Chairman and Delegate of the BoD, executive member of the BoD (highest remuneration)	1,376	179	10	1,565
Peter von Büren, executive member of the BoD	695	90	10	795
Total	**2,071**	**269**	**20**	**2,360**

Please see the remuneration report for further information on the remuneration of the Board of Directors and members of the Group's management, and note 9 to the annual financial statements of Highlight Communications AG for details of their shareholdings. There are no deviations between Swiss and international accounting law.

13. EVENTS AFTER THE END OF THE REPORTING PERIOD

In January 2025, Sport1 Medien AG was converted into a GmbH and has since been operating as Sport1 Medien GmbH.

The UC3, a joint venture company between UEFA and the European Club Association (ECA), informed TEAM Marketing AG on February 11, 2025, that it will enter into exclusive negotiations with a competitor of TEAM in the current tendering process for the UEFA competitions for the seasons 2027 to 2033. The decision follows an open tender process that was initiated last summer, in which a number of global and regional agencies, as well as TEAM, submitted their bids. On March 14, UC3 announced that it had reached an agreement with TEAM's competitor for the UEFA competitions for the 2027 to 2033 seasons. Currently, the Board of Directors is monitoring the situation; the financial impact cannot yet be assessed at this time. TEAM Marketing AG continues to hold the marketing rights for the 2024 to 2027 seasons. Various options for the future are currently being examined and corresponding negotiations are being conducted with various parties.

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich

Tel: +41 44 384 84 44
www.forvismazars.com/ch

Report of the statutory auditor to the General Meeting of Highlight Communications AG

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Highlight Communications AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as of 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income / loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 90-167) give a true and fair view of the consolidated financial position of the Group as of 31 December 2024, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

The accompanying consolidated financial statements have been prepared assuming that the Group will continue as a going concern. We draw your attention to note 1.2 of the consolidated financial statements, paragraph “Basis of Preparation”, which states that the Group is dependent on either the renewal of its loans or to obtain alternative financing to fund its operations. This indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not qualified in respect of this matter.

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich

Tel: +41 44 384 84 44
www.forvismazars.com/ch

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Key audit matter

a) Revenues from the Film segment

A significant portion of revenue is generated from the exploitation of film rights in the areas of movie theaters, global sales, TV and home entertainment, as well as from third-party productions. Revenue is mainly recognized at a point in time. Only in the case of third-party productions is revenue recognized over time according to the stage of completion. At CHF 251.4 million, revenues in the Film segment represent a significant amount. The correct amount and timing of revenue recognition is therefore of crucial importance. As such, we consider revenue recognition in the Film segment to be a key audit matter.

b) Revenues from the Sports and Event segment
Revenue in the Sports and Event segment include CHF 54.7 million from the product type "Sports and Event" with the agency agreement entered into with UEFA for the marketing of media, sponsoring and licensing rights of the UEFA Champions League and UEFA Europa League. The agreed compensation consists of a fixed and a variable component, which is based on the revenues generated by UEFA. The amount of the variable portion is to be estimated for the tournaments not completed at the reporting date. We therefore consider revenue recognition in this segment to be a key audit matter.

Please refer to page 114 (Note 4.16 - Revenue from contracts with customers), page 118 (Note 5.2.1 - Estimates used to determine the transaction for revenue from contracts with customers) and page 145 (Note 7.1 - Notes to revenue from contracts with customers) in the notes to the consolidated financial statements.

How our audit addressed the key audit matter

We have performed the following audit procedures for the Group companies concerned:

- We tested the design of internal controls in connection with the measurement and recognition of the amount and timing of revenue. We assessed the approach to revenue recognition in accordance with the criteria of IFRS 15 "Revenue from contracts with customers".
- We assessed compliance with the consistency of the revenue recognition method applied, taking into account the accounting policies in note 4 to the consolidated financial statements.
- In the Film segment, we tested revenues on a sample basis with regard to the revenue recognition requirements of IFRS 15. For this purpose, we inspected significant new contracts and evidence of the transfer of rights and obligations and of the acceptance, and examined whether the timing or period-related revenue recognition was correct.
- For revenues of the product type "Sports and Event", we tested the amount of the expected agency contracts for the current 2024/2025 season, taking into account the contractual basis and the expected results for this period. We based our assessment on the calculations of the expected revenues from the marketing of the tournaments, which are periodically reconciled with UEFA. In our assessment, we also included the results of our questioning of management on the current status and expected financial results of the current match period, as well as the accuracy of the estimated revenues and accruals from the previous year.

We consider management's approach on revenue recognition in the Film segment and in the product type Sports and Event to be appropriate.

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich

Tel: +41 44 384 84 44
www.forvismazars.com/ch

Valuation of film assets

Key audit matter

Film assets, consisting of in-house and third-party productions, represent a significant portion of assets at CHF 223.9 million. The acquisition costs of film assets are amortized on the basis of agreed or planned sales and are also subject to an annual impairment test if there are indications of impairment. For this purpose, the recoverable amounts are determined from the expected revenues using the discounted cash flow method.

Discretionary scope is applied in determining assumptions in connection with the forecast revenues and cash flows in the various evaluation stages, as well as in the discount rates applied. These estimates and margins can have a significant impact on the determination of performance-related amortization and any impairment tests, and therefore have a significant influence on the assessment of the recoverability of the film assets.

Please refer to page 105 (Note 4.4 - Film assets), page 118 (Note 5 - Judgment / estimation uncertainty) and page 120 (Note 6.1 - Note on film assets) in the notes to the consolidated financial statements.

How our audit addressed the key audit matter

We performed the following audit procedures for Group companies reporting significant film assets:

- We tested the design of internal controls related to the valuation of film assets.
- We tested on a sample basis the determination of the performance-based amortization of individual films. In doing so, we tested the plausibility of the assumptions underlying the amortization by reconciling them to the contractual basis.
- We tested the assumptions used, including the discount rate and the impairment test model, for compliance with IAS 36 "Impairment of Assets". We checked the plausibility of the discount rate against the cost of capital of the Group and comparable companies, taking into account country-specific features.
- In addition, we tested whether and to what extent results from the initial exploitation of films (movie theaters) or other indicators led to additional impairments in the book values of individual films. For this purpose, we also examined the aging structure of film assets.

We consider the assumptions made by management to determine the performance-related amortization and to perform the impairment test, if any, to be appropriate and suitable to test the recoverability of the film assets.

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich

Tel: +41 44 384 84 44
www.forvismazars.com/ch

Valuation of goodwill from the acquisition of Sport1 Medien AG

Key audit matter

The goodwill from the acquisition of Sport1 Medien AG is tested for impairment annually. This involves estimates and assumptions in connection with future business results and the discount rates applied to the forecasted cash flows.

The recoverability of the goodwill position of CHF 84.5 million was identified as a key audit matter because the goodwill of Sport1 Medien AG represents a significant portion of the balance sheet and there is considerable judgment in determining assumptions and estimates in connection with future profitability and the discount rates applied.

Please refer to page 106 (Note 4.6 - Goodwill), page 118 (Note 5 - Judgment / estimation uncertainty) and page 121 (Note 6.2 - Note on other intangible assets and goodwill) in the notes to the consolidated financial statements.

How our audit addressed the key audit matter

We have performed the following audit procedures in relation to the impairment test prepared by the Group:

- We assessed the technical accuracy of the valuation models used.
- We assessed the budgeting process, in particular whether the Group Executive Board and the Board of Directors monitored this process and whether the values used for the impairment test were in line with the budget approved by the Board of Directors. In addition, we performed a benchmarking exercise with comparable companies to verify whether the values were within acceptable ranges.
- We checked the plausibility of the discount rate against the cost of capital of the Group and comparable companies, taking into account country-specific characteristics.
- We compared the assumptions regarding sales and earnings of the previous year with those of the reporting year, with the aim of identifying in retrospect overly optimistic assumptions in the budgeted sales and earnings. We analyzed reasons for any deviations.
- In addition, we used sensitivity analyses to check whether any changes in the key assumptions (discount rate, EBITDA margin and long-term sales growth) deemed possible would result in an impairment of the investment.

The risk of incorrect valuation of goodwill has been addressed by the procedures described above. We consider management's approach to the impairment testing of goodwill to be appropriate. The assumptions used were consistent and within reasonable ranges.

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich
Tel: +41 44 384 84 44
www.forvismazars.com/ch

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. 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 consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich

Tel: +41 44 384 84 44
www.forvismazars.com/ch

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, 29 April 2025

Forvis Mazars AG

Roger Leu
Licensed Audit Expert
(Auditor in Charge)

Fabio Cavalieri
Licensed Audit Expert

Financial statements

as of December 31, 2024 of Highlight Communications AG, Pratteln

BALANCE SHEET AS OF DECEMBER 31, 2024

Highlight Communications AG, Pratteln

ASSETS (TCHF)	Dec. 31, 2024	Dec. 31, 2023
Current assets		
Cash and cash equivalents	82	96
Other current receivables		
from third parties	21	22
from shareholders	12,756	9,788
from Group entities	19,157	18,709
from related parties	53	43
Current prepaid expenses/accrued income	383	1,622
	32,452	30,280
Non-current assets		
Non-current receivables		
from Group entities	0	0
Non-current prepaid expenses/accrued income	0	0
Equity investments	465,556	465,556
	465,556	465,556
Total assets	498,008	495,836

EQUITY AND LIABILITIES (TCHF)	Dec. 31, 2024	Dec. 31, 2023
Liabilities		
Trade accounts payable		
due to third parties	377	198
due to Group entities	28	0
Current interest-bearing liabilities		
due to banks	81,780	87,522
due to Group entities	7,913	10,344
Other current liabilities		
due to third parties	1,021	334
due to Group entities	3,579	8,004
due to shareholders	163	100
Deferred income/accrued expenses	2,333	2,844
	97,194	109,346
Non-current liabilities		
Non-current interest-bearing liabilities		
due to banks	0	0
	0	0
Equity		
Subscribed capital	63,000	63,000
Legal capital reserves		
Reserves from capital contributions	51,844	51,844
Other legal capital reserves	2,758	2,758
Legal reserves for treasury shares	37,395	37,395
Voluntary retained earnings	30,403	30,403
Profit carryforward	201,462	193,509
Net profit/loss for the year	14,324	7,953
Treasury shares		
Against reserves from capital contributions	–372	–372
	400,814	386,490
Total equity and liabilities	498,008	495,836

INCOME STATEMENT 2024

Highlight Communications AG, Pratteln

(TCHF)	2024	2023
License income	4	12
Other income	268	98
Income from equity investments	25,306	21,900
Total income	**25,578**	**22,010**
License expenses	–	–
Staff costs	–3,430	–3,174
Office and administrative expense	–3,085	–3,581
Amortization, depreciation and impairment on non-current assets	–	–1,600
Earnings before interest and taxes (EBIT)	**19,063**	**13,655**
Financial expense		
Interest expense	–5,553	–6,093
Price losses	–100	–1,384
Financial income		
Interest income	465	417
Price gains	449	1,358
Profit/loss before taxes	**14,324**	**7,953**
Income taxes	–	–
Net profit/loss for the year	**14,324**	**7,953**

NOTES TO THE FINANCIAL STATEMENTS 2024

Highlight Communications AG, Pratteln

1. ACCOUNTING

These financial statements were prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations. The material items of the balance sheet are accounted for as shown below.

Going concern

These financial statements have been prepared assuming the Company will continue as a going concern which contemplates the continuity of operations, realization of assets and the satisfaction of liabilities in the ordinary course of business.

As of December 31, 2024, based on financial projections and available cash, management expects to either renew its loans or to obtain alternative financing to fund operations for at least the next twelve months.

Management intends to continue to explore further options to obtain additional funding. However, there is a material uncertainty related to the renewal of loans and related to alternative financing. Failure to obtain the necessary funding could adversely impact the Company's business prospects or its ability to continue operations.

Foreign currency positions

The functional currency is the Swiss franc (CHF). Transactions in foreign currencies are translated into the functional currency CHF at the exchange rate as of the transaction date. Balance sheet items are translated at the closing rate.

Other current receivables

Other current receivables are recognized at nominal value less any necessary impairment losses. All changes in value are recognized in income.

Equity investments

Equity investments are valued individually. They are recognized at cost less any necessary impairment losses. Additional impairment losses are recognized at the discretion of the Board of Directors.

Treasury shares

Treasury shares are recognized at cost without subsequent remeasurement.

2. DETAILS ON INDIVIDUAL ITEMS

Current and non-current interest-bearing liabilities due to banks

In the reporting period, the relevant amortization was taken on the credit agreement. In the financial statements, amortization for FY 2025 is recognized as current.

Equity

The share capital of Highlight Communications AG amounts to CHF 63,000,000 and is divided into 63,000,000 bearer shares with a par value of CHF 1.00 each; all issued shares are fully paid up.

The capital band was approved by the Annual General Meeting on June 22, 2023. The Board of Directors may introduce a capital band with an upper limit of CHF 94,500,000 (corresponding to an increase of 50% of the current share capital) and a lower limit of CHF 50,400,000.

In the reporting period, no dividend negatively impacting reserves from capital contributions was paid.

Income from equity investments

This item contains dividends from Group entities. In addition, the interest in Highlight Communications Deutschland GmbH was sold to Constantin Film Vertriebs GmbH during the current fiscal year. The sale resulted in income from equity investments in the amount of TCHF 2,174.

Office and administrative expense

This item contains management expenses, consulting expenses, investor relations costs and capital taxes.

Amortization, depreciation and impairment on non-current assets

In the financial year 2024, a value adjustment of CHF 9.8 million was recognized on the investment in Sport1 Medien AG. At the same time, hidden reserves were released in the same amount. In the reporting period, write-downs on receivables from Group companies amounted to CHF 1.6 million (with subordination).

Total subordination amounted to CHF 19 million.

In addition, when the loan was extended on April 30, 2024 with Sport1 Medien AG, a subordination of the entire amount was agreed. The loan amount is EUR 19.5 million. The receivable is deemed recoverable.

3. PLEDGED ASSETS AS COLLATERAL FOR OWN OBLIGATIONS

	Dec. 31, 2024	Dec. 31, 2023
Shares in Sport1 Medien AG		
Number of shares	93,600,000	93,600,000
Carrying amount in TCHF	152,903	162,746
Shares in Constantin Film AG		
Number of shares	12,742,600	12,742,600
Carrying amount in TCHF	141,994	132,151
Credit facility used		
TCHF	81,779	87,520

4. CONTINGENT LIABILITIES

Joint liability exists in respect of Group value-added taxation under Section 22 of the Swiss Value-Added Tax Act (Mehrwertsteuerverordnung).

In the current financial year, a letter of comfort in the amount of EUR 8.6 million was issued in favor of Sport1 Medien AG for the ongoing restructuring process.

5. NOTES ON MATERIAL INVESTMENTS

The list of all companies with their own legal identity, including minority investments held directly or indirectly by the holding company and consolidated at the level of the Highlight Group, can be found in Note 3 of the consolidated financial statements in this annual report.

6. CHANGE IN LEGAL CAPITAL RESERVES

No dividend was paid in the reporting period.

7. SHAREHOLDER STRUCTURE

Shareholders with holdings of over 5%	Dec. 31, 2024	Dec. 31, 2023
Highlight Event and Entertainment AG	53.50%	51.61%
Stella Finanz AG	11.11%	11.11%
Axxion S.A.	9.89%	9.89%
Sport1 Medien AG	9.81%	9.81%

For the stakes held by members of the Board of Directors and the Group management as well as their related parties, refer to Note 9.

The Board of Directors is aware of no other material shareholdings (over 5%).

8. TREASURY SHARES (HELD DIRECTLY OR INDIRECTLY VIA SUBSIDIARIES)

Directly

	Number of shares	Carrying amount TCHF	Transaction value TCHF
Balance on January 1, 2024	72,000	372	–
Sales	–	–	–
Acquisitions	–	–	–
Balance on December 31, 2024	72,000	372	–

	Number of shares	Carrying amount TCHF	Transaction value TCHF
Balance on January 1, 2023	72,000	372	–
Sales	–	–	–
Acquisitions	–	–	–
Balance on December 31, 2023	72,000	372	–

Indirectly

	Number of shares	Carrying amount TCHF	Transaction value TCHF
Balance on January 1, 2024	6,182,518	37,396	–
Sales	–	–	–
Acquisitions	–	–	–
Balance on December 31, 2024	6,182,518	37,396	–

	Number of shares	Carrying amount TCHF	Transaction value TCHF
Balance on January 1, 2023	6,182,518	37,396	–
Sales	–	–	–
Acquisitions	–	–	–
Balance on December 31, 2023	6,182,518	37,396	–

9. INFORMATION ON THE SHAREHOLDINGS OF THE BOARD OF DIRECTORS AND THE GROUP MANAGEMENT

As of December 31, 2024, the individual members of the Board of Directors and the Group management (including related parties) held the following number of shares in the company:

	2024	2023
Bernhard Burgener, Chairman and Delegate, executive member	–	–
Peter von Büren, executive member until June 1, 2024	–	–
Edda Kraft, non-executive member	–	–
Stefan Wehrenberg, non-executive member	–	–
Hasan Dilsiz, Group CFO since July 1, 2024	500	–

10. NUMBER OF FULL-TIME EQUIVALENTS

The average number of full-time equivalents for the year was not more than ten.

11. ADDITIONAL INFORMATION, STATEMENT OF CASH FLOWS AND MANAGEMENT REPORT

Additional information, the statement of cash flows and the management report have been waived in accordance with Article 961d (1) of the Swiss Code of Obligations as Highlight Communications AG prepares consolidated financial statements in accordance with a recognized accounting standard.

12. EVENTS AFTER THE BALANCE SHEET DATE

For events after the end of the reporting period please refer to the accompanying consolidated financial statements.

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich

Tel: +41 44 384 84 44
www.forvismazars.com/ch

DISTRIBUTION OF A DIVIDEND FROM LEGAL RESERVES FROM CAPITAL CONTRIBUTIONS

(TCHF)	2024
Dividend payment	0
Withdrawal from the legal reserves from capital contributions	**0**

APPROPRIATION OF AVAILABLE RETAINED EARNINGS

(TCHF)	2024
Profit carryforward	201,462
Net profit for the year	14,324
Available retained earnings	**215,786**

The Board of Directors recommends to the Annual General Meeting the following resolution for the appropriation of retained earnings:

(TCHF)	
Retained earnings	215,786
Dividend payment	0
Carryforward to new account	**215,786**

The Board of Directors of Highlight Communications AG recommends carrying forward all gains for fiscal 2024 to new account and therefore not distributing any dividends.

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich

Tel: +41 44 384 84 44
www.forvismazars.com/ch

Report of the Statutory Auditor to the General Meeting of Highlight Communications AG, Pratteln

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Highlight Communications AG (the Company), which comprise the balance sheet as of 31 December 2024, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 176 to 181) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. We draw your attention to note 1 of the financial statements, paragraph "Accounting", which states that the Company is dependent on either the renewal of its loans or to obtain alternative financing to fund its operations. This indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. If it is not possible for the company to continue as a going concern, the financial statements will need to be prepared on the basis of liquidation values. Our opinion is not qualified in respect of this matter.

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich

Tel: +41 44 384 84 44
www.forvismazars.com/ch

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of equity investments

Key audit matter

We treated the assessment of the recoverability of equity investments amounting to CHF 465.6 million (93% of total assets) as a key audit matter because the position represents a significant portion of total assets and there is considerable scope for judgment and estimation in determining assumptions related to future business results and discount rates applied.

The equity investments are measured individually, and recoverability is assessed by comparing the carrying amount with the recoverable amount. The management of Highlight Communications AG has updated the calculation of the recoverable amount for the investments in Team Holding AG, Constantin Film AG, Constantin Film Verleih AG, Sport1 Medien AG, Highlight Event AG and Jackpot50 GmbH.

Please refer to page 179 (Note 1 – Accounting) and page 180 (Note 5 – Notes on material investments) in the notes to the financial statements.

How our audit addressed the key audit matter

We performed the following audit procedures in relation to the recoverability of equity investments:

- We tested the valuation models used for technical accuracy.
- Using sensitivity analyses, we checked whether a significant change in the assumptions would lead to an impairment loss.
- We compared the plausibility of the discount rate with the cost of capital of the Group and comparable companies, taking into account country-specific features.

For the investment in Sport1 Medien AG, we examined the following points:

- We assessed the budgeting process, in particular whether the Group Executive Board and the Board of Directors monitored this process and whether the values used for the impairment test were in line with the budget approved by the Board of Directors. In addition, we performed a benchmarking exercise with comparable companies to verify whether the values were within acceptable ranges.
- We compared the assumptions regarding sales and earnings of the previous year with those of the reporting year, with the aim of identifying in retrospect overly optimistic assumptions in the budgeted sales and earnings. We analyzed reasons for any deviations.
- In addition, we used sensitivity analyses to check whether any changes in the key assumptions (discount rate, EBITDA margin and long-term sales growth) deemed possible would result in an impairment of the investment.

The audit procedures described above address the risk of impairment of the investments. We consider management's approach to the impairment testing of the investments to be appropriate. The assumptions used were consistent and within reasonable ranges.

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich
Tel: +41 44 384 84 44
www.forvismazars.com/ch

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the remuneration report and our auditor’s reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse’s website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Forvis Mazars AG
Herostrasse 12
CH-8048 Zürich

Tel: +41 44 384 84 44
www.forvismazars.com/ch

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Zurich, 29 April 2025

Forvis Mazars AG

Roger Leu
Licensed Audit Expert
(Auditor in Charge)

Fabio Cavalieri
Licensed Audit Expert

Imprint
Publisher and responsible for content: Highlight Communications AG, Pratteln, April 2025. Design, copy, layout and production: GFD Finanzkommunikation, Frankfurt am Main. Pictures: dpa Picture-Alliance, Frankfurt am Main (cover and page 5), Constantin Film Group, Munich (pages 4, 5, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 60, 61, 62, 63), TEAM Group, Lucerne (cover and pages 4, 48, 49, 50, 51, 52), Brauer Photos (pages 4, 28, 29, 88, 89), EBU (pages 2, 3, 4, 57), Studio 100 International (page 4), Sport1 (pages 5, 53), Highlight Event (page 57), IMAGO (pages 54, 55, 56).

Highlight

Highlight Communications AG

EVENTS

2025

CINEMA	Cannes Film Festival	May 13 – 25
	Locarno Film Festival	August 6 – 16
	Venice Film Festival	August 27 – September 6
	Toronto Film Festival	September 4 – 14

FOOTBALL	UEFA Europa League final	May 21
	UEFA Conference League final	May 28
	UEFA Champions League final	May 31

EVENTS	Grand Final of the Eurovision Song Contests	May 17

INVESTOR RELATIONS	Interim reports	May/August/November
	Annual General Meeting	Scheduled for June 25
	German Equity Forum	November 24 – 26

The annual report is published in German and English whereas the German version is binding.

HIGHLIGHT COMMUNICATIONS AG
NETZIBODENSTR. 23B · CH–4133 PRATTELN BL
info@hlcom.ch · ✆ +41(0)61–816 96 96
highlight-communications.ch