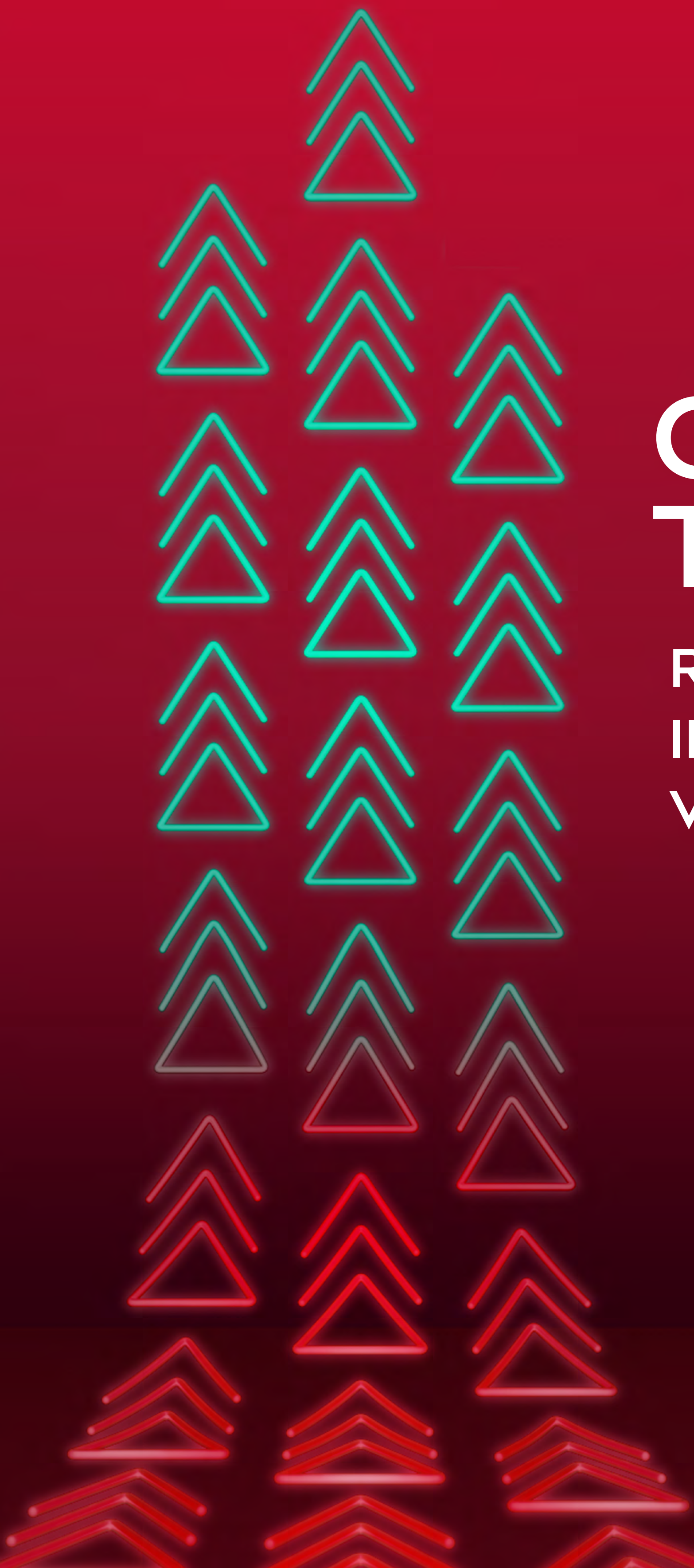
ProSiebenSat.1 Media SE

ANNUAL REPORT 2021



GROWING TOGETHER

RELEVANT
INNOVATIVE
VALUE-CREATING

KEY FIGURES OF PROSIEBENSAT.1 GROUP

in EUR m

	2021	2020
Revenues	4,494	4,047
Revenue margin before income taxes (in %)	13.5	9.1
Total costs[1]	3,970	3,664
Consumption of programming assets	995	966
Adjusted EBITDA[2]	840	706
Adjusted EBITDA-margin (in %)	18.7	17.4
EBITDA	804	801
Reconciling items[3]	−36	95
Operating result (EBIT)	553	553
Adjusted EBIT	652	514
Financial result	54	−183
Result before income taxes	607	370
Adjusted net income[4]	362	221
Net income	442	252
Attributable to shareholders of ProSiebenSat.1 Media SE	449	267
Attributable to non-controlling interests	−7	−15
Adjusted earnings per share (in EUR)	1.60	0.98
Payments for the acquisition of programming assets	1,060	1,063
Free cash flow	289	120
Cash flow from investing activities	−1,249	−1,391
Adjusted operating free cash flow[5]	599	424
Audience share (in %)[6]	25.5	27.2
	12/31/2021	12/31/2020
HD subscribers (in m)[7]	11.1	10.6
Employees[8]	7,906	7,307
Programming assets	1,145	1,213
Equity	2,099	1,687
Equity ratio (in %)	31.9	23.8
Cash and cash equivalents	594	1,224
Financial debt	2,446	3,192
Leverage ratio[9]	2.2	2.8
Net financial debt	1,852	1,968
PS71 ROCE (in %)[10]	14.1	10.5

1 Total costs comprise cost of sales, selling expenses, administrative expenses and other operating expenses.
2 EBITDA before reconciling items.
3 Expense adjustments less income adjustments.
4 Net income attributable to shareholders of ProSiebenSat.1 Media SE before the amortization and impairments from purchase price allocations, adjusted for the reconciling items. These include valuation effects recognized in other financial result, valuation effects of put options and earn-out liabilities, valuation effects from interest rate hedging transactions as well as other material one-time items. Moreover, the tax effects resulting from such adjustments are also adjusted. See Group Managment Report, chapter "Planning and Management".
5 For a definition of the adjusted operating free cash flow, please refer to chapter "Planning and Management" of the Group Management Report.
6 ProSiebenSat.1 Group; AGF in cooperation with GfK; market standard: TV; VIDEOSCOPE 1.4; Target group: 14–49.
7 HD FTA subscribers, Germany.
8 Full-time equivalent positions as of reporting date.
9 Ratio net financial debt to adjusted EBITDA in the last twelve months.
10 Ratio of earnings (ROCE) of the last twelve months to capital employed (average).

GROWING TOGETHER

RELEVANT. INNOVATIVE. VALUE-CREATING.

ANNUAL REPORT 2021

Pulling together, combining forces and acting as one unit – because we are so much stronger as a group. Community ensures stability, makes us fit for the future and resilient enough to weather crises. Together, we can achieve our goals and secure long-term success. As a digital group, ProSiebenSat.1 combines leading Entertainment brands with a strong Dating & Video as well as Commerce & Ventures portfolio under one roof. We use the multi-million reach of our TV channels to further develop our digital businesses. By aligning our segments, we actively drive our Group's diversification and pave the way for sustainable growth – as individuals and a collective. This is what our about 8,000 employees around the globe work on day in, day out. Motivated. Courageous. And above all: together.

OUR RESULTS & AMBITIONS

OUR RESULTS

ProSiebenSat.1 Group is an innovative digital group and the home of popular entertainment and digital consumer brands. Our strategic focus is on a diversified Group portfolio comprising three strong segments that complement each other: Entertainment, Dating & Video, and Commerce & Ventures. We consistently leverage the synergies between our three business areas, which has a positive impact on the Group's revenue and earnings performance. Our reach and media power are the basis for this.

Despite the ongoing COVID-19 pandemic, ProSiebenSat.1 Group again demonstrated the success and resilience of this business model in 2021: We increased our financial targets three times during the year and grew dynamically and profitably as a Group. We generate strong returns and can offer our shareholders an attractive dividend.

New record revenues

EUR 4.5 BILLION

Group revenues in 2021

Continuous revenue growth

Ø +7%

in the past ten years

Consistent focus on cash flow

EUR –117 MILLION

net financial debt

High-yield dividend

EUR 0.80

Dividend proposal increased by 63%

Profitable

+19%

increase in adjusted EBITDA

Local, relevant live content

+13.5%

local programming in prime time

Number 1 medium

37%

of Ø daily media usage goes to TV

Central digital platform

~4 MILLION

unique users of Joyn

Innovative advertising technologies

+20%

targeted Addressable TV campaigns

Strong streamers

200,000

hours of live streaming content from ParshipMeet Group creators daily

Media power

+65%

brand awareness of Urban Sports Club following our investment

Diversification driver

+63%

revenue growth in the Dating & Video segment, mainly via the acquisition of The Meet Group

Accessible offerings

+23%

programming with subtitles

Climate protection

–5%

greenhouse gas emissions

OUR AMBITIONS

We want to be one of the leading digital first infotainment and entertainment providers in the German-speaking region (Germany, Austria, Switzerland) and use this strength to establish and expand global synergistic digital consumer platforms. With this strategy, ProSiebenSat.1 Group intends to remain attractive for all stakeholders also in the medium- and long-terms and to grow profitably in all three segments with a clear focus on earnings and cash flow.

The focus is on consistent value creation: We are sharpening the focus on our medium-term return on capital employed and intend to continue to pay our shareholders a reliable dividend. To this end, we are seizing growth opportunities in the entertainment business, expanding our digital reach in particular and using this strength to fuel our Dating & Video and Commerce & Ventures segments. Because these segments also pay into the value of ProSiebenSat.1. At the same time, we do not lose sight of our social responsibilities, which is why we are systematically advancing our Group's sustainability performance.

Profitable, organic revenue growth

Ø +4 - 5%

medium- to long-term per year

P7S1 ROCE
(return on capital employed)

>15%

medium-term target

Leverage ratio

1.5x - 2.5x

ratio of net financial debt
to Group's LTM adjusted EBITDA

Dividend policy

c. 50%

of adjusted net income

Sustainability

CLIMATE NEUTRALITY

by 2030

MAGAZINE

OUR EXECUTIVE BOARD

As of January 1, 2022, Rainer Beaujean is the Group's CEO and Ralf Peter Gierig the new Group CFO. Wolfgang Link retains responsibility for Entertainment, while Christine Scheffler continues to be responsible for HR, compliance & sustainability. In an interview with Linda Zervakis, Rainer Beaujean talks about the business development of ProSiebenSat.1 in 2021.

Read in the online report
→ annual-report2021.prosiebensat1.com/magazine/our-executive-board

OUR STRATEGY

The strategic focus of ProSiebenSat.1 is on a diversified Group portfolio comprising three strong segments: Entertainment, Dating & Video, and Commerce & Ventures. Our aim is to make consistent use of the synergies between all segments and thus to grow profitably. Our ambition is to increase our Group revenues by an average of 4 to 5% per year in the medium- to long-term.

Read in the online report
→ annual-report2021.prosiebensat1.com/magazine/our-strategy

RELEVANT

With our TV and digital offerings, we reach millions of viewers and users every day. That's why we focus on what really matters: with producing our own content and setting new security standards for the users of our platforms.

Read in the online report
→ annual-report2021.prosiebensat1.com/magazine/relevant

INNOVATIVE

Creativity is what drives us: Forward-looking sales technologies as well as high-reach advertising campaigns from our Group demonstrate this. In the digital universe, too, we convince with unique content from our global creators network.

Read in the online report
→ annual-report2021.prosiebensat1.com/magazine/innovative

VALUE-CREATING

We combine Entertainment brands with a strong Dating & Video and Commerce & Ventures portfolio. By amplifying the synergies between our segments and building leading consumer brands, we drive diversification and achieve a whole new level of power.

Read in the online report
→ annual-report2021.prosiebensat1.com/magazine/value-creating

CONTENT

RALF PETER GIERIG
Member of the Executive Board & Chief Financial Officer (Group CFO)

RAINER BEAUJEAN
Chairman of the Executive Board (Group CEO)

CHRISTINE SCHEFFLER
Member of the Executive Board (responsible for HR, Compliance & Sustainability)

WOLFGANG LINK
Member of the Executive Board (responsible for Entertainment)

OUR EXECUTIVE BOARD

With the new Executive Board set-up, ProSiebenSat.1 is on course for a successful future. As of January 1, 2022, Rainer Beaujean is the Group's CEO and Ralf Peter Gierig the new Group CFO. Wolfgang Link retains responsibility for Entertainment, while Christine Scheffler continues to be responsible for HR, compliance & sustainability.

"REACH IS THE CORE THAT BRINGS OUR SEGMENTS TOGETHER"

OUR GROUP CEO RAINER BEAUJEAN IN A CONVERSATION WITH LINDA ZERVAKIS

Since joining ProSiebenSat.1 in April 2021, journalist Linda Zervakis has, among other things, co-hosted the ProSieben infotainment program "Zervakis & Opdenhövel. Live." (ZOL) with Matthias Opdenhövel. Now she has invited ProSiebenSat.1 Group CEO Rainer Beaujean to the ZOL studio to talk about the Group's business performance. They also touched on how ProSiebenSat.1 as a digital group differs from traditional media companies and what ambitions Beaujean is pursuing with this strategy. Watch the full interview in the video.

Linda Zervakis welcomes Rainer Beaujean to the interview in the ZOL studio.
→ annual-report2021.prosiebensat1.com/magazine/our-executive-board

Watch in the online report

Rainer, looking back at 2021, what milestones stand out for you?

Rainer Beaujean: First and foremost, our operating performance. We were able to raise our outlook three times over the course of the year. This is proof positive that we as a team managed to grow together despite the ongoing pandemic and have put in yet another strong performance. On that note, allow me to thank all our employees for their dedication – as well as our Works Council, Supervisory Board and all shareholders for their support in 2021. On the operational side, further sharpening our focus on "local, live and relevant" programming in the Entertainment segment enabled us to cement our number one position in the German audience market. Even though the pandemic has prevented us from meeting in person since acquiring The Meet Group in 2020, we have continued integrating the company into ParshipMeet, our Dating & Video segment. Our Commerce & Ventures segment put in a strong performance until the beginning of the fourth quarter when the omicron variant and the energy crisis that impacted our comparison portal Verivox started to show effects. As you can see, we implemented our strategy consistently throughout the year and our set-up with three segments complementing each other pays off.

How does a digital group like ProSiebenSat.1 differentiates itself compared with traditional media companies?

Rainer Beaujean: We "grew up" as a media company and that remains a key aspect of our DNA. After all, we have a very strong entertainment business that we are systematically digitalizing. The Joyn streaming platform as well as our digital media and entertainment company Studio71 are instrumental to that. As is our focus on the young target groups and communicating with them as equals.

We aim to grow by an average of 4 - 5% per year.

RAINER BEAUJEAN
Group CEO of ProSiebenSat.1 Media SE

Rainer Beaujean: What sets us apart above all else is how we leverage the reach of our entertainment and information offerings to establish and grow brands – both for our advertising customers and our own consumer brands. By that logic, reach is the core that brings our three segments together, strengthens our business and makes it more resilient than others. That was apparent during the crisis.

So interlinking the three business segments is the core of your strategy?

Rainer Beaujean: Exactly. Our three business segments stimulate and strengthen each other, resulting in what we like to call synergies. In other words, the interlinking is beneficial to our business as a whole – for instance, in terms of revenues and earnings. Our broad reach is what's important: 60 million people, that's our starting point. That turns the advertising time on our platforms, which would otherwise go unused, into a valuable currency for investment. Of course, this works especially well with digital brands and business models that appeal directly to consumers. In this way, we have already transformed brands such as Verivox, Jochen Schweizer, mydays and Flaconi into major players in German-speaking countries. We intend to continue on this path within the Commerce & Ventures segment. And, by the way, that's how ParshipMeet Group was formed. Because once a business has an international platform character, we are willing to step out beyond the German-speaking world. By the same token, we are also very clear: Once we are no longer the best owner for the business and our support is no longer able to drive growth, we can sell the business and realize the value.

What is your ambition behind this strategy?

Rainer Beaujean: We aim to be one of the leading digital first infotainment and entertainment providers in the German-speaking region, with this strength building up and expanding digital, possibly global, consumer platforms. This ambition should have a positive impact on our growth and increase the value of ProSiebenSat.1. Over the past decade, we have achieved average growth of 7% and consequently more than doubled our revenues in this period.

Rainer Beaujean: Especially because we systematically broadened our base through the addition of the Dating & Video as well as Commerce & Ventures segments. In the future – and this is our ambition level – we aim to grow by an average of 4 to 5% per year. Considering that we already generate revenues of more than EUR 4 billion today, that's quite an ambitious goal. Still, we intend to do it across all three segments. At the same time, we don't believe you can assess a strategy's merit solely in financial terms. Lasting success increasingly also depends on non-financial aspects. We take our corporate and social responsibility very seriously. That's why we are committed to supporting the formation of opinions and promotion of democracy, championing diversity and equality as well as advancing climate and environmental protection, among other things.

OUR STRATEGY

WE EMPOWER BRANDS AND CREATE MOMENTS THAT MATTER

ProSiebenSat.1 is an innovative digital group and the home of popular entertainment and digital consumer brands. Our Group's strategic focus is on a diversified Group portfolio comprising three strong segments that complement each other: Entertainment, Dating & Video, and Commerce & Ventures.

Our aim is to grow profitably in all three segments. **Our ambition is to increase our Group revenues by an average of 4 to 5% per year in the medium- to long-term. At the same time, we are keeping a close eye on the profitability of our investments and aim to generate a P7S1 ROCE (return on capital employed) of more than 15% in the medium-term.** To this end, we also make consistent use of the synergies between our three business areas, which has a positive impact on the Group's revenue and earnings performance. Our reach and media power are the basis for this. However, we are not only focusing on the synergies between the Entertainment and Dating & Video or Entertainment and Commerce & Ventures segments but are also successfully working to ensure that the Group as a whole grows together and that all three segments interlock.
→ annual-report2021.prosiebensat1.com/magazine/value-creating#love-at-first-thrill

Empowering brands and creating moments that matter – this is the core of our Group and what drives us every day. We inform, we entertain, and we bring people together around the clock. We offer them products, services, and experiences that enrich their everyday lives. We thus reach millions of people day to day.

We broadcast entertainment and information on all platforms – live and on-demand. We thus make an important contribution to the formation and diversity of opinion. We use the wide reach of our entertainment offerings to make brands well known and create environments in which they can grow sustainably. This benefits not only our advertising customers' brands, but also our own consumer brands in the Dating & Video and Commerce & Ventures segments. Here, we invest in digital brands and business models as well as international platforms with long-term growth prospects and high synergy potential with our Entertainment segment.

OUR TARGETS & AMBITIONS

We want to be one of the leading digital first infotainment and entertainment providers in the German-speaking region (Germany, Austria, Switzerland) and use this strength to establish and expand global synergistic digital consumer platforms. With this strategy, ProSiebenSat.1 Group also intends to be attractive for all stakeholders in the medium- and long-terms and to grow profitably in all three segments with a clear focus on earnings and cash flow – also in order to progressively increase the share of business areas outside TV advertising revenues in the German-speaking region (Germany, Austria, Switzerland) and thus further strengthen the resilience of the business model.

The focus is on consistent value creation. Therefore, the Group's medium-term goal remains to achieve a P7S1 ROCE (return on capital employed) of over 15%, to distribute a reliable dividend of around 50% of adjusted net income to shareholders, and to maintain its leverage ratio between 1.5x to 2.5x.

Over the past ten years, ProSiebenSat.1 Group has consistently diversified its business – particularly through the Dating & Video and Commerce & Ventures segments. With this successful strategy, the Group has grown by an average of 7% per year, more than doubling its revenues in this period. **Based on this strong revenue level, the Group has set itself the ambition of generating profitable, organic revenue growth of an average of 4 to 5% per year in the medium- to long-term.** The basis for this remains ProSiebenSat.1's clear strategy, which is focused on the value-creating interaction of the Group's business areas.

OUR GOAL

We are one of the leading digital first infotainment and entertainment providers in the German-speaking region (Germany, Austria, Switzerland) and use this strength to establish and expand global synergistic digital consumer platforms

WE ACHIEVE A LEADING COMPETITIVE POSITION BECAUSE ...

1. our **Entertainment segment** leads the market for **video content in the German-speaking region**
2. our other segments such as **Dating & Video** and **Commerce & Ventures benefit** amongst others **from our wide, relevant reach** and are therefore able to **establish leading, potentially even global brands**
3. we work in a **future-fit, digitally-focused organization**

WE EMPOWER BRANDS AND CREATE MOMENTS THAT MATTER

WE REMAIN HIGHLY ATTRACTIVE TO ALL STAKEHOLDERS BECAUSE ...

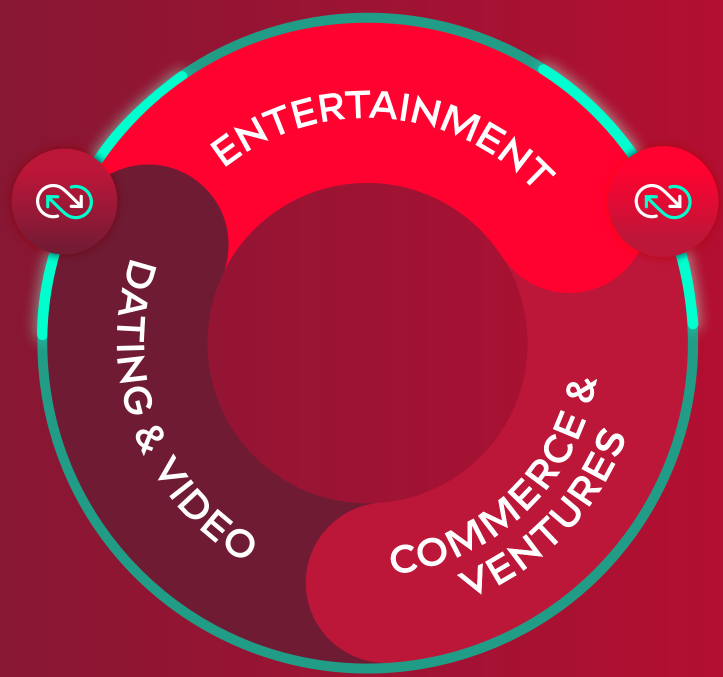
1. we continue to **create value for our shareholders** and have **strong growth ambitions**
2. we clearly **commit to our obligations** with regard to **society, diversity & inclusion, climate & environment** as well as **governance & compliance**
3. we are one of the **best employers in our industry**

OUR MEDIUM- TO LONG-TERM GROWTH AMBITIONS

We aim to achieve **average organic revenue growth of 4 to 5% per year**

- We invest in brands as long as we are the **best owner** or also **create value** by disposals
- We continue to create **value with a P7S1 ROCE of >15%,** distribute a **reliable dividend** to our shareholders (c. **50% of adjusted net income**) and maintain our **leverage ratio at 1.5x to 2.5x**

OUR SEGMENTS & SYNERGIES



ENTERTAINMENT SEGMENT

In the Entertainment segment, we concentrate on the core markets of Germany, Austria and Switzerland. Here, we unite leading linear and digital entertainment platforms with the content, distribution and sales business.

Our ambition is to act as market leader for video content in the German-speaking region (Germany, Austria, Switzerland) also in the future: To this end, we focus on the production of relevant, local content, which we increasingly produce ourselves and broadcast live and on-demand across all platforms in a targeted way. In particular, the streaming platform Joyn and our digital media and entertainment company Studio71 play an important role for our growing digital reach.

With our digital focus, we are increasing our total reach and strengthening our opportunities for monetization. Especially with modern, digital advertising products, we enable our advertising customers to address users in a targeted manner, which secures us additional revenue potential. In this way, we create a future-fit, profitable entertainment business and, at the same time, the foundation for growth in the other two segments.

COMMERCE & VENTURES SEGMENT

In the Commerce & Ventures segment, we bundle ProSiebenSat.1 Group's growth businesses, which we are building up and making successful with our media services and the power of our brands. Via our various investment formats, we can support companies at diverse stages of growth. **Our goal is to become the leading brand investor in the German-speaking region (Germany, Austria, Switzerland).** To this end, we are investing in digital consumer brands with long-term structural growth potential and synergies with our entertainment business.

Our investment strategy is smart. We finance growth without high cash investments using media, following the principle of "reach meets idea." With this investment strategy, we tap into new market segments and generate increasing returns.

We continually assess whether ProSiebenSat.1 is still the best owner or investor of the respective company in the next development phase. If a business no longer benefits to a high degree from cooperation within the Group or has no potential for an international platform business, we are willing to sell these well-developed commerce brands to a more suitable owner, realize the value created, and thus also strengthen our cash flow. At the same time, we can also create a new, separate growth pillar for the Group with successful companies that we have built up in this business area, such as most recently with Dating & Video.

DATING & VIDEO SEGMENT

Our Dating & Video segment is the best example of the success of our investment strategy. The area consisting of ParshipMeet Group grew out of a successful Commerce & Ventures business. The initial investment in the area of online matchmaking was made via a media-for-revenue participation in Parship in 2012. In the subsequent years, ProSiebenSat.1 acquired a majority stake and bought further online dating brands – most recently The Meet Group. Today, ParshipMeet Group offers a broad spectrum of online dating platforms. **Our goal is thus to establish ParshipMeet Group as one of the leading internationally operating mobile-first players in the dating and social entertainment sectors.** To this end, we are building a synergistic platform ecosystem for social entertainment, dating and online matchmaking.

ParshipMeet Group operates in a rapidly growing market environment with a broad-based revenue model, including short- and long-term subscriptions, the sale of virtual goods, and marketing and sales revenues. The platforms address a broad target group in a large geographical area. One key element is ParshipMeet Group's expertise in live video streaming. This strengthens our position in the dating business and unlocks new growth potential for the entire Group.

SYNERGIES
ENTERTAINMENT – DATING & VIDEO

With the reach and sales offers of our platforms, the entertainment business has the power to further raise awareness of the ParshipMeet brands in the German-speaking markets. This has already significantly boosted the market leading positions of the Parship and ElitePartner services in the past. We also intend to closely connect and thus strengthen the areas of Entertainment and Dating & Video. We are unlocking new opportunities for value-creating collaboration by combining ParshipMeet Group's live video streaming expertise with our entertainment know-how.

SYNERGIES
ENTERTAINMENT – COMMERCE & VENTURES

Through the reach and sales offers of our entertainment business, we are building up both our own commerce brands and those of our venture partners into leading consumer brands. With advertising on our platforms, we help the companies to raise their brand awareness and increase revenues and enterprise value. This gives rise to long-standing, close customer relationships between the companies and our sales unit. Combined with an attractive entertainment business, this investment strategy strengthens our ROI (return on investment) as well as our dividend yield. In addition, the data we generate through our commerce investments helps us to create addressable advertising offerings that are individually tailored to our users.

TO OUR SHAREHOLDERS

REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

Once again, we have had an exceptional year: Despite the challenges posed by the COVID-19 pandemic, it has been a record year for ProSiebenSat.1. The Group significantly exceeded all the financial targets it set itself at the beginning of the year.

These results underline that the Group's strategy, which is based on three strong segments, is working very well and is successful. Thanks to this broad set-up and the consistent combination between the three business areas, ProSiebenSat.1 is optimally equipped to deal with future challenges. In June 2020, Rainer Beaujean, together with his Executive Board colleagues Wolfgang Link and Christine Scheffler, presented this long-term strategy to us, which the entire Supervisory Board fully supports.

We are very satisfied with ProSiebenSat.1's development. The Group once again grew profitably and significantly increased its revenues last year, despite the difficult environment in 2021 due to the pandemic. Entertainment revenues not only surpassed the previous year's figure, but were also well above the level they were at in 2019, before the pandemic. At the same time, diversification and our strong focus on synergies in all segments are paying off.

Over the last few months, the Executive Board has jointly and successfully dealt with one of the biggest crises in recent times. The Group has grown closer together during this time, and we would like to thank the Executive Board team, as well as all the employees, for this. It is due to the performance of each individual that ProSiebenSat.1 continued to grow dynamically in 2021 and remains ahead of competitors.

COOPERATION BETWEEN THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

We, the Supervisory Board of ProSiebenSat.1 Media SE, provide the Executive Board with comprehensive advice and ongoing support. In financial year 2021, the Supervisory Board again performed the tasks required of it by law, the Company's articles of incorporation, and the rules of procedure, taking into account the recommendations of the German Corporate Governance Code (Deutscher Corporate Governance Kodex).

The Supervisory Board regularly advised the Executive Board on its management of the Company in a spirit of close and trusting cooperation in financial year 2021, and diligently and continuously monitored the Executive Board in conducting the Company's business. Our work included a detailed examination of the Group's operating and strategic performance. The Supervisory Board received regular, prompt, and comprehensive information from the Executive Board regarding all issues relevant to the Company's strategy, planning, business performance, risk situation, risk management, and compliance. The Executive Board explained to the Supervisory Board all deviations from the projected figures in detail and consulted with the Supervisory Board in that regard. We were therefore directly involved in all decisions of fundamental importance to the Company at an early stage.

The Supervisory Board meetings were characterized by an open, in-depth exchange between the Supervisory Board and the Executive Board. Closed sessions, in which the members of the Supervisory Board meet without the Executive Board being present, are also an integral part of the meetings. Wherever specific actions required the consent of the Supervisory Board or one of its committees pursuant to the law, the articles of incorporation, or the rules of procedure, we consulted on the matter and adopted the requisite resolution. We were kept consistently and comprehensively informed of all matters requiring our approval, and the associated draft resolutions were promptly submitted for review by the Executive Board. The Supervisory Board was supported in this process by the competent Board committees, and it also discussed the proposals with the Executive Board.

In addition to the Supervisory Board meetings, the Executive Board kept us updated on the Company's key financial indicators in written monthly reports and also provided us with both financial information prepared during the financial year and annual financial information and reports. Information on events of significance was also provided without delay outside of meetings and the regular reporting process and, where necessary, we were asked to adopt resolutions by circular vote in consultation with myself as the Chairman of the Supervisory Board. In addition, I maintained an ongoing and close one-on-one dialog with the Chairman of the Executive Board & CFO Rainer Beaujean, and was also in contact with the two Executive Board members Wolfgang Link and Christine Scheffler.

Based on the reports submitted by the Executive Board, the Supervisory Board stayed up to date on the Company's situation at all times, was directly involved in upcoming decisions at an early stage, and was therefore able to perform its tasks in their entirety. There was hence no need for the Supervisory Board to examine the Company's books and other records beyond the documentation provided to us in the course of the Executive Board's reporting activities.

FOCAL POINTS OF THE SUPERVISORY BOARD’S ADVISORY AND MONITORING ACTIVITIES

In financial year 2021, the Supervisory Board dealt with the Company's business and financial situation, fundamental questions of corporate policy and strategy, the general personnel situation, and specific investment projects. The Executive Board team coordinated at length with the Supervisory Board on all areas of the strategic alignment.

In total, the Supervisory Board of ProSiebenSat.1 Media SE held six regular meetings and six extraordinary meetings in 2021. Due to the COVID-19 pandemic, all meetings took place as videoconference sessions or by phone. With one exception, all members of the Supervisory Board attended all meetings. The table below provides an overview on meeting participation:

INDIVIDUAL BREAKDOWN OF MEETING PARTICIPATION IN FINANCIAL YEAR 2021

	Plenary Supervisory Board Regular meetings	Plenary Supervisory Board Extraordinary meetings	Audit and Finance Committee	Compensation Committee	Presiding & Nomination Committee	Capital Markets Committee
Dr. Werner Brandt, Chairman	6/6	6/6	7/7	3/3	1/1	1/1
Dr. Marion Helmes, Vice Chairwoman	6/6	6/6	7/7	3/3	1/1	1/1
Lawrence A. Aidem	6/6	6/6	—	3/3	1/1	—
Adam Cahan (Resignation as of November 12, 2021)	5/5	5/5	—	—	—	—
Erik Huggers	6/6	6/6	—	—	—	—
Marjorie Kaplan	6/6	6/6	—	—	1/1	—
Ketan Mehta	6/6	6/6	—	—	1/1	1/1
Dr. Antonella Mei-Pochtler	5/6	5/6	7/7	—	—	—
Prof. Dr. Rolf Nonnenmacher	6/6	6/6	7/7	3/3	—	1/1
Dr. Andreas Wiele (appointed by Court as of February 13, 2022)	—	—	—	—	—	—

Key topics of the individual meetings in 2021 were:

– At the financial statements meeting held on March 3, 2021, the Supervisory Board approved the Annual and Consolidated Financial Statements, the Management Report and Group Management Report, the Non-Financial Report, the Management Declaration, the Report of the Supervisory Board and the Compensation Report for financial year 2020. Based on the recommendation of the Audit and Finance Committee, the Supervisory Board also agreed at this meeting to propose the audit firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("Ernst & Young"), with its registered office in Stuttgart, or, as an alternative, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ("PricewaterhouseCoopers"), for election as the statutory auditor for the financial year 2021 at the Annual General Meeting on June 1, 2021. The Supervisory Board also resolved to concur with the Executive Board's proposal for the allocation of profits and to propose to the Annual General Meeting that the balance sheet profits should be paid out as a dividend with a pay-out ratio of 50.1% of the Group' adjusted net income.

  The Supervisory Board also followed the recommendations of the Compensation Committee and approved topics relating to the Executive Board, i.e. the payment of the performance bonus for financial year 2020 and the target achievement for the 2020 Performance Share Plan, as well as the final payout for the 2017 Group Share Plan, which applies only to former Executive Board members. In my role as Chairman of the Compensation Committee, I also informed the Supervisory Board in detail at this meeting of the adjustments to the revised compensation system for the Executive Board that had been discussed and agreed on by the Compensation Committee. The Supervisory Board adopted resolutions by circular vote on this, as well as on other relevant topics within the context of the Annual General Meeting, on April 12, 2021.

  At this financial statements meeting, the Supervisory Board also received a detailed overview on the current development of the Company and the financial implications of the COVID-19 pandemic. In addition, the Executive Board involved us extensively in its further considerations regarding the streaming platform Joyn. Building on this, this topic was examined and discussed in detail at further extraordinary meetings of the Supervisory Board.

– Finally, I informed the entire Supervisory Board and the Executive Board of the new task of Supervisory Board member Adam Cahan as CEO of the technology company PAX Labs, Inc., California, USA ("PAX Labs"). At an extraordinary meeting on April 21, 2021, we once again dealt with the further development of Joyn.

– At the Annual General Meeting on June 1, 2021, Ernst & Young was elected as the statutory auditor for the financial year 2021, as proposed by the Supervisory Board. The Annual General Meeting agreed to the Executive Board's and Supervisory Board's proposal to pay a dividend of EUR 0.49 per share. It also approved the compensation system for members of the Executive Board and confirmed the existing compensation for the Supervisory Board.

  In addition, the Annual General Meeting granted discharge to the Executive Board and Supervisory Board for the financial year 2021 by a clear majority. All proposed resolutions were adopted with a majority of around 90%. The compensation system for the Executive Board was approved with a majority of around 96%.

– At the regular Supervisory Board meeting on June 2, 2021, the Supervisory Board looked at the possibility of refinancing the Group's financial debt. It also received a further update on Joyn and on ProSiebenSat.1's considerations regarding positioning in the streaming market. Furthermore, the Supervisory Board gained an insight into the structural development of the Entertainment segment, the aim of which is to centralize sales and content management even more strongly. The Supervisory Board was also informed of the current status of ongoing M&A projects.

  In the subsequent closed session, the Supervisory Board dealt with the salary increase that was agreed when Christine Scheffler was appointed to the Executive Board and approved the adjustment to her total compensation.

– At a further extraordinary Supervisory Board meeting on August 2, 2021, the Supervisory Board once again looked in detail at the Company's digital streaming and content strategy.

– At a closed session on September 8, 2021, in addition to discussing the increase in the shareholding of Mediaset in ProSiebenSat.1, we dealt in particular with succession planning for the scheduled elections to the Supervisory Board at the 2022 Annual General Meeting and also discussed adjustments to the future skills profile for the Supervisory Board. We were supported in this by an external personnel consultancy. Considerations relating to the future expansion of the Executive Board were another topic.

– In a regular Supervisory Board meeting on September 9, 2021, the Executive Board provided an outlook for the third quarter of 2021. The Supervisory Board was also informed about the expected business performance in the fourth quarter of 2021. We received a detailed report on the Group's strategy and its consistent implementation and development. The Supervisory Board supports the Company's strategy, which is based on three complementary segments. Finally, the Supervisory Board received a status report on ProSiebenSat.1 Group's sustainability goals.

– At a further extraordinary meeting of the Supervisory Board on October 22, 2021, we narrowed down the group of potential candidates for election to the Supervisory Board by the 2022 Annual General Meeting with support of the external personnel consulting firm. In addition, we dealt again with the future expansion of the Executive Board.

– On November 3, 2021, there was another extraordinary Supervisory Board meeting at which we discussed the further increase in Mediaset's shareholding. In this context, we decided to also publicly emphasize that the Supervisory Board fully supports the Executive Board and the strategy of ProSiebenSat.1.

- One topic of the extraordinary meeting on November 12, 2021 was the further increase of the stake in ProSiebenSat.1 by Mediaset. At this meeting, Adam Cahan resigned from his mandate due to his new role as CEO at the technology company PAX Labs. In this regard, the Supervisory Board has decided to have Dr. Andreas Wiele appointed by court as successor to Adam Cahan, and the Executive Board has filed a corresponding application with the court. On December 6, 2021, we took the final personnel-related steps in setting the course for the Company's future: In a closed session, I informed the Supervisory Board that I would not be standing for election again. We agreed on suitable Supervisory Board candidates for the upcoming elections at the Annual General Meeting on May 5, 2022 and adopted the appropriate resolutions. We will propose to the Annual General Meeting that Dr. Andreas Wiele be confirmed as a member of the Supervisory Board. We also resolved to propose to the Annual General Meeting that Bert Habets be elected as a further new member of the Supervisory Board and that Prof. Dr. Rolf Nonnenmacher be re-elected.

  At this closed session, we extended Rainer Beaujean's Executive Board contract by a further five years and appointed him as Group CEO with effect from January 1, 2022. At the same time, we decided to appoint Deputy Group CFO Ralf Peter Gierig as Group CFO effective January 1, 2022. In doing this, we followed the recommendation of the Compensation Committee, after the Supervisory Board had previously discussed this issue in the closed sessions referred to above.

- At our regular Supervisory Board meeting on December 15, 2021, the Supervisory Board approved the 2022 budget for ProSiebenSat.1 Group, which had been presented and explained to us in detail. Furthermore, the Supervisory Board acknowledged and approved the multi-year plan and the Group's strategic alignment. The Supervisory Board was comprehensively informed about the economic performance of the key business areas.

  At this meeting, the Supervisory Board also approved the targets in the context of variable compensation for the Executive Board members for the financial year 2022, the annual Declaration of Compliance and the adjustment to its skills profile. Following a recommendation of the Executive Board, we decided at this meeting that the Annual General Meeting on May 5, 2022 would once again be held virtually.

  In the closed session afterwards, we undertook our efficiency review based on a detailed questionnaire.

In addition, the Supervisory Board – after extensive discussion at the regular Supervisory Board meetings – adopted a resolution by way of written circular vote in 2021, which included topics that were relevant to the 2021 Annual General Meeting in particular: the holding of the Annual General Meeting on June 1, 2021 as a virtual Annual General Meeting without participants being present in person, due to the ongoing COVID-19 pandemic, and the corresponding invitation to the virtual Annual General Meeting, the guidelines on submission and answering of questions from shareholders and the new compensation system for the Executive Board in accordance with section 87a of the German Stock Corporation Act (AktG).

REPORT ON THE WORK OF THE COMMITTEES

The Supervisory Board of the Company has formed various committees to support it in its work. In 2021, the Board had four committees to ensure efficient execution of its duties: the Presiding and Nominating Committee, the Compensation Committee, the Audit and Finance Committee, and the Capital Markets Committee. The committees reported to the Supervisory Board regularly and comprehensively on their activities in its plenary sessions. The main emphases of the committees' work are described below.

The **Presiding and Nominating Committee** coordinates the work of the Supervisory Board and prepares its meetings. In addition, it is responsible for the tasks of a nominating committee in accordance with the German Corporate Governance Code and adopts resolutions that have been delegated to it under the Supervisory Board's rules of procedure. This includes examining license agreements, distribution agreements, and sales agreements. The committee met once in 2021 and adopted two resolutions by way of circular vote: extensions of contracts with key media agencies and the successful renegotiation of a long-term distribution deal with Deutsche Telekom AG, Bonn, Germany ("Deutsche Telekom"). As part of this contractual agreement, ProSiebenSat.1 can from now on air Addressable TV campaigns via Deutsche Telekom's MagentaTV streaming service. We also agreed to cooperate in the field of data. As a result of the new agreement, ProSiebenSat.1 Group's entire station portfolio will continue to be available via the MagentaTV platform live or on-demand, in HD and now in UHD.

The **Compensation Committee** prepares resolutions on personnel-related Executive Board matters for plenary sessions of the Supervisory Board. In 2021, the committee held three meetings by videoconference but did not pass any resolutions by way of circular vote. At its first meeting on January 13, 2021, the committee dealt with the provisional target achievement under the 2017 Group Share Plan and the 2018 and 2019 Performance Share Plan, as well as the provisional individual degrees of target achievement for the 2020 performance bonus for Executive Board members. In addition, the Compensation Committee dealt with the adjustment to the compensation system for the Executive Board at this meeting and approved a corresponding recommendation to the Supervisory Board.

At another meeting on June 2, 2021, the Compensation Committee discussed the total compensation of Christine Scheffler in detail and approved the recommendation to the Supervisory Board that this should be adjusted.

Following the discussions in the Supervisory Board's closed sessions, the Compensation Committee dealt with the appointment of Ralf Peter Gierig as an additional member of the Executive Board and as Group CFO at an extraordinary meeting on November 18, 2021 and made a corresponding recommendation to the Supervisory Board. Ralf Peter Gierig was previously Deputy Group CFO and has therefore already worked very closely with the Executive Board team in previous years. The meeting also dealt with the extension of Rainer Beaujean's contract for a further five years and his appointment as Group CEO effective January 1, 2022. The Compensation Committee likewise made a corresponding recommendation to the Supervisory Board in this regard.

The **Audit and Finance Committee** reviewed the Annual Financial Statements and the Consolidated Financial Statements, the Management Report and the Group Management Report, and the proposal for the allocation of profits in preparation for the Supervisory Board, discussing in particular depth the audit report and the auditor's verbal report on the main findings of the audit. The Audit and Finance Committee did not find any grounds for objections in its reviews of the Annual and Consolidated Financial Statements. In addition, the Audit and Finance Committee discussed the quarterly statements and the Half-Yearly Financial Report with the Executive Board prior to their publication, taking into account the auditor's report on the audit review. It is also the Audit and Finance Committee's task to prepare the Supervisory Board's review of the Company's non-financial reporting.

In the period under review, monitoring of the financial reporting focused on the potential impairment of goodwill and other intangible assets, the measurement of programming assets, accounting for acquisitions of companies and shareholdings, revenue recognition, hedge accounting, accounting for financial liabilities, progress of ongoing tax audits, and income taxes.

The Audit and Finance Committee monitored the accounting process and the effectiveness of the internal control system and the risk management system, also referring to the corresponding reports by the Head of Internal Audit and the auditor. The Audit and Finance Committee explicitly discussed and addressed the components of COSO (Committee of Sponsoring Organizations of the Treadway Commission) in this process. No significant weaknesses in the internal control system for the accounting process or in the early risk detection system were identified by the auditor.

In addition, the Audit and Finance Committee handled the preparation of the Supervisory Board's proposal for the election of the auditor for the financial year 2021 by the Annual General Meeting, the engagement of the auditor, and the fee agreement with the auditor. It monitored the effectiveness and quality of the audit of the financial statements and the independence of the auditor, as well as the services performed by the auditor in addition to auditing services. Following a comprehensive and carefully conducted tender process, the Audit and Finance Committee recommended to the Supervisory Board that it should propose to the Annual General Meeting that the audit firm Ernst & Young be elected as auditor for the financial year 2021, or, as an alternative, PricewaterhouseCoopers, if the Annual General Meeting objects to Ernst & Young. The Audit and Finance Committee continuously engaged in dialog with the auditor regarding the main audit risks and the required focus of the audit of the financial statements. It established an internal regulation on services by the auditor that are not related to the audit of the financial statements ("non-audit services") and ensured that the auditor and the Executive Board informed it at each meeting about corresponding contracts and the fees incurred in this context, which it approved.

In addition, the Audit and Finance Committee was regularly informed about the further development of the compliance management system, the handling of suspected compliance incidents, legal and regulatory risks, and the risk situation, risk identification, and risk monitoring at the Company. There were also regular reports on the risk assessment by the Internal Audit department, its resources, and audit planning.

The Executive Board regularly informed the Audit and Finance Committee of the status of various activities to finance and secure liquidity for the Company. The heads of the responsible departments also attended the Audit and Finance Committee's meetings for selected items of the agenda, providing reports and answering questions. In addition, the Chairman of the Audit and Finance Committee, Prof. Dr. Nonnenmacher, held discussions on important individual topics between the meetings, particularly with the Chairman of the Supervisory Board, the Chairman of the Executive Board & CFO, and the auditor. The main results of these discussions were regularly reported to the Audit and Finance Committee, as well as to the Supervisory Board where necessary.

In the reporting period, the committee met seven times, five of which in the presence of the Chairman of the Executive Board & CFO Rainer Beaujean and the statutory auditor. The regular meetings were supplemented by a closed session afterwards, which the Audit and Finance Committee and the auditor attended. I attended all meetings as a guest. The Audit and Finance Committee adopted one resolution by way of circular vote in the financial year 2021 and approved the updated list of previously authorized non-audit services within the framework of the guideline on commissioning auditing services.

The **Capital Markets Committee** has the authority to decide instead of the full Supervisory Board on whether to approve the use of the Company's Authorized Capital, to authorize the issue of conversion and / or option rights, to authorize the acquisition and use of treasury shares and/or the use of derivatives when acquiring treasury shares as well as on the associated measures in each case. During the financial year 2021, the Capital Markets Committee met on December 7, 2021. This meeting dealt in particular with Mediaset’s shareholding, ProSiebenSat.1’s portfolio strategy and the current market environment.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2021

The Annual and Consolidated Financial Statements of ProSiebenSat.1 Media SE and the Management Report and Group Management Report for the financial year 2021 were audited by Ernst & Young and were issued with an unqualified audit report on March 1, 2022.

All documents relating to the Financial Statements, the Non-Financial Report, the Risk Report, and the Ernst & Young audit reports were made available to the members of the Supervisory Board in due time and were subjected to a thorough review by us. Thereby, we also dealt with effects of the Russian invasion of Ukraine.

At those meetings, the auditor reported on its significant audit findings. No accounting-related deficiencies were identified in either the internal control system or the risk management system, nor did any circumstances arise that could give cause for concern about the independence of the auditors.

The Supervisory Board acknowledged and approved the auditor's findings and, after completing its own examination, found no cause for objection on its part either. The Supervisory Board also approved the Annual and Consolidated Financial Statements prepared by the Executive Board and audited by the auditor as well as the Management Report, the Group Management Report, and the Non-Financial Report. The Annual Financial Statements are thus adopted. Finally, the Supervisory Board reviewed and concurred with the Executive Board's proposal for the allocation of profits.

In accordance with section 111(2) sentence 4 of the German Stock Corporation Act (Aktiengesetz – AktG), the Supervisory Board commissioned an external review of the content of the Separate Non-Financial Report from Ernst & Young. Ernst & Young issued an unqualified audit opinion in this regard. This means that, according to the assessment by Ernst & Young, the Separate Non-Financial Report of ProSiebenSat.1 Media SE was prepared in compliance with sections 315b and 315c in conjunction with sections 289b to 289e of the German Commercial Code in all material respects. In its review, which was also based on the Audit and Finance Committee's report on its preparatory review and its recommendation and the review of Ernst & Young's report and its audit opinion, the Supervisory Board likewise did not identify any reasons to doubt the correctness and appropriateness of the Separate Non-Financial Report.

CONFLICTS OF INTEREST

The members of the Supervisory Board are required to disclose possible conflicts of interest to the Presiding and Nominating Committee without delay. In the financial year 2021, due to one member of the Supervisory Board simultaneously having seats on corporate bodies of competitors or business partners of ProSiebenSat.1 Media SE, there was the following indication of a conflict of interest:

– Dr. Antonella Mei-Pochtler is a member of the Supervisory Board of Publicis Groupe S.A., Paris, France ("Publicis"), which is a customer of the sales subsidiary Seven.One Media GmbH ("Seven.One Media"). She did not participate in the resolution in the context of the contract extensions with the most important media agencies, which was passed by way of circular vote.

Otherwise, there were no indications for a conflict of interest.

CORPORATE GOVERNANCE

The Executive Board and Supervisory Board report on corporate governance in the form of the Management Declaration pursuant to sections 289f and 315d of the German Commercial Code, which you can find online and in the Annual Report.
→ www.prosiebensat1.com/en/investor-relations/corporate-governance/corporate-governance

The members of the Supervisory Board independently took the training measures necessary for their tasks. New Supervisory Board members receive a comprehensive induction. In doing so, they have the opportunity to meet members of the Executive Board and specialist executives for a bilateral exchange on fundamental and current topics of the respective Executive Board responsibilities, thus obtaining an overview of the relevant topics of the Company and the governance structure.

CHANGES IN THE COMPOSITION OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

The Supervisory Board made various decisions at the end of 2021 regarding the composition of the Executive Board and Supervisory Board, in order to continue the Group's strategic realignment successfully and to position it for the media landscape of the future.

Thus, on December 6, 2021, we decided to extend Rainer Beaujean's Executive Board contract by five years and appointed him Group CEO. In addition, Ralf Peter Gierig has been appointed as the new Group CFO of ProSiebenSat.1 Media SE. He has been knowing the Company for a long time and is an accomplished financial expert who has also made a name for himself as a trusted contact on the capital market. He has been Deputy Group CFO since October 2016 and has previously acted as Group CFO of ProSiebenSat.1 Media SE on an interim basis between April and May 2017 and again between April and June 2019.

Since January 1, 2022, ProSiebenSat.1 Media SE's Executive Board team has therefore comprised Rainer Beaujean as Group CEO and members Wolfgang Link, Christine Scheffler and Ralf Peter Gierig. Along with strategy and M&A, Rainer Beaujean remains responsible for the Dating & Video and Commerce & Ventures segments and for the holding divisions Internal Audit, IT, Communications, Investor Relations, Legal and Regulatory & Governmental Affairs. Wolfgang Link is responsible for the Entertainment business, which includes all areas from content and digital to sales and the streaming business with the platform Joyn. Christine Scheffler heads the Human Resources, Compliance, Sustainability and Organizational Development & Operational Excellence departments. Ralf Peter Gierig is in charge of Controlling (incl. risk management), Accounting & Taxes, Shared Services, Treasury, Procurement & Real Estate and Corporate Security.

There will also be some personnel changes in the Supervisory Board: After eight years and two periods in office, I have decided not to stand for re-election as a Supervisory Board member at the Annual General Meeting of ProSiebenSat.1 Media SE on May 5, 2022. The Supervisory Board plans to elect Dr. Andreas Wiele as its new Chairman, and thus as my successor, following the upcoming Annual General Meeting, subject to his election to the Supervisory Board at the meeting as envisaged. Dr. Wiele is a high-profile transformation expert in the media industry and has already belonged to the Supervisory Board since February 13, 2022 as a court-appointed member. He has successfully managed many change processes in the past and has a broad range of international experience gained from three decades in the media sector. Since stepping down as a member of the Executive Board of Axel Springer SE, Berlin, Germany ("Axel Springer") in May 2020, he has acted as a company founder and business angel. He also was a Senior Advisor for the global tech/media and telecoms business of KKR & Co., Inc., New York City, USA ("KKR").

Bert Habets, formerly CEO of RTL Group S.A., Luxembourg, ("RTL Group"), will also be nominated for election as another new Supervisory Board member at the Annual General Meeting. He has profound experience of the management of global media companies as well as extensive expertise in the launch and expansion of streaming video services.

I am also very delighted that Prof. Dr. Rolf Nonnenmacher is standing for re-election at the Annual General Meeting on May 5, 2022, so that he can continue his successful work on the Audit and Finance Committee. He has been a member of our Supervisory Board since May 2015.

I would like to thank Adam Cahan – also on behalf of the entire Supervisory Board – for his successful work.He had been a member of the Supervisory Board of ProSiebenSat.1 Media SE since June 2014. Adam Cahan resigned from his post in November 2021.

THANK YOU FROM THE SUPERVISORY BOARD

On behalf of my Supervisory Board colleagues, I would also like to thank the Executive Board team – Rainer Beaujean, Wolfgang Link and Christine Scheffler have done outstanding work. ProSiebenSat.1 has come through the pandemic very well and better than traditional media companies, because the Group's success is based on three strong segments and thus on complementary business models.

I also wish to give special thanks to all employees. They have successfully driven forward the digital transformation of ProSiebenSat.1, even under ongoing difficult conditions during the pandemic.

In conclusion, I would like to express our thanks to you, dear shareholders, for your trust in the Company and the ProSiebenSat.1 share. 2021 was a year that continued to present challenges for all of us. But it was also a year in which the Group continued its success – thanks to its very strong, long-term strategy of driving forward the Group's digitalization by its own power. We would be pleased if you, dear shareholders, continued to accompany ProSiebenSat.1 on this path.

Unterföhring, March 2022

On behalf of the Supervisory Board

DR. WERNER BRANDT

CHAIRMAN OF THE SUPERVISORY BOARD

MEMBERS OF THE SUPERVISORY BOARD

MEMBERS OF THE SUPERVISORY BOARD OF PROSIEBENSAT.1 MEDIA SE AND THEIR MANDATES ON OTHER SUPERVISORY BOARDS[1]

Dr. Werner Brandt, Chairman	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014/of ProSiebenSat.1 Media SE since May 21, 2015 Chairman of the Supervisory Board of RWE AG	Domestic Mandates: RWE AG, Essen, Siemens AG, Berlin/Munich
Dr. Marion Helmes, Vice Chairwoman	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014/of ProSiebenSat.1 Media SE since May 21, 2015 Member in various Supervisory Boards	Domestic Mandate: Siemens Healthineers AG, Erlangen Foreign Mandates: British American Tobacco p.l.c., London, United Kingdom, Heineken N.V., Amsterdam, Netherlands
Lawrence A. Aidem	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014/of ProSiebenSat.1 Media SE since May 21, 2015 Reverb Advisors (Managing Partner)	Mandates: none
Adam Cahan	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014/of ProSiebenSat.1 Media SE since May 21, 2015 until November 12, 2021 PAX Labs, Inc. (CEO)	Foreign Mandate: PAX Labs Inc., San Francisco, USA
Erik Huggers	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014/of ProSiebenSat.1 Media SE since May 21, 2015 Independent entrepreneur	Foreign Mandates: WeTransfer B.V., Amsterdam, Netherlands, Hexagon AB, Stockholm, Schweden
Marjorie Kaplan	Member of the Supervisory Board of ProSiebenSat.1 Media SE since May 16, 2018 Merryck & Co (Consultant & Mentor)	Foreign Mandate: ArtBnk, LLC, Newmarket, New Hampshire, USA
Ketan Mehta	Member of the Supervisory Board of ProSiebenSat.1 Media SE since November 24, 2015 Allen & Company LLC (Managing Director)	Mandates: none
Dr. Antonella Mei-Pochtler	Member of the Supervisory Board of ProSiebenSat.1 Media SE since June 13, 2020 Special advisor to the Federal Chancellor of Austria and head of ThinkAustria, the strategic and planning unit of the Austrian Federal Chancellery, Vienna, Austria	Domestic Mandate: Westwing Group AG, Munich Foreign Mandates: Assicurazioni Generali SpA, Milan, Italy, Publicis Groupe S.A., Paris, France, SIPRA, Côte d'Ivoire
Prof. Dr. Rolf Nonnenmacher	Member of the Supervisory Board of ProSiebenSat.1 Media SE since May 21, 2015 Member in various supervisory boards	Domestic Mandates: Continental AG, Hanover, Covestro AG, Leverkusen, Covestro Deutschland AG, Leverkusen
Dr. Andreas Wiele	Member of the Supervisory Board of ProSiebenSat.1 Media SE since February 13, 2022 (appointed by Court) Founder, Giano Capital (General Partner)	Foreign Mandates: Giano Capital S.a.r.l, Genova, Switzerland, Giano Capital Management S.a.r.l, Luxembourg, OakTree Power Ltd., London, United Kingdom

1 The presentation of mandates describes the memberships in other supervisory boards required by German law as well as memberships in comparable domestic and foreign supervisory bodies of commercial enterprises.

MEMBERS OF THE EXECUTIVE BOARD

MEMBERS OF THE EXECUTIVE BOARD OF PROSIEBENSAT.1 MEDIA SE AND THEIR MANDATES ON OTHER SUPERVISORY BOARDS[1]

Member of the Executive Board		Executive Board responsibilities to 12/31/2021	Executive Board responsibilities from 01/01/2022	Mandates on other Supervisory Boards
Rainer Beaujean, Chairman of the Executive Board (Group CEO)	Chief Financial Officer (Group CFO) since July 1, 2019, Chairman of the Executive Board & Chief Financial Officer (Group CFO) since March 26, 2020, Chairmen of the Executive Board (Group CEO) since January 1, 2022	Strategy & M&A, Red Arrow Studios (incl. Studio71), NuCom Group, ParshipMeet Group, Finances (IR, Treasury, Corporate Procurement & Real Estate, Accounting & Taxes, Shared Services, Corporate Security), Internal Audit, Controlling, IT, Communication, Legal, Regulatory & Governmental Affairs	Segment Dating & Video: e.g. ParshipMeet Group Segment Commerce & Ventures: e.g. SevenAccelerator, SevenVentures and NuCom Group Holding: e.g. Strategy, M&A, Internal Audit, IT, Communications, Investor Relations, Legal, Regulatory & Governmental Affairs	Domestic Mandates: NCG – NUCOM GROUP SE, Unterföhring (Member of the Supervisory Board and Chairman of the Supervisory Board), Virtual Minds GmbH, Freiburg im Breisgau (Member of the Supervisory Board and Chairman of the Supervisory Board until August 26, 2021), Joyn GmbH, Munich (Member of the Advisory Board), ParshipMeet Holding GmbH, Hamburg (Member of the Advisory Board and Chairman of the Advisory Board), Jochen Schweizer mydays Holding GmbH, Munich (Member of the Advisory Board and Chairman of the Advisory Board since September 1, 2021), Rheinische Post Mediengruppe GmbH, Düsseldorf (Member of the Supervisory Board), Rheinische Post Verlagsgesellschaft mbH, Düsseldorf (Member of the Supervisory Board)
Wolfgang Link, Member of the Executive Board (responsible for Entertainment)	Member of the Executive Board	Seven.One Entertainment Group (Content, Digital incl. Joyn, Sales, Distribution)	Segment Entertainment: e.g. Seven.One Entertainment Group, Joyn, Red Arrow Studios, Studio71	Domestic Mandates: Joyn GmbH, Munich (Member of the Advisory Board), ParshipMeet Holding GmbH, Hamburg (Member of the Advisory Board) Foreign Mandate: ProSiebenSat.1 Puls 8 TV AG, Zurich, Switzerland (Vice Chairman of the Administrative Board until March 31, 2021)
Christine Scheffler, Member of the Executive Board (responsible for HR, Compliance & Sustainability)	Member of the Executive Board	Human Resources, Compliance, Sustainability, Organizational Development & Operational Excellence	Holding & Segments: Human Resources, Compliance, Sustainability, Organizational Development & Operational Excellence	Domestic Mandates: NCG – NUCOM GROUP SE, Unterföhring (Member of the Supervisory Board since July 1, 2021), ParshipMeet Holding GmbH, Hamburg (Member of the Advisory Board since August 13, 2021)
Ralf Peter Gierig, Member of the Executive Board & Chief Financial Officer (Group CFO)	Member of the Executive Board & Chief Financial Officer (Group CFO) as of January 1, 2022		Holding & Segments: e.g. Controlling (incl. Risk Management), Accounting & Taxes, Shared Services, Treasury, Procurement & Real Estate, Corporate Security	Domestic Mandate: NCG – NUCOM GROUP SE, Unterföhring (Member of the Supervisory Board and Vice Chairman of the Supervisory Board)

1 The presentation of mandates describes the memberships in supervisory boards required by German law as well as memberships in comparable domestic and foreign supervisory bodies of commercial enterprises.

MANAGEMENT DECLARATION

In this Management Declaration, the Executive Board and Supervisory Board report on corporate governance pursuant to sections 289f and 315d of the German Commercial Code (HGB). It includes information on relevant corporate governance practices and other aspects of corporate governance in addition to the annual Declaration of Compliance pursuant to section 161 of the German Stock Corporation Act (AktG). The Executive Board and Supervisory Board regard good corporate governance as an essential component of responsible, transparent management geared toward long-term value creation. With the German Corporate Governance Code (GCGC), a standard for transparent control and management of companies was established. In line with Principle 22 of the GCGC in the version of December 16, 2019, in the present Management Declaration the Executive Board and Supervisory Board report on the Company's corporate governance and give their views on the Code's recommendations and proposals. Information on Executive Board and Supervisory Board compensation can be found in the Compensation Report. In addition to the current Management Declaration and the current Declaration of Compliance, the declarations of the last at least five years are available on the Company's website.

DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE PURSUANT TO SECTION 161 OF THE GERMAN STOCK CORPORATION ACT

The Executive Board and the Supervisory Board of ProSiebenSat.1 Media SE declare that the recommendations of the "Government Commission on the German Corporate Governance Code" (GCGC) in the version of December 16, 2019, published in the official section of the Federal Gazette (*Bundesanzeiger*) on March 20, 2020, are currently complied with and will continue to be complied with in the future.

Also, in the period since the issuance of the last declaration of compliance in December 2020, all recommendations of the GCGC have been complied with.

December 2021

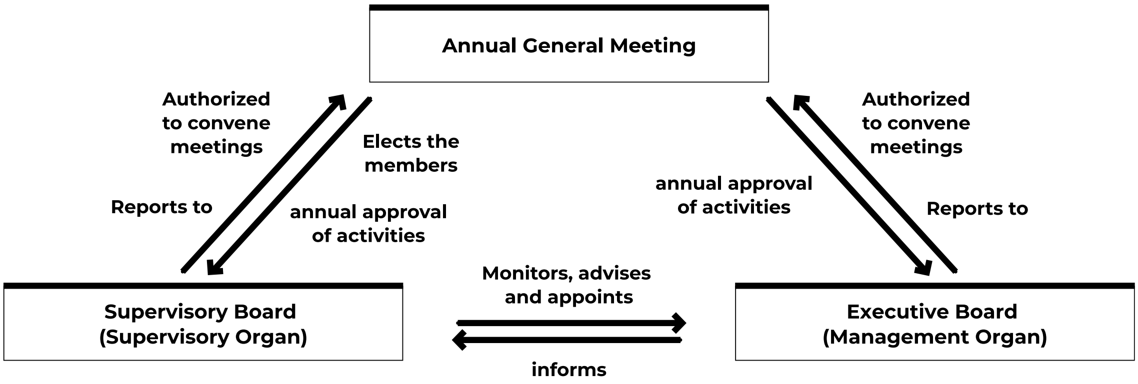
Executive Board and Supervisory Board of ProSiebenSat.1 Media SE

CORPORATE GOVERNANCE AND THE COMPANY'S GOVERNING BODIES

ProSiebenSat.1 Media SE is a listed European Company (Societas Europaea, SE), with its registered office located in Germany. Thus, in addition to the German Corporate Governance Code (GCGC), the formal structure for corporate governance is derived from German and European law, notably the law governing European Companies (SEs), stock corporation and capital markets law, and the articles of incorporation of ProSiebenSat.1 Media SE.

As a European Company, ProSiebenSat.1 Media SE operates under a dual system via its three governing bodies: the Annual General Meeting, the Supervisory Board (supervisory organ) and the Executive Board (management organ). Those bodies' duties and powers are governed by Council Regulation (EC) No. 2157/2001 of October 8, 2001, on the Statute for a European Company (SE Regulation), the SE Regulation Implementation Act (Gesetz zur Ausführung der SE-VO - SEAG), the German Stock Corporation Act (Aktiengesetz - AktG) and the articles of incorporation of ProSiebenSat.1 Media SE.

CORPORATE GOVERNANCE STRUCTURE OF PROSIEBENSAT.1 MEDIA SE



A clear separation of powers is maintained between the management organ and the supervisory organ. The managing body is the Executive Board, which is overseen and advised by the Supervisory Board on management of the Company. All transactions and decisions of fundamental significance for the Company are undertaken by the Executive Board in close consultation with the Supervisory Board. Therefore, open communication and close cooperation between the two bodies are of particular importance.

MANAGEMENT AND MONITORING

Executive Board

The Executive Board of ProSiebenSat.1 Media SE is convinced that sustainable economic success in a competitive environment can be achieved only by ensuring that business practices comply with the applicable laws. In addition to preventing corruption, ProSiebenSat.1 Group particularly focuses on the issues of money laundering, sanctions and embargoes, as well as data protection, in the area of compliance. ProSiebenSat.1 Group has also implemented a compliance management system (CMS) in connection with this. The main objective of the CMS is to ensure that all employees consistently think and act with integrity and in accordance with company policies and the law, thus preventing law- and rule-breaking in advance.

In view of its Group structure, ProSiebenSat.1 Group has established both a central and a decentralized compliance organization. The central organization is made up of the Compliance Committee and the Group Compliance department headed by the Group's Chief Compliance Officer (CCO), which are assisted in the performance of their duties by experts from other areas, such as the Legal department. The Compliance Committee is made up of the Executive Board member responsible for compliance, Christine Scheffler, the Senior Vice President Internal Audit and the Chief Compliance Officer, as well as the Group function Legal, the Unit Compliance Officers

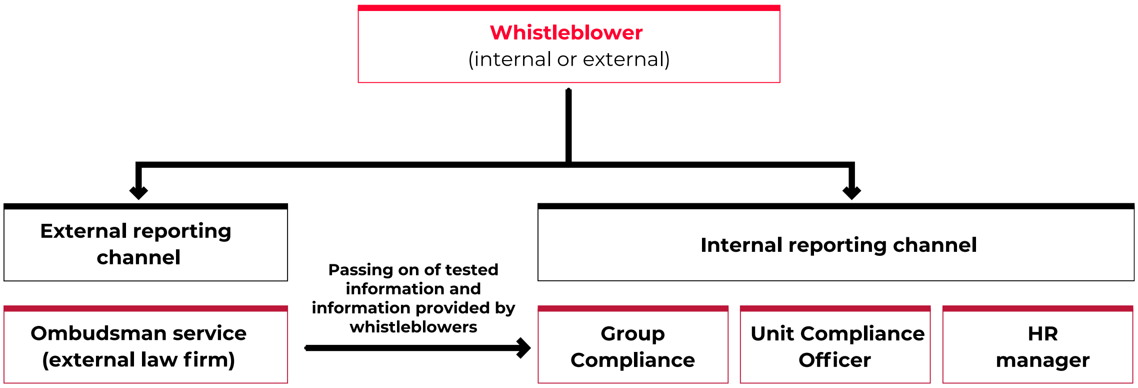
(UCO) of the different segments and the Group Data Protection Officer. The Compliance Committee and the CCO support and advise the Executive Board with the implementation, monitoring and development of the CMS. The CCO, who is based in the Executive Board department covering HR, Compliance, Sustainability, Organizational Development & Operational Excellence, is entrusted with implementing the CMS in the Group, carries out risk analyses and training, and advises the Executive Board on the development and implementation of appropriate measures to minimize risks. In addition, he or she monitors legal developments and makes proposals for updating the CMS.

The decentralized compliance organization is represented by Unit Compliance Officers (UCO), who are appointed in Group entities and in the individual business areas across the Group. Overall responsibility for the CMS lies with the Executive Board of ProSiebenSat.1 Media SE as the parent company of ProSiebenSat.1 Group.

ProSiebenSat.1 Group has laid down basic guidelines and policies in its Code of Conduct. These guidelines define the general standards for conduct in business, legal and ethical matters and also govern how employees can report misconduct in the Company. They serve all members of the Executive Board, the management of subsidiaries of ProSiebenSat.1 Group, and the employees of ProSiebenSat.1 Group as a binding reference and regulatory framework for dealing with each other and with business partners, customers, suppliers, and other third parties. The Code of Conduct can be viewed online at
→ www.prosiebensat1.com/en/investor-relations/corporate-governance/code-of-conduct

Another central compliance instrument for ProSiebenSat.1 Group is the whistleblower system. In addition to internal reporting channels, it is also possible to report legal violations anonymously via an external ombudsman service. It accepts complaints and reports by telephone or e-mail, checks their plausibility and then forwards them to Group Compliance. In the event of reports of serious suspicions and after internal evaluation, the Chief Compliance Officer promptly informs the management. If the relevant monitoring body or management team or the Executive Board according to compliance incident management believes that an internal investigation is required and this is initiated, further departments may be involved in this, such as Internal Audit in particular.

PROSIEBENSAT.1 GROUP'S WHISTLEBLOWER SYSTEM



ProSiebenSat.1 Group values the diversity of individual characteristics, experience and expertise that its employees and managers contribute to the Company and regards diversity as an important success factor for the Group's development. In particular, the proportion of women in management positions is a key diversity aspect for ProSiebenSat.1 Group. In a resolution dated June 30, 2017, with reference to section 76(4) of the German Stock Corporation Act (AktG) in conjunction with article 9(1) lit. c) ii) of the SE Regulation (SE-VO), the Executive Board of ProSiebenSat.1 Media SE

established the following targets – to be reached by June 30, 2022 – for the proportion of women at the two management levels below Executive Board level:

– First management level: 15%

– Second management level: 30%

At the end of the past financial year, the proportion of women at the first management level of ProSiebenSat.1 Media SE was 31.8% (previous year: 25.0%). At the second management level, the percentage of women was 38.5% (previous year: 30.4%). This means that both targets for the proportion of women at the two management levels below Executive Board level were exceeded in the reporting period.

Supervisory Board

The Supervisory Board appoints and dismisses the members of the Executive Board, monitors and advises the Executive Board in managing the Company and is to be involved in all decisions of decisive importance for the Company. The Chairman of the Supervisory Board is elected by the Supervisory Board from among its members. He coordinates the work in the Supervisory Board and represents the Supervisory Board's interests externally. In this context, the Chairman of the Supervisory Board talks to investors where reasonable about topics specific to the Supervisory Board, although not in connection with the Company's strategy or management.

Annual General Meeting

The Company's shareholders exercise their rights of co-administration and oversight at the Annual General Meeting, which is handled rapidly by the chair of the meeting and should be finished after four to six hours at the latest. Parts of the Annual General Meeting are also broadcast online. Each no-par value share confers one vote at the Annual General Meeting. The shareholders of the Company are notified of the items on the agenda of the Annual General Meeting and the resolutions proposed by the Executive Board and the Supervisory Board in due time in the meeting invitation. The Executive Board ensures that a proxy is appointed to exercise shareholders' voting rights as per their instructions and thus make it easier for shareholders to exercise their rights. The proxy is present and available at the Annual General Meeting, and furthermore shareholders or their representatives who are not attending the Annual General Meeting in person are able to authorize and issue instructions to the proxy up until the day before or, if the online shareholder portal is being used, up until the end of the general debate of the respective Annual General Meeting.

As a result of the ongoing spread of the SARS-CoV-2 virus (known as the COVID-19 pandemic), on the basis of the German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic of March 27, 2020, as amended by the Regulation on the Extension of Measures Under the Law of Companies, Cooperative Societies, Associations and Foundations to Combat the Effects of the COVID-19 Pandemic of October 20, 2020, the Company's Executive Board, with the consent of the Supervisory Board, resolved to once again hold the Annual General Meeting on June 1, 2021 as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies. There was a live sound and video broadcast of the entire virtual Annual General Meeting via the online shareholder portal on the website. Shareholders or their proxies were able to submit their votes either in writing or on the basis of electronic communication (postal vote) as well as by authorizing a shareholder representative named by the Company. On the basis of electronic communication, shareholders were able to address questions to the Executive Board and the Supervisory Board using the online shareholder portal up until two days before the Annual General Meeting. In addition, there was the possibility to ask follow-up questions during the debate. Shareholders who exercised their voting right on the basis of a postal vote or via proxies were able to submit objections to the resolutions of the Annual General Meeting on the basis of electronic communication via the online shareholder portal from the start of the virtual Annual General Meeting until it ended.

COMPOSITION OF THE EXECUTIVE BOARD

According to the Company's articles of incorporation, the Executive Board must be composed of one or more members. The number of Executive Board members is determined by the Supervisory Board. As of December 31, 2021, the Executive Board of ProSiebenSat.1 Media SE had three members (previous year: three members). Since January 1, 2022, the Executive Board has comprised four members. Members of the Executive Board are in principle appointed and removed by the Supervisory Board in accordance with Article 39 (2) SE Regulation. In accordance with section 7 (2) sentence 1 of the articles of incorporation in conjunction with article 46 SE Regulation, Executive Board members can be appointed for a maximum period of five years. Initial appointments generally do not utilize the full maximum period, but are generally made for a period not exceeding three years. Reappointments are permitted for a maximum of five years. The Supervisory Board has set an age limit for members of the Executive Board, as recommended by the German Corporate Governance Code. Persons who would turn 65 years before the expiration of their intended term of office shall not be appointed to the Executive Board. In the past year, the Supervisory Board again discussed issues of the long-term succession planning for the Executive Board, discussed the topic with the Executive Board and analyzed both the key focuses for future Executive Board work and also the executives currently available in the Company.

→ Members of the Executive Board

Targets for Executive Board Composition

The Supervisory Board of ProSiebenSat.1 Media SE has established a target for the composition of the Executive Board with regard to the equal participation of women in accordance with section 111(5) of the German Stock Corporation Act (AktG) in conjunction with article 9(1) lit. c) ii) of the SE Regulation as well as deadlines for the respective target achievement.

On December 10, 2019, the Supervisory Board resolved to maintain the target of one woman that was set by resolution dated May 12, 2017 for the equal participation of women on the Executive Board. The deadline for implementing this target expires on December 31, 2024. With the appointment of Christine Scheffler as a member of the Executive Board of ProSiebenSat.1 Media SE in March 2020, this target for the equal participation of women on the Executive Board is already met during the reporting period. Besides the proportion of women, no further diversity aspects have yet been defined as targets for the Executive Board, as the Supervisory Board does not currently deem it a requirement for the purposes of appointing suitable candidates to the Executive Board.

WORKING PROCEDURES OF THE EXECUTIVE BOARD

Each member of the Executive Board is assigned an area of responsibility, regarding which that member keeps his or her colleagues on the Executive Board continuously updated. Rules of procedure enacted by the Supervisory Board for the Executive Board and updated as necessary govern the cooperation between the Executive Board members and the Executive Board members' areas of responsibility. The rules of procedure also govern in particular the allocation of responsibilities and matters reserved for the full Executive Board. The Executive Board has not formed any committees.

Meetings of the full Executive Board generally took place on a weekly basis and are chaired by the Chairman of the Executive Board & CFO (since January 1, 2022: by the Group CEO). One of the functions of the meetings is to adopt resolutions on measures and transactions that require the consent of the full Executive Board under the Executive Board's rules of procedure. When adopting resolutions, at least half of the Executive Board members must participate in the vote. Resolutions of the full Executive Board are adopted by simple majority. In the event of a tie, the Chairman of the Executive Board & CFO (since January 1, 2022: the Group CEO) casts the deciding vote. When significant events occur, any Executive Board member may call an extraordinary meeting of the full Executive Board.

The Executive Board may also adopt resolutions outside of the meetings by casting votes verbally, by phone, in writing, or by text message.

Written minutes of every meeting of the full Executive Board and of every resolution adopted outside the meetings are prepared and signed by the Chairman of the Executive Board & CFO (since January 1, 2022: the Group CEO) or the chairman of the meeting. The minutes are then promptly forwarded to each member of the Executive Board in writing or in text form and presented for approval at the next Executive Board meeting. If none of the individuals who attended the meeting or took part in the resolution object to the content or the wording of the minutes, the minutes shall be deemed approved.

In addition to the regular Executive Board meetings, a strategy workshop is held at least once a year. The workshops serve to prioritize strategic targets across the Group and to develop the strategy for the current financial year in cooperation with senior executives from the various business units.

COMPOSITION OF THE SUPERVISORY BOARD

As of December 31, 2021, the Supervisory Board of ProSiebenSat.1 Media SE was made up of eight members, following the resignation of Adam Cahan with effect from November 12, 2021 (previous year: nine members), each of whom was elected by the Annual General Meeting. New Supervisory Board members take part in a structured onboarding process, in which they are familiarized with the Company and their tasks.

→ Members of the Supervisory Board

Targets for the Composition of the Supervisory Board

Having thoroughly reviewed the recommendations of the German Corporate Governance Code in the version dated December 16, 2019 regarding the specific targets for its composition, the Supervisory Board set targets for its composition that take account of the specifics of the Company pursuant to section 111(5) of the German Stock Corporation Act (AktG) in conjunction with article 9(1) lit. c) ii) of the SE Regulation, on December 15, 2021. The Supervisory Board has accordingly set the following targets:

- the Supervisory Board should include an appropriate number of independent members, whereby more than half of Supervisory Board members should be independent of the Company and the Executive Board;
- the share of women should be at least 1/3 (one third), to be attained by no later than March 31, 2024;
- the members of the Supervisory Board should have specific international expertise and experience in the areas of broadcasting, media, and communication;
- the international activities of the Company should be taken into account. The Supervisory Board should be filled with members who, based on their origin or professional activities, represent regions or cultures in which the Company has significant business operations. In this context, diversity should also be taken into account when appointing members to the Supervisory Board,

and the current level of diversity should be maintained. The Supervisory Board should be filled with members who, based on their origin, their personal background, their education, or professional activities, are able to contribute a wide range of experience and specific expertise;

- the Supervisory Board will continue to assess how it intends to handle potential or actual conflicts of interest in order to continue to guarantee unbiased monitoring of and provision of advice to the Executive Board of the Company in the Company's best interests in each individual case within the legal framework and taking into account the German Corporate Governance Code;
- the age limit of 70 years at the time of appointment to the Supervisory Board, as stipulated in the rules of procedure adopted by the Supervisory Board, should continue to apply;
- individuals who have been members of the Company's Supervisory Board for three full consecutive terms, and thus generally for fifteen years, should as a rule no longer be nominated for re-election to the Supervisory Board.

The Supervisory Board already meets the aforementioned targets it has set for its composition pursuant to the German Corporate Governance Code and the German Stock Corporation Act. The Supervisory Board considers all Supervisory Board members independent for financial year 2021.

OVERVIEW OF THE TERMS OF OFFICE OF THE MEMBERS OF THE SUPERVISORY BOARD

Name	Date of initial appointment/ Date of re-appointment	End of the term of office [as of the end of the AGM of the year or resignation]
Brandt, Dr. Werner (Chairman)	06/26/2014 06/12/2019	AGM 2022 [3 years]
Helmes, Dr. Marion (Vice-Chairwoman)	06/26/2014 06/12/2019	AGM 2023 [4 years]
Aidem, Lawrence A.	06/26/2014 06/12/2019	AGM 2023 [4 years]
Cahan, Adam	06/26/2014 06/12/2019	11/12/2021
Huggers, Erik	06/26/2014 06/12/2019	AGM 2024 [5 years]
Kaplan, Marjorie	05/16/2018 06/12/2019	AGM 2024 [5 years]
Mehta, Ketan	11/24/2015 06/12/2019	AGM 2024 [5 years]
Mei-Pochtler, Dr. Antonella	04/13/2020 06/10/2020	AGM 2023 [4 Jahre]
Nonnenmacher, Prof. Dr. Rolf	05/21/2015 06/12/2019	AGM 2022 [3 Jahre]
Wiele, Dr. Andreas	02/13/2022 (appointed by court)	AGM 2022 [bi-election as successor to Adam Cahan]

The described targets for the Supervisory Board's composition and stipulations concerning the equal participation of women on the Supervisory Board in accordance with section 111(5) of the German Stock Corporation Act (AktG) in conjunction with article 9(1) lit. c) ii) of the SE Regulation form part of the diversity concept for the Supervisory Board in accordance with sections 289f(2) no. 6 and 315d of the German Commercial Code (HGB). Another element of the Supervisory Board diversity concept is the skills profile for the Supervisory Board, which is described below.

Skills Profile for the Supervisory Board

In light of the recommendation of the German Corporate Governance Code in the version of December 16, 2019, under item note C.1 (Composition of the Supervisory Board), the Supervisory Board of ProSiebenSat.1 Media SE developed the skills profile described below for the Board as a whole and adopted this on December 15, 2021, so as to ensure qualified control and monitoring of the Company by the Supervisory Board. The Board as a whole already satisfies the requirements in its current composition.

Each member of the Supervisory Board should contribute essential general expertise, with the effect that the corresponding candidates are able to perform the tasks of the Supervisory Board in an international media / digital group based on their personality, independence, motivation, and integrity. In addition, it should be ensured that the subject of diversity is taken into account in the nomination of candidates by the Supervisory Board's Presiding and Nominating Committee to the Supervisory Board as a whole and subsequently to the Annual General Meeting.

The expertise and experience required for qualified and successful work by the Supervisory Board should – in keeping with the Supervisory Board's nature as a collegial body – be ensured by all members of the Supervisory Board.

Overall, the Supervisory Board of ProSiebenSat.1 Media SE should have the skills and expertise considered to be material in view of ProSiebenSat.1 Group's activities. This particularly includes in-depth knowledge with regard to:

– experience in the management of a listed, internationally operating company;
– experience of the transformation of media companies into digital groups;
– in-depth understanding of ProSiebenSat.1 Group's different business areas – specifically content and broadcasting, distribution and digital entertainment (particularly streaming, e-commerce, and production) – and of the Group's market environment and media regulation / policy;
– in-depth knowledge in the field of digital business development, digital diversification and platform strategies (such as Addressable TV), data and advertising technology, and M&A;
– in-depth knowledge in the fields of human resources development and management;
– in-depth knowledge in the fields of governance and compliance;
– in-depth knowledge of the implementation of a sustainability strategy that focuses strongly on social responsibility and public value, as is appropriate for a media company.

In addition, at least one member of the Supervisory Board must have expertise in the field of accounting, and at least one other member must have expertise in the field of auditing.

When putting forward nominations to the Annual General Meeting, particular attention should be paid to the personality, integrity, motivation, and independence of the candidates. In addition, Supervisory Board members should comply with the limit recommended in item C.4 of the German Corporate Governance Code with regard to mandates at listed companies outside the Group.

With regard to nominations by the Supervisory Board to the Annual General Meeting, all requirements should be met, and the above targets should be taken into account so as to ensure overall fulfillment of the skills profile for the Supervisory Board.

Further information on the skills profile for the Supervisory Board is available on the ProSiebenSat.1 Media SE website.
→ www.prosiebensat1.com/en/investor-relations/corporate-governance/corporate-bodies

WORKING PROCEDURES OF THE SUPERVISORY BOARD

The Executive Board provides the Supervisory Board with prompt and complete information – both in writing and at the Supervisory Board's quarterly meetings – on planning, business performance, and the situation of the Company, including risk management and compliance matters. Where indicated, an extraordinary meeting of the Supervisory Board is called to address important events. The Executive Board includes the Supervisory Board in company planning and strategy as well as in all matters of fundamental importance to the Company. The Company's articles of incorporation and the rules of procedure for the Executive Board stipulate that all significant transactions must be approved by the Supervisory Board. Such significant transactions requiring the consent of the Supervisory Board include adopting the annual budget, making major acquisitions or divestments, and investing in program licenses. More information on cooperation between the Executive Board and the Supervisory Board and on the significant matters on which they consulted in financial year 2021 is available in the Report of the Supervisory Board.

→ Report of the Supervisory Board

The Supervisory Board holds a minimum of two meetings during each half of the calendar year. To facilitate its work, the Supervisory Board has adopted rules of procedure to supplement the provisions of the articles of incorporation. These can be viewed on the Company's website:

→ www.prosiebensat1.com/en/investor-relations/corporate-governance/corporate-bodies

The rules of procedure stipulate that the Chairman of the Supervisory Board coordinates the work of the Supervisory Board, chairs the Supervisory Board meetings, and represents the Supervisory Board's interests externally. As a rule, the Supervisory Board adopts its resolutions at the Supervisory Board meetings. However, on instruction of the Chairman of the Supervisory Board, resolutions may also be adopted on conference calls, in videoconferencing sessions or outside of the meetings. Equally admissible is the adoption of resolutions via a combination of voting at meetings and voting via other methods.

The Supervisory Board is deemed to constitute a quorum if at least half of its members participate in the vote. Resolutions of the Supervisory Board are generally adopted by simple majority of the votes cast, unless otherwise prescribed by law. In the event of a tie, the deciding vote is cast by the Chairman of the Supervisory Board, or in his absence the Vice-Chairwoman.

The meetings of the Supervisory Board are recorded in minutes that are signed by the Chairman. A written record is also kept of resolutions adopted outside of the meetings. A copy of the minutes, or of resolutions adopted outside of meetings, is sent promptly to all members of the Supervisory Board. The Supervisory Board members participating in the meetings or voting on the resolutions may raise objections to the minutes. Objections must be made in writing to the Chairman of the Supervisory Board within one month of the minutes being sent out. Otherwise, the minutes shall be deemed approved.

Prof. Dr. Rolf Nonnenmacher, Chairman of the Audit and Finance Committee, has special expertise and experience in the field of auditing due to his professional background. Dr. Marion Helmes, member of the Audit and Finance Committee, has special expertise and experience in the application of accounting principles and internal control systems due to her professional background. All members of the Audit and Finance Committee are independent within the meaning of the recommendation in item C.10 of the German Corporate Governance Code.

The members of the full Supervisory Board are, as a whole, also familiar with the sector in which the Company operates pursuant to section 100(5) of the German Stock Corporation Act (AktG) in conjunction with article 9(1) lit. c) ii) of the SE Regulation. All Supervisory Board members must report any conflicts of interest without delay to the Supervisory Board's Presiding and Nominating Committee, particularly those conflicts that may arise from exercising an advisory or executive function vis-à-vis customers, suppliers, creditors, or other business partners.

The recommendation contained in item D.13 of the German Corporate Governance Code states that the Supervisory Board should regularly implement a self-assessment of its activities. The review extends primarily to the Supervisory Board's view of its mission, the organization of its activities, the independence of its members, the handling of potential conflicts of interest, and the composition of its committees. The last review of the efficiency of Supervisory Board work took place on December 15, 2021 in the context of a closed session on the basis of a detailed list of questions.

COMPOSITION AND WORKING PROCEDURES OF THE SUPERVISORY BOARD COMMITTEES

In financial year 2021, the Supervisory Board formed four committees. The Supervisory Board decides on the composition of its committees. In selecting committee members, potential conflicts of interest involving Supervisory Board members are taken into account, as are their professional qualifications.

COMPOSITION OF THE SUPERVISORY BOARD COMMITTEES AS OF DECEMBER 31, 2021

PRESIDING AND NOMINATING COMMITTEE
Dr. Werner Brandt (Co-Chairman), Dr. Marion Helmes (Co-Chairwoman), Lawrence A. Aidem, Marjorie Kaplan, Ketan Mehta, Dr. Antonella Mei-Pochtler

AUDIT AND FINANCE COMMITTEE
Prof. Dr. Rolf Nonnenmacher (Chairman and independent financial expert especially in the area of auditing), Dr. Marion Helmes (expert for accounting and control systems), Dr. Antonella Mei-Pochtler

COMPENSATION COMMITTEE
Dr. Werner Brandt (Chairman), Dr. Marion Helmes, Lawrence A. Aidem, Prof. Dr. Rolf Nonnenmacher

CAPITAL MARKETS COMMITTEE
Dr. Werner Brandt (Chairman), Dr. Marion Helmes, Ketan Mehta, Prof. Dr. Rolf Nonnenmacher

The Supervisory Board committees generally meet on a quarterly basis or as required. To the extent permitted by law, the committees have been entrusted with adopting resolutions concerning various Supervisory Board tasks, especially approving certain management actions. A committee is deemed to constitute a quorum when at least half of its members participate in the vote. Committee resolutions are normally adopted by a simple majority vote. In the event of a tie, the committee chairman casts the deciding vote. Written minutes are prepared of each committee meeting and are signed by the committee chairman. Resolutions adopted outside the meetings are also recorded in writing. Minutes and the text of resolutions adopted are sent to all members of the committee concerned. These shall be deemed approved if no committee member who was present at the meeting, or who took part in the vote on the resolution, objects to the content within one month of dispatch. The committee chairmen report on the work of the committees at the meetings of the Supervisory Board.

The Chairman of the Executive Board & CFO (since January 1, 2022, the Group CEO and additionally the Group CFO) and the independent auditor participate regularly in the meetings of the Audit and Finance Committee. Based on a resolution of the Audit and Finance Committee, the latter also meets with the auditor without the Executive Board being present. In addition, the Chairman of the Audit and Finance Committee invites in particular senior executives from the areas of finance and accounting to provide information at meetings if required. The Supervisory Board has issued rules of procedure to govern the work of the Audit and Finance Committee. The Audit and Finance Committee and the auditors also maintain a regular dialog between meetings. The individual breakdown of participation in meetings of the Supervisory Board in financial year 2021 can be found in the

→ Report of the Supervisory Board

TRANSPARENCY AND EXTERNAL REPORTING

We aim to strengthen trust among shareholders, capital providers, and other interested parties through openness and transparency. For that reason, ProSiebenSat.1 Media SE reports regularly on key business developments and changes within the Group. The Company generally provides information simultaneously to all shareholders, financial analysts, media representatives, and other interested parties. Given the international nature of our stakeholders, we provide reports in English as well.

The financial calendar presents the publication dates of financial reports and quarterly reports well in advance, along with other important dates such as the date of the Annual General Meeting. The calendar is available on the ProSiebenSat.1 website.
→www.prosiebensat1.de/en/investor-relations/presentations-events/financial-calendar

To ensure fair communication and prompt disclosure both in Germany and elsewhere, the Company makes particularly use of the Internet as one of its main communication channels. All relevant corporate information is published on our website. Annual reports, half-yearly financial reports, quarterly statements, current stock price charts, and company presentations can be downloaded from the website at any time. The website includes a special section where the Group provides information on organizational and legal matters in connection with the Annual General Meeting. The meeting agenda can be found here, and the speech by the Chairman of the Executive Board & CFO (from January 1, 2022, the Group CEO) and the results of votes are made available after the meeting. In the Corporate Governance section, ProSiebenSat.1 Media SE also publishes the current Management Declaration pursuant to section 289f and sections 289f, 315d and 315e of the German Commercial Code (HGB), and the Declaration of Compliance with the German Corporate Governance Code (GCGC) in accordance with section 161 of the German Stock Corporation Act (AktG), which includes an archive with the declarations from the last at least five years and the Company's articles of incorporation.

Four times a year, ProSiebenSat.1 Group presents information on the Group's business performance as well as its financial position and earnings as part of the Company's annual and interim financial reporting. The Consolidated Financial Statements and the Group Management Report are made publicly available within 90 days after the end of the financial year and the mandatory financial information during the financial year within 45 days after the end of the reporting period at
→ www.prosiebensat1.com/en/investor-relations/publications/results

As required by law, matters that could significantly influence the price of the Company's stock are announced immediately in ad-hoc disclosures outside of the scheduled reports and are made available online at
→ www.prosiebensat1.com/en/newsroom/press-releases/ad-hoc-disclosures

Notifications of changes in significant voting rights pursuant to sections 33 et seq. of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) are published immediately upon receipt. Current information is available on the Company’s website at
→ www.prosiebensat1.com/en/investor-relations/publications/voting-rights-notifications

Directors' dealings notifications in accordance with article 19 of Regulation (EU) No. 596/2014 (Market Abuse Regulation – MAR) are likewise published immediately upon receipt at
→ www.prosiebensat1.com/en/investor-relations/publications/directors-dealings

In financial year 2021, 17 transactions in company stock or in financial instruments relating to company stock were reported to ProSiebenSat.1 Media SE by management personnel or related parties in compliance with article 19 of the Market Abuse Regulation.

As of December 31, 2021, members of the Executive Board held a total of 209,970 shares (previous year: 131,102) and members of the Supervisory Board a total of 133,713 shares (previous year: 102,235) in ProSiebenSat.1 Media SE.

INDIVIDUALIZED SHAREHOLDINGS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD AS OF DECEMBER 31, 2021

	Number of shares	Share value on purchase (in EUR)	Investment need as of Dec 31, 2021 (in EUR)	Share value as of Dec 31, 2021 (in EUR)[5]
EXECUTIVE BOARD[1]				
Rainer Beaujean	195,152[2]	2,498,471	261,625[4]	2,734,080
Wolfgang Link	8,860	152,294	90,000[4]	124,129
Christine Scheffler	5,958	99,304	72,000[4]	83,472
SUPERVISORY BOARD			**until AGM 2022**	
Dr. Werner Brandt	55,600	900,410	434,000	778,956
Dr. Marion Helmes	11,300	225,265	263,965	158,313
Lawrence A. Aidem	5,401	130,067	152,750	75,668
Adam Cahan (Resignation in November 2021)	7,057	123,026	—	98,869
Erik Huggers	4,983	119,949[3]	140,000	69,812
Marjorie Kaplan	4,262	55,358	77,103	59,711
Dr. Antonella Mei-Pochtler	8,046	125,656	32,004	112,724
Ketan Mehta	24,000	369,683	131,337	336,340
Prof. Dr. Rolf Nonnenmacher	13,064	209,961	197,509	183,027

1 Until the prescribed level of 100% of an annual fixed gross basic salary is reached, the Executive Board members are obliged to invest in each financial year an amount corresponding to at least 25% of the annual gross payout from the performance bonus and Performance Share Plan. Rainer Beaujean has already voluntarily fulfilled his investment obligation directly upon joining the Company. For Wolfgang Link and Christine Scheffler, this applied for the first time when the performance bonus for 2020 was paid out in financial year 2021.
2 Thereof 1,102 before taking office.
3 Acquisition of further shares on Jan 19, 2022 worth EUR 20,157.33, i.e. the shareholding totaled EUR 140,105.95. as of Jan 19, 2022.
4 Sum of 25% of the annual gross payouts from variable compensation since the beginning of the respective build-up phase.
5 Share price as of Dec 31, 2021: EUR 14.01.

Further information on ProSiebenSat.1 Media SE's share-based payment plans (Performance Share Plan and Group Share Plan) and the employee stock option plan (myShares) can be found in the Group Management Report and in the Notes to the Consolidated Financial Statements.

→ Compensation Report → Notes, note 26 "Shareholders' Equity"

ProSiebenSat.1 Group's financial reporting conforms to the IFRS (International Financial Reporting Standards) as adopted by the European Union. The Annual Financial Statements of ProSiebenSat.1 Media SE, the Group parent, are prepared under the accounting principles of the German Commercial Code (HGB). Both the single-entity financial statements of ProSiebenSat.1 Media SE and the Consolidated Financial Statements are available on the Company's website at[1]

→ www.prosiebensat1.com

Both sets of financial statements are audited and issued an audit opinion by an independent accounting and auditing firm. The financial statements for financial year 2021 were duly audited by the audit firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("Ernst & Young") with Nathalie Mielke acting as the lead auditor. They were issued an unqualified audit opinion on March 1, 2022. Prof. Dr. Sven Hayn also signed the audit opinion. Nathalie Mielke has been working with the Company as lead auditor at Ernst & Young since financial year 2019.

→ Report of the Supervisory Board

1 The single-entity financial statements of ProSiebenSat.1 Media SE can be accessed from the point at which the Annual General Meeting of ProSiebenSat.1 Media SE is convened.

SUSTAINABILITY

REPORTING STANDARDS AND MATERIAL TOPICS

This sustainability chapter summarizes the key environmental, societal and social developments at ProSiebenSat.1 Group. In combination with the other content of the Annual Report 2021, this provides a comprehensive description of ProSiebenSat.1 Group's performance on the basis of financial and non-financial information. The sustainability chapter comprises the ProSiebenSat.1 Group Sustainability Report prepared in accordance with the standards of the Global Reporting Initiative (GRI) "Core" option. The complete GRI content index can be found in the "Information" section in the Online Annual Report 2021. In addition, the sustainability chapter serves as the Communication on Progress (COP), which all companies participating in the UN Global Compact are obliged to publish annually.

▼ The sustainability chapter contains the separate Non-Financial Report (NFR) for ProSiebenSat.1 Group in accordance with section 315b (1) and (3) of the German Commercial Code (HGB). The contents of the NFR are indicated by a red triangle at the beginning (▼) and end (▲) of the respective passage. In preparing the NFR, we are guided by the GRI standards as an international framework for sustainability reporting. In the NFR for financial year 2021, ProSiebenSat.1 Group reports on the main non-financial aspects with the corresponding information needed in order to understand the Group’s business development, results and position and the effects of the business activities in this regard. Material risks for individual non-financial aspects were not determined in this context. The obligation to submit a non-financial declaration or non-financial report in accordance with section 289b (1) and (3) HGB does not apply to ProSiebenSat.1 Media SE for the period under review.

In accordance with section 317 (2) sentence 4 HGB, the auditor checked that the NFR was presented in line with the legal requirements. The Supervisory Board also commissioned Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (“Ernst & Young“) to audit the content of the NFR with reasonable assurance. The audit opinion dated March 1, 2022, which describes the type, scope and findings of this audit, is reproduced in the "Information" section in the Annual Report 2021. The audit was conducted using the relevant auditing standards "Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 revised)" in order to obtain reasonable assurance with regard to the legally required disclosures in accordance with sections 315b and 315c in conjunction with sections 289b to 289e HGB and the requirements of the EU Taxonomy Regulation.

The topics reported are the result of the current materiality analysis. Based on the materiality analysis that was first conducted in 2017, which has been validated each year since then, we conducted a further comprehensive analysis in the period under review to determine the main sustainability issues for ProSiebenSat.1 Group. As previously, this took into account both the statutory requirements and the definition of materiality according to GRI. After identifying potential issues and compiling a list of issues, we proceeded to the analysis phase, in which we looked at the results of research and studies, conducted an online survey amongst ProSiebenSat.1 employees, held interviews with internal stakeholders from all segments and representatives of employee networks, monitored the media, including competitors of ProSiebenSat.1, and carried out an analysis of relevant ESG ratings. The results were then evaluated in an internal review process by employees and managers from different departments based on different materiality perspectives (importance for stakeholders, impact of the Company’s operations and relevance to business performance). In addition to annual validation of the materiality analysis, we plan to repeat the analysis every two years in future. ▲

▼ CONTENTS OF THE NON-FINANCIAL REPORT ▲

Aspects and disclosures in accordance with section 289c HGB	Reported topics	Reporting in sustainability chapter
Environmental Matters	Energy, Emissions	Climate & Environment
Employee-related Matters	Talent Acquisition, Employee Development and Retention, Management Development, Diversity and Equal Opportunity	Employees, Diversity & Inclusion
Social Matters	Social Responsibility (Public Value), Data Protection, Media Regulation (Journalistic Independence and Due Diligence, Programme Guidelines, Youth Protection)	Society, Governance & Compliance
Respect for Human Rights	Anti-discrimination	Society
Prevention of Corruption and Bribery	Anti-corruption	Governance & Compliance
Other Aspects	Antitrust Law	Governance & Compliance

▼ For the required information on the business model in accordance with section 289c (1) HGB, please refer to the section "Organization and Group Structure" of ProSiebenSat.1 Group's Management Report. All other references to content outside this NFR are to be understood as additional information and not as part of this NFR. ▲

According to the GRI definition, aspects that reflect the key economic, environmental and social impacts of the organization or that significantly influence the assessments and decisions of stakeholders are classed as material. Based on this different definition of materiality compared with the NFR, the Sustainability Report includes additional topics. Ernst & Young conducted an audit of the Sustainability Report to obtain limited assurance in accordance with ISAE 3000 (revised). The audit opinion dated March 1, 2022, which describes the type, scope and findings of this audit, is reproduced in the "Information" section in the Annual Report 2021.

ADDITIONAL CONTENTS OF THE SUSTAINABILITY REPORT

Reported topics	Reporting in sustainability chapter
Health and Safety	Employees
Accessible Offerings	Diversity & Inclusion
Waste	Climate & Environment
Information Security	Governance & Compliance

▼ REPORTING SCOPE AND DATA COLLECTION ▲

The organizational reporting framework for the information on concepts and key figures for our sustainability performance as contained in the sustainability chapter essentially comprises all Group companies and corresponds to the scope of consolidation of ProSiebenSat.1 Group as of the end of the financial year 2021, which is managed centrally by ProSiebenSat.1 Media SE. The distinction of the scope of consolidation follows the control principle of IFRS 10. Exceptions and restrictions with regard to the scope of reporting for individual content and data collection for key figures are described below or are indicated accordingly in the information on the individual topics. Unless indicated otherwise, the statements and key figures in the section "Employees" as well as with regard to diversity and equal opportunities mainly relate to the HR management approach and all employees of ProSiebenSat.1 Group, with the exception of international assets of Red Arrow Studios. The latter are not included due to the specifics of its business, in which employees are often employed on a temporary basis or in connection with specific productions. The topics described in the following with regard to employee matters are pursued throughout the Group, but individual measures are not implemented in the same way in all companies due to the diversity of the business models. The information on ProSiebenSat.1 Group's public value offerings particularly relates to the Group's business activities in the Entertainment segment. The background to this is our special responsibility in the media sector. We want our TV stations and platforms to play a relevant part in shaping opinions and promoting democracy. With the compliance management system (CMS), ProSiebenSat.1 Group covers significant legal areas which are relevant to non-financial reporting, such as anti-corruption and data protection, Group-wide. The media law concepts relate primarily to the companies of the Entertainment segment in Germany, due to different legal regulations in foreign countries and a lack of relevance to many companies, for example in production business.

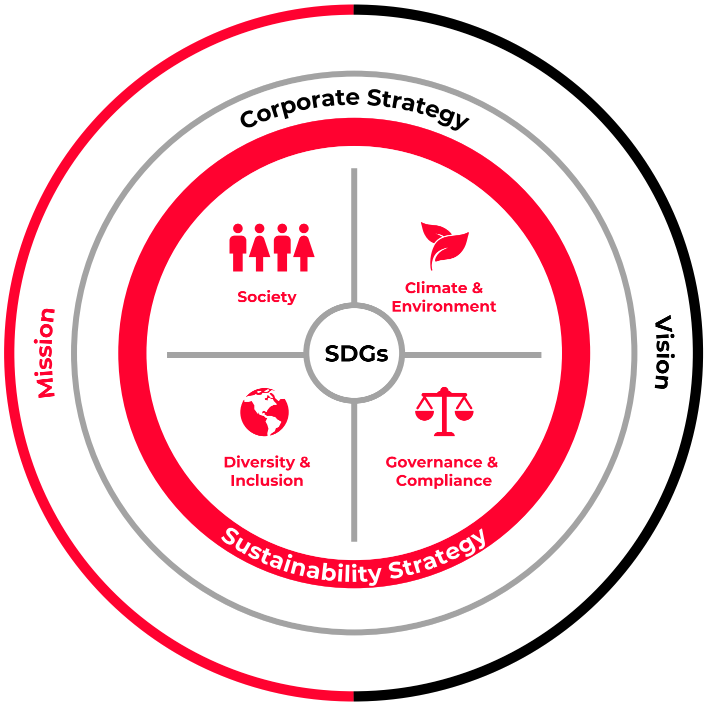
SUSTAINABILITY STRATEGY

▼ The Group defines sustainable entrepreneurial activity as an integrated approach for improving its economic as well as environmental and social performance. We are aware of our corporate and social responsibility and regard it as a holistic challenge. For ProSiebenSat.1, success not only means increasing ProSiebenSat.1 Group's economic results in the long-term. It also means continuing to develop the Group's sustainability strategy and adapting it to new challenges, improving the key non-financial figures, and reconciling the sometimes conflicting interests of our target groups, particularly those of employees, users of our offerings and platforms, shareholders and investors, and business partners. As a matter of priority, ProSiebenSat.1 pursues a dialog with stakeholders who strongly influence the Company's financial and non-financial performance and the regulatory framework for this, and are significantly affected by the impact of the Company.

In 2018, ProSiebenSat.1 developed a Group-wide sustainability strategy. The objective of the strategic process was to tie sustainability aspects more strongly to ProSiebenSat.1's corporate strategy and to regard the Group's economic, environmental, and social performance in a holistic way. Sustainability goals have also been integrated into the Executive Board goals. ▲

→ Compensation Report

▼ SUSTAINABILITY STRATEGY ▲



▼ Our sustainability strategy is based on the UN Sustainable Development Goals (SDGs). These define global priorities and sustainable development goals for 2030 and aim to mobilize global efforts to achieve a common set of goals and targets. ProSiebenSat.1 Group also wants to contribute to this transformation. As part of the development of the strategy, we have classified the following six goals as particularly relevant to our business activities and their contribution to the SDGs: quality education (SDG 4), gender equality (SDG 5), reduced inequalities (SDG 10), climate action (SDG 13), peace, justice and strong institutions (SDG 16), and partnerships for the goals (SDG 17). We reviewed these again in 2021. On this basis, we have transferred our sustainability management to four action areas in which we group our activities by topic area and formulate individual principles: society, diversity & inclusion, climate & environment, and governance & compliance. The specific goals of the sustainability strategy and their implementation in 2021 are described in the following sections on the respective topics reported. ▲

▼ RELEVANT UN SUSTAINABLE DEVELOPMENT GOALS (SDGS) ▲

▼ ACTION AREAS AND PRINCIPLES ▲

Society	Diversity & Inclusion	Climate & Environment	Governance & Compliance
We form opinions and promote democracy.	We promote equal rights and equal opportunities.	We are committed to ecological sustainability and climate protection.	We stand for openness and honesty.

ProSiebenSat.1 is a signatory to the United Nations (UN) Global Compact, the world's largest and most important initiative for sustainable and responsible corporate governance, and is thus explicitly committed to its ten principles in the areas of human rights, labor standards, environment and climate, and preventing corruption.

ORGANIZATION AND MANAGEMENT

▼ Executive-level responsibility for non-financial aspects, sustainability performance indicators, and ESG (environment, social, governance) information at ProSiebenSat.1 Group mainly lies with the member of the Executive Board who is responsible for HR, compliance, and sustainability. Within the sustainability organization, the Sustainability Committee represents a centralized and interdisciplinary body for managing, monitoring, and developing the sustainability strategy. It is made up of managers and specialists from relevant central functions and operating corporate divisions as well as a works council representative. In the past year, the Sustainability Committee held two meetings. These focused on the sustainability goals for 2021, updates on focus topics in the defined action areas, the materiality analysis conducted in the period under review and new disclosure requirements such as the EU Taxonomy Regulation. The Corporate Sustainability Office is responsible for the coordination, implementation, and communication of sustainability activities as well as the stakeholder dialog. ▲

EMPLOYEES

▼ The basis of the ProSiebenSat.1 Group's HR strategy and corresponding measures are the overarching corporate goals. The HR products and processes derived from this focus on our most important asset, our employees, and are intended to promote the transformation and innovative strength of our company in this way. In implementing its global HR strategy, ProSiebenSat.1 Group follows the following approach: The Group has identified the topics of talent acquisition, employee development and retention, and management development as the main pillars of its company-wide, strategic HR work. The issues identified as material are managed centrally to ensure a consistent and efficient approach. At the same time, the Group considers the breadth of its business areas and the resulting diversity of its employees to be a particular strength. At Group level, the HR department works closely with the HR managers in the various business areas, under the leadership of the Executive Board. Conceptual HR work is managed centrally in consultation with the "Centers of Excellence" (COE), which include areas such as talent & management development, talent acquisition, compensation & benefits and labor law. Besides quarterly reporting on personnel risks as part of Group-wide risk management, internal HR reporting plays an important role. The central HR organization also helps to shape diversity management. Detailed information on diversity management at ProSiebenSat.1 can be found in the "Diversity & Inclusion" section.

→ Strategy and Objectives

At the same time, ProSiebenSat.1 Group encourages specific topics to be dealt with individually in the separate organizational entities, depending on the sector and cultural background. In doing this, it aims to ensure that the various subsidiaries have the necessary flexibility to respond quickly and appropriately to the respective challenges in a competitive market environment. ▲

Number of Employees

As of December 31, 2021, ProSiebenSat.1 Group had 7,906 employees (previous year: 7,307), calculated on the basis of full-time equivalents. This increase of 600 employees or 8% was particularly based on the significant recovery of the program production business from the effects of COVID-19 (+ 235 employees) and the growth of the online beauty provider Flaconi (+ 213 employees). The number of employees in the Entertainment segment rose by 6% to 4,671. The Dating & Video segment recorded an increase of 4% to 654 employees. The growth of Flaconi in particular contributed to a rise of 17% in the number of employees in the Commerce & Ventures segment to 2,214 in 2021. In Germany, Austria, and Switzerland, the Group had 6,421 full-time equivalents as of December 31, 2021 (previous year: 6,047). This represents 81.2% (previous year: 82.8%) of the workforce for the Group as a whole.

GROUP EMPLOYEES BY SEGMENT

Full-time equivalents (FTE) as of December 31

Segment	**2021**	2020
Entertainment	4,671	4,420
Dating & Video	654	632
Commerce & Ventures	2,214	1,891
Reconciliation (Holding & other)	367	363

GROUP EMPLOYEES BY REGION

Full-time equivalents (FTE) as of December 31

Region	**2021**	2020
Germany	5,935	5,569
Austria/Switzerland	486	478
USA	1,163	999
UK	76	88
Other	247	173

Talent Acquisition

▼ Highly qualified, enthusiastic, and talented employees are an important prerequisite for our Company’s success and future viability. In a dynamically changing environment, our employees’ ability to innovate plays a particularly important part in the development of our products and services and thus in the economic success of the Group. In our recruitment we reply on a skills-based model, which defines the key “P7S1 Skills” of “Reflect”, “Cooperate”, “Create”, “Deliver”, “Know How” and “Lead & Empower” that it is important for our employees to have in order to achieve our strategic corporate goals.

We use a selection of complementary employer branding measures to address job candidates. A key component of this is our careers page, which we revised in 2021 with respect to the corporate design. We also linked it to our new job portal that we set up in the period under review, enabling us to make relevant content available to potential candidates across all target groups. The Group not only publishes specific vacancies on the website, but also offers an insight into careers at ProSiebenSat.1 Group. We also keep talent informed with stories on the ProSiebenSat.1 careers blog and our social media channels and share highlights from the Group.
→ careers.prosiebensat1.com

One important factor in our employer branding measures is finding ways to specifically address target groups that are critical to our success, such as talented employees in the tech sector. With the "P7S1 Tech-Blog," we give tech experts examples of innovative, future-oriented topics that they can work on at ProSiebenSat.1 Group, such as artificial intelligence (AI) or Addressable TV. In addition, virtual tech meet-ups provide us with another platform for making contact with talented technology specialists. For example, Jochen Schweizer mydays Group launched a recruitment campaign aimed at qualified IT specialists in the period under review, which shows content for specific target groups on the social networks Instagram, Xing and LinkedIn, among other things. Through target group-specific employer branding events and regular dialog via initiatives such as "PANDA – The Women Leadership Network," we also want to position ProSiebenSat.1 Group as an attractive employer for women in Germany.

As well as events, we use sourcing channels such as social media, university partnerships and approaching talent directly to make contact with potential candidates. These measures are supplemented by our new employee recommendation program "share&refer," which we set up in the period under review and which gives employees of ProSiebenSat.1 Group the opportunity to recommend suitably talented people from their networks for vacant positions. Anyone who recommends a successful candidate will be rewarded with a bonus. At Group level, an average of 36.3 people applied for each professional position that was advertised in the reporting period. This figure was collected for the first time for the reporting year 2021. ▲

The early turnover rate was 14.4% and was collected in the period under review for the first time. It is defined as the percentage of employees who leave the Company within six months of being hired owing to the termination or annulment of their employment contract.

Employee Development and Retention

▼ As part of our transformation process and in view of the dynamic market environment, it is crucial to strengthen our employees' specialist knowledge and general skills. We believe that continuous training of our employees is a key factor in the success of ProSiebenSat.1 Group. At the same time, it is vital for our attractiveness as an employer and for a strong performance culture that we offer qualified and committed employees development opportunities and retain them within the Group. That is why we set up an internal job portal in 2021 with the aim of improving employees' internal mobility and making talented individuals aware of development opportunities within ProSiebenSat.1 Group.

The Group also offers an extensive range of technical and personal training courses. In the period under review, ProSiebenSat.1 Group provided an average of 6.3 hours of training per employee and 9.5 hours of training per manager. Our internal P7S1 Academy plays a vital role in training for employees. In the period under review, it continued to digitalize its training services for employees in German-speaking countries and geared them more strongly towards the requirements of the virtual workplace. Its offerings are closely aligned with the Group's strategic corporate goals and the needs of the individual operating segments. In addition, our employees can use many training offers on the "LinkedIn Learning" platform. We also give employees the opportunity to undertake personal development or broaden their skills through further services such as coaching.

Our fundamental aim is to offer our employees an attractive working environment and to retain them within the Company in the long-term. The turnover rate in the Group rose to 16.5% in the reporting period (previous year: 13.6%). In Germany it was 16.2%, compared with 13.2% in the previous year. This is attributable primarily to the closure of a logistics center in connection with a change of location in the Commerce & Ventures segment. For the calculation of the turnover rate, the number of former employees who left in the reporting period due to resignations and termination agreements is divided by the number of employees as of December 31. Departures due to fixed-term contracts, the end of an apprenticeship, retirement or death are not taken into account.
GRI 401-1

Through flexible working hours models, remote working and part-time work, we also aim to make it easier for employees to juggle work and private life and to enable a positive work-life balance. As of the end of 2021, the proportion of employees working part-time was 17.7% (previous year: 18.9%). The proportion in Germany was 18.3%, compared with 18.6% in the previous year.

At the same time, we offer our staff many social benefits, sports programs and healthy meals in the campus canteens. Family-focused services and our in-house daycare center complete the offer, although once again, only limited use of some of these services was possible in 2021 due to the COVID-19 pandemic. In addition, ProSiebenSat.1 Group cooperates with an external service provider that arranges childcare, provides coaching for those in difficult circumstances and offers support with caring for relatives.

To ensure that we can continue to offer our employees an attractive and modern working environment in future, ProSiebenSat.1 Group looked in depth at the question of how to design a mobile workplace in the period under review. In doing this, the Company stipulated the overall framework but left the specific design to the individual business units, which came up with different solutions in line with their business models. ▲

Management Development

▼ The skills of our managers are hugely important to ProSiebenSat.1 Group's success in coping with the complexity of our business and ensuring the Group's prosperous development. With our measures and services for management development and our guiding principles for management, comprising the three categories "Lead Self," "Lead Team" and "Lead Business," we want to establish a consistent understanding of leadership throughout the Group and to strengthen the performance and development of our managers. For that reason, we offer development measures and events such as our regular "Leadership Hour" and the onboarding event "Leadership@P7S1" for all management levels.

Managers have been faced with increasingly complex overall conditions and challenges in recent years. In particular, the COVID-19 pandemic and the rise in remote working have further heightened demands on managers. To support our managers in managing employees remotely, we set up our "Leadership Hour" in 2021, in which we pass on specific knowledge, provide fresh impetus and help to develop skills. In our training course "Mastering Leadership Conversations," we also reinforce our managers' communication skills and provide them with strategies for effective communication and persuasive conversation techniques, for example. Furthermore, we ensure that ProSiebenSat.1 Group's top managers continue their development with our program "Leading in times of uncertainty". Along with keynote speeches and interactive discussions, the program includes individual coaching sessions. Self-reflection in particular is also encouraged through a standardized and valid management analysis.

The resegmentation of the Group in 2021 with decentralized management responsibility has made networking between managers across all segments increasingly important. Our leadership community allows managers to talk to each other and share best practices. We also have an internal network for female managers from the holding company and the Entertainment segment ("LeadingWomen@P7S1"). ▲

OVERVIEW OF KEY EMPLOYEE FIGURES

▼ HOURS OF TRAINING FOR EMPLOYEES AND MANAGEMENT / GRI 404-1 ▲

Employee headcount, average number of hours per employee

	2021
Gender	
Women	6.6
Men	5.9
	6.3
Management level	
Managers with direct report to Managing Director or Member of the Executive Board	8.0
Other managers	10.2
Employees without management responsibility	5.8
	6.3
Area	
Production	5.9
Administration	7.9
Sales	5.0
	6.3

Not including international assets of Red Arrow Studios.
Due to the expansion of the reporting boundaries and the associated retroactive collection of data, it was not possible to fully record the training hours at individual companies. A comparison with the previous year's figures is also not possible.

▼ EMPLOYEES IN FULL-TIME AND PART-TIME EMPLOYMENT BY GENDER / GRI 102-8 ▲

Employee headcount as of December 31

	2021			2020		
	Part-time	Full-time	**Total**	Part-time	Full-time	**Total**
Women	928	2,681	3,609	924	2,600	3,524
Men	380	3,394	3,774	426	3,209	3,635
	1,308	**6,075**	**7,383**	**1,350**	**5,809**	**7,159**

Not including international assets of Red Arrow Studios.

▼ EMPLOYEE TURNOVER BY AGE GROUP, GENDER, AND REGION / GRI 401-1 ▲

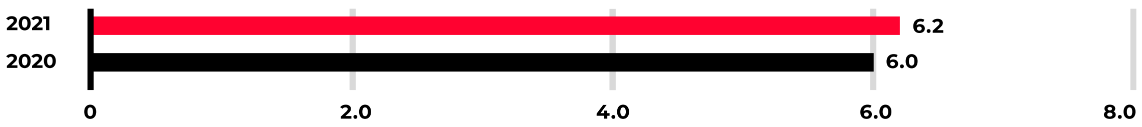
Employee headcount in %

	Turnover rate	
	2021	2020
Age group		
<30 years	24.9	17.6
30–50 years	15.3	13.0
>50 years	7.9	8.8
	16.5	**13.6**
Gender		
Women	16.5	13.0
Men	16.5	14.2
	16.5	**13.6**
Region		
Germany	16.2	13.2
Austria/Switzerland	11.7	9.0
US	22.5	26.7
UK	87.1	32.6
Other	17.7	11.9
	16.5	**13.6**

Not including international assets of Red Arrow Studios.

AVERAGE DURATION OF EMPLOYMENT

in years as of December 31



Not including international assets of Red Arrow Studios.

EMPLOYEES BY EMPLOYMENT CONTRACT, GENDER, AND REGION / GRI 102-8

Employee headcount as of December 31

	Temporary		Permanent	
	2021	2020	**2021**	2020
Gender				
Women	657	624	2,952	2,839
Men	465	403	3,309	3,292
	1,122	**1,027**	**6,261**	**6,131**
Region				
Germany	1,098	1,008	5,188	5,065
Austria/Switzerland	18	15	531	531
USA	3	3	384	360
UK	2	—	29	43
Other	1	1	129	133
	1,122	**1,027**	**6,261**	**6,132**

Not including international assets of Red Arrow Studios.

NEW EMPLOYEE HIRES BY AGE GROUP, GENDER, AND REGION / GRI 401-1

Employee headcount

	New hires		New hire rate[1]	
	2021	2020	**2021**	2020
Age group				
<30 years	724	715	45.9%	43.6%
30–50 years	921	869	18.6%	18.1%
>50 years	116	66	13.6%	9.3%
	1,761	**1,650**	**23.9%**	**23.0%**
Gender				
Women	883	835	24.5%	24.1%
Men	878	815	23.3%	22.1%
	1,761	**1,650**	**23.9%**	**23.0%**
Region				
Germany	1,496	1,493	23.8%	24.6%
Austria/Switzerland	105	71	19.1%	13.0%
US	115	33	29.7%	9.1%
UK	18	24	58.1%	55.8%
Other	27	29	20.8%	21.6%
	1,761	**1,650**	**23.9%**	**23.0%**

Not including international assets of Red Arrow Studios.
1 Proportion of new employees by headcount.

Health and Safety

The health and safety of employees are a high priority for ProSiebenSat.1 Group, both during the COVID-19 pandemic and beyond. As in the previous year, our dedicated crisis team, the “COVID-19 Taskforce,” worked closely with Group Safety, Occupational Health and Safety and the works council to implement the SARS-CoV-2 Occupational Health and Safety Standard in 2021. Against the backdrop of the COVID-19 crisis, the majority of our employees continued to work remotely from home in 2021. By the end of July 2021, only employees involved in critical infrastructure that is essential to broadcasting operations were on site at the campus in Unterföhring. The other employees were allowed to return to work at the ProSiebenSat.1 campus between August and November, provided that no more than 30% of the space was occupied at any one time. However, due to rising infection rates and legal guidelines on mobile working, all employees other than those in critical infrastructure at the Unterföhring site went back to working remotely in November. At the time of publication of this report, the majority of employees are working from home on a mobile basis.

To support the best possible balance of professional, personal, and family needs during the COVID-19 pandemic, we continued the existing measures from the first year of the pandemic in 2021. As well as making working hours and locations more flexible, we implemented further measures in the reporting period to make things easier for employees at the Unterföhring site with particular family responsibilities. These include the option to reduce their working hours in the short-term or to convert pay into additional vacation. In addition, employees with care responsibilities who did not have any annual vacation left, did not have a positive balance in their working time account and did not have any other care options available were given up to six days of special vacation. We also found individual solutions for employees where necessary, above and beyond these arrangements defined in the “Pandemic” works agreement, which apply until March 31, 2022. To acknowledge our employees’ commitment during the COVID-19 pandemic, the majority of ProSiebenSat.1 companies in Germany paid at least one special COVID-19 bonus in the financial year 2021. We also began offering COVID-19 vaccinations in Germany from June 2021 in cooperation with our works doctors, to play our part in helping to contain the pandemic and to protect our employees. Employees working in critical infrastructure were prioritized in the vaccination program. In total, around 2,500 vaccinations were provided as part of the initiative until mid-January 2022. In December 2021, the

Group once again set up its own Germany-wide program for first and booster vaccinations. Our employees' health remains an important priority for us beyond the COVID-19 pandemic. The majority of the Group's employees do not work in a traditional production environment. They are therefore only exposed to risks related to their occupation to a minor degree. However, we are aware of other potential health risks that could arise from work-related stress or a lack of physical activity, for example. For that reason, we set up an interdisciplinary project team in 2021 with the aim of establishing a structured and sustainable occupational health management system at ProSiebenSat.1 Group. This comprises the three pillars of occupational health and safety, operational integration management, and promotion of health in the workplace.

Under the initiative "P7S1 cares for you," ProSiebenSat.1 Group combines various measures relating to work-life balance and protection of the health of employees at our Unterföhring site. Along with an operational integration management program, these include flexible working hours and sabbaticals, as well as preventive physical and mental health services. The Group launched the "P7S1 Mental Health Days" initiative in the financial year 2021. As remote working in particular has required employees to have more self-reliance in handling their personal resources, the Company has set up a preventive service with talks, guidance and training on issues such as resilience, relaxation and dealing with stress. ParshipMeet Group also provides regular keynote speeches for its employees on mental and emotional health in collaboration with an external cooperation partner. **GRI 403-3**

SOCIETY

Social Responsibility (Public Value)

▼ We reach millions of viewers, users and customers every day with our TV, digital and commerce offerings on all platforms. With its 15 free and pay TV stations in Germany, Austria, and Switzerland, ProSiebenSat.1 addresses various target groups and reaches over 60 million people a month in its core market of Germany. We also have nearly 11 million unique users on our own online channels. The audience share of ProSiebenSat.1's stations in the period under review came to 25.5% (previous year: 27.2%) amongst 14- to 49-year-olds. The digital media and entertainment company Studio71 also generated 10.7 billion video views a month on YouTube alone with its web channels in 2021 (previous year: 10.5 billion[2]). For a detailed description of the development of ProSiebenSat.1 Group's relevant market environments with corresponding reach figures and information on the sources, please refer to the sections "Organization and Group Structure" and "Group Environment" in the Group Management Report.

We are aware of the high levels of attention that our products attract and therefore pursue the goal of using the wide reach of our TV stations and platforms actively and responsibly. With this approach, ProSiebenSat.1 raises public awareness of socially relevant issues in the entertainment shows in its program, with its own formats, issue films, and campaigns, and generates public value. Public value is generally understood to refer to the value and benefits that an organization brings to society. In the program principles of the German Interstate Media Agreement, it is already stipulated that private-sector broadcasters should express the diversity of opinions in their content and allow important political, ideological, and social players to have a say in an appropriate way. The German state media authorities also adopted a charter on public value in fall 2021, which states that media offerings will be easier to find if they are particularly relevant to the shaping of public opinion.

ProSiebenSat.1 has integrated shaping opinions and promoting democracy into the principles for its commitment to sustainability, within the action area of social responsibility. As a digital group that also operates in the media sector, we want to incorporate our sustainability goals in an even better way into our programming with our TV stations and into the influencer marketing of the

2 The previous year's figure is adjusted for 376 million views per month for German TV content that since 2021 has fallen in the area of Seven.One Entertainment Group, and excludes Italy.

digital media and entertainment company Studio71. We therefore want to focus increasingly on socio-politically relevant issues in terms of media and content and address these issues with the young target group. In particular, the Corporate Sustainability Office is committed to expansion within the Group through the communication of the sustainability strategy and regular exchanges with station and program managers.

In the run-up to Germany's federal elections in September 2021, the broadcasting group showed eight new formats created especially for the federal elections, including "Das TV-Triell," "Kannste Kanzerlamt?!" and "Die ProSieben Bundestagswahl-Show". This programming offensive was accompanied by a marketing and digital campaign (#MachdenUnterschied). Other public value highlights in the period under review included formats such as "SAT.1 Spendengala," "SAT.1 Waldrekord-Woche," "akte. Spezial – Hass im Netz," the "Joko & Klaas Live" episode about staff shortages in Germany's care sector and new formats such as "Die Herzblut-Aufgabe" and the weekly live journal "Zervakis und Opdenhövel. Live." ProSiebenSat.1 is also in the process of setting up an own news team, which will serve the Group from 2023 onwards. This includes the Group's studio in the German capital, which will be located very close to the German government in Potsdamer Platz, Berlin.

For further information on journalistic due diligence and the independence of editorial work, please refer to the "Governance & Compliance" section.

Since 2011, the Group has placed its public value activities in a larger social context and underscored their relevance for the Group by establishing an Advisory Board. The interdisciplinary body chaired by Bavaria's former minister-president Dr. Edmund Stoiber advises ProSiebenSat.1 Group on relevant social, ethical and media policy issues and provides impetus on important topics such as education and culture. In 2021, the Advisory Board held three meetings, with updates on ProSiebenSat.1 Group's sustainability strategy regularly featuring on the agenda. ▲

Detailed information on the program highlights with sociopolitical relevance and other examples of how ProSiebenSat.1 Group fulfills its social responsibility can be found in the "Relevant" and "At a Glance" sections of the Online Annual Report 2021.

Anti-discrimination

▼ Discrimination refers to unequal treatment of individuals or groups of people on the basis of certain characteristics. The prohibition of discrimination is defined as a human right and forms the basis for respectful interaction. We believe that at companies in particular it is very important to ensure equal treatment of all employees. ProSiebenSat.1 Group therefore does not tolerate discrimination on the basis of age, disability, ethnic background and nationality, sex and gender identity, religion and ideology, or sexual orientation and identity. We provide the workforce throughout Germany with mandatory training on the General Act on Equal Treatment (AGG). With our Code of Conduct, we also take a clear stand against any type of sexual violence or abuse of power.

All employees are encouraged to report discrimination or violations of other principles set out in the Code of Conduct. A key tool in this is the whistleblower system, which can be used to report breaches of regulations and laws. In addition to internal reporting channels, it is also possible to report violations anonymously via an external Ombuds Office. This accepts reports by telephone or e-mail, checks their plausibility, and then forwards them to the Group Compliance division. Via the private media association VAUNET, we also participate in the Themis advice center against sexual harassment and violence, which provides assistance for those affected in the film, television and theater industry. In 2021, as in the previous year, there was one case of violations in connection with discrimination, which were closed in the reporting period. ▲ **GRI 406-1**

DIVERSITY & INCLUSION

Diversity and Equal Opportunity

▼ For us, diversity means recognizing and valuing differences and individuality. Our goal is to create a working environment that is free of prejudice and shows all employees the same high level of appreciation – regardless of their age, disability, ethnic background and nationality, sex and gender identity, religion and ideology, or sexual orientation and identity. We regard the differences between and diversity of our employees as an important requirement for our Company's success. Against this backdrop, ProSiebenSat.1 Group signed the Diversity Charter in 2014 and follows the guidelines specified in it. Our internal guidelines also stipulate that employees at all hierarchy levels should be hired exclusively according to objective criteria and promoted solely on the basis of their abilities. We aim to promote diversity within our workforce and champion equal rights and equal opportunities in accordance with the guiding principle for the action area of diversity. The HR department and the Corporate Sustainability Office in particular are responsible for the further development of diversity management, the targeted focus, and the operational implementation of associated measures.

This also includes the further development of our inclusion efforts. The Group management and the works council concluded an inclusivity agreement with the representative body for disabled employees in 2021, and an inclusion officer is to be appointed in 2022. Since the beginning of the period under review, ProSiebenSat.1 Group has also been cooperating with the myAbility talent program, which supports students and university graduates with disabilities and chronic illnesses in German-speaking countries by providing them with career coaching and opportunities for networking and job shadowing. In a training course organized by myAbility and the Labor Law department in 2021, the Group also raised awareness about recruitment of and inclusive dealings with severely disabled people, different types of disabilities and inclusive language.

In addition, diversity is aided by the best possible balance of men and women in the workforce and in management positions. As of December 31, 2021, 48.9% (previous year: 48.4%) of employees in the Group were female. The proportion of female managers decreased slightly from 35.2% to 35.0%. When it comes to filling management positions in the Group, men and women should be hired purely on the basis of their professional and personal aptitude. We have therefore integrated "gender equality" into ProSiebenSat.1 Group's sustainability strategy as a United Nations Sustainable Development Goal (SDG 5) that is particularly relevant to us. The internal and external communication of this goal sends a clear signal both to potential managers and to decision-makers at all management levels in selection processes. ▲ **GRI 405-1**

▼ SHARE OF MEN AND WOMEN ▲

Employee headcount as of December 31, in %

	Employees		Managers	
	2021	2020	**2021**	2020
Group				
Women	48.9	48.4	35.0	35.2
Men	51.1	51.6	65.0	64.8
	100.0	**100.0**	**100.0**	**100.0**
Germany				
Women	49.5	48.8	34.2	34.7
Men	50.5	51.1	65.8	65.3
	100.0	**100.0**	**100.0**	**100.0**
ProSiebenSat.1 Media SE				
Women	61.3	59.8	34.4	31.9
Men	38.7	40.2	65.6	68.1
	100.0	**100.0**	**100.0**	**100.0**

Not including international assets of Red Arrow Studios.

As of December 31, 2021, the average age of employees at ProSiebenSat.1 Group was 37.4 years (previous year: 36.9 years). The proportion of employees who were of foreign nationality was 14.9%.

▼ An open-minded working climate with regard to sexual orientation and gender identity is a key criterion for us to be perceived as a modern employer. That is why we specifically support initiatives aimed at promoting diversity and inclusivity, such as the LGBT+ network (Lesbian, Gay, Bisexual and Transgender) PROUD@ProSiebenSat.1, which has been set up by employees and aims to make diversity more visible within the Group. Our goal is to create an inclusive working environment in which all individuals are shown the same appreciation. That includes the use of equal language. For that reason, we made a recommendation to our employees in 2021 regarding gender-sensitive language.

Since 2019, our journalistic trainees have completed training with the MaLisa Foundation on audiovisual diversity as part of their theoretical training block. In the period under review, we offered a “Diversity Awareness Week” for the first time for all trainee employees, to make our junior staff aware of different aspects of diversity, such as sex and gender identity, disability, sexual orientation, ethnic background and nationality. This included suggestions and awareness-raising on issues such as gender-sensitive language, the study of audiovisual diversity with the MaLisa Foundation, racism in the workplace and the representation of people with disabilities in the media. In this context, ProSiebenSat.1 financed the joint follow-up study by the MaLisa Foundation and the University of Rostock on gender representation in film and TV in Germany, with other partners.

ProSiebenSat.1 Group wants to set an example for diversity with its TV stations and digital services. In 2021, ProSieben took advantage of the Group’s reach and used its program to champion a diverse society on International Women’s Day, the International Day for the Elimination of Racial Discrimination, PRIDE Day and Universal Children’s Day. On the initiative of the state media authorities of Bremen, the media companies ARD, ZDF, Deutsche Welle, Deutschlandradio, RTL Deutschland and ProSiebenSat.1 Media SE also founded the new alliance “Medien für Vielfalt” [“Media for Diversity”] in 2021. The alliance represents a clear commitment to diversity in the media sector. ▲

OVERVIEW OF KEY DIVERSITY FIGURES

▼ DIVERSITY OF EMPLOYEES/GRI 405-1 ▲

As of December 31, 2021 (headcount), in %

		2021
Managers with direct report to Managing Director or Member of the Executive Board	Women	32
	Men	68
Other managers	Women	36
	Men	64
Employees without management responsibility	Women	51
	Men	49
Managers with direct report to Managing Director or Member of the Executive Board	<30 years	2
	30–50 years	82
	>50 years	16
Other managers	<30 years	5
	30–50 years	81
	>50 years	14
Employees without management responsibility	<30 years	24
	30–50 years	65
	>50 years	11
Production	Women	44
	Men	56
Administration	Women	50
	Men	50
Sales	Women	54
	Men	46
Production	<30 years	19
	30–50 years	67
	>50 years	15
Administration	<30 years	23
	30–50 years	68
	>50 years	9
Sales	<30 years	23
	30–50 years	66
	>50 years	11

Not including international assets of Red Arrow Studios.
Due to the expansion of the reporting boundaries, a comparison with the previous year's figures is not possible.

▼ DIVERSITY OF GOVERNANCE BODIES AT PROSIEBENSAT.1 MEDIA SE/GRI 405-1 ▲

As of December 31 (headcount), in %

	Executive Board		Supervisory Board	
	2021	2020	**2021**	2020
Gender				
Women	33	33	37	33
Men	67	67	63	67
	100	**100**	**100**	**100**
Age group				
<30 years	—	—	—	—
30–50 years	—	—	25	33
>50 years	100	100	75	67
	100	**100**	**100**	**100**

Accessible Offerings

ProSiebenSat.1 Group is committed to barrier-free access to its offerings. For this reason, we offer subtitled programming areas and audio descriptions for deaf and hard of hearing people on our channels, among other things, in order to improve the dissemination of information. Back in 2000, ProSieben introduced the first regular subtitle service for the deaf on private television. Accessible content is broadcast on nearly all of the Group's free TV stations, with the amount steadily increasing. The range of subtitling services was expanded in 2021 and many formats were also offered with audio descriptions (e.g. “Joko & Klaas gegen ProSieben” and “ProSieben Spezial LIVE: Joe Biden wird US-Präsident”). In addition, sign language was used for the first time on shows such as “ProSieben Spezial. Das Kanzler-Kandidat:in-Interview” and “Zervakis und Opdenhövel. Live.” and in the three-way debates during the federal election campaigns. We will endeavor to increase our accessible offerings in the future, too.

Moreover, the German Interstate Media Treaty of broadcasters of nationwide programs and Video-on-Demand providers also promotes the expansion of accessible offerings within the limits of technical and financial possibility. The German Interstate Media Treaty is expected to require broadcasters to draw up concrete action plans for expansion from 2022. Individual states and the German government have published action plans to implement the UN Convention on the Rights of Persons with Disabilities, which also aim to include more accessible formats on television. The state media authorities regularly monitor this expansion. Subtitles are currently included in the programming on five German ProSiebenSat.1 stations: SAT.1, ProSieben, Kabel Eins, sixx, and ProSieben MAXX. In the current reference period on which the state media authorities’ monitoring is based, the number of the Group’s shows that were subtitled and the broadcast time were once again increased significantly. The number of subtitled shows within the broadcasting group increased by around 23% (September to December 2021: 5,485 shows; previous year: 4,452). The corresponding broadcast time in 2021 went up by about 18%.

CLIMATE & ENVIRONMENT

▼ Although ProSiebenSat.1 Group as a digital group does not operate in an industrial sector with high resource consumption and energy intensity, we are aware of our ecological responsibility. Working with our employees and in dialog with our external stakeholders, we want to contribute to mitigating climate change and protecting our environment, for example through the careful and efficient use of natural resources and by reducing our energy consumption and CO_2 emissions. In 2020, we announced that we intend to reduce ProSiebenSat.1 Group’s operating CO_2 emissions to zero by 2030, thus becoming climate-neutral. We are aiming to achieve this goal primarily by means of lower energy consumption and by purchasing electricity from renewable energy sources. Furthermore, we have identified potential CO_2 savings in areas such as “green productions” and employee mobility. In addition, we plan to offset part of the emissions for the year 2021 after publication of the carbon footprint 2021 by purchasing certificates from high-quality climate protection projects.

At our Unterföhring site, we supply our office buildings, production studios, and computer centers exclusively with green electricity. ProSiebenSat.1 has successively expanded the environmentally friendly heating supply over the last few years and has switched entirely to geothermal energy for the buildings at its headquarters. We also use the waste heat from our computer centers to heat our office buildings. The conversion to LED lighting, which is almost complete, also contributes to increasing energy efficiency. In addition, sustainability certification in accordance with the LEED model (Leadership in Energy and Environmental Design) is planned for the new campus in Unterföhring, which is currently under construction.

With the “Sauber gedreht!” initiative, Seven.One Entertainment Group GmbH compiled a comprehensive list of criteria in 2019 aimed at making productions more sustainable. In total, 14 measures and goals have been drawn up for environmentally sustainable television and film productions. The sustainability initiative gives production companies concrete recommendations for action on how to reduce CO_2 emissions and conserve resources. The growing importance of green productions is also underscored by the "Joint industry declaration for sustainability in film and series production," of which ProSiebenSat.1 was among the signatories in February 2020. In its annual "Green Seven Week," ProSieben uses its reach to raise awareness of environmental sustainability among young viewers in particular. "Green Seven Week" took place for the 13th time in November 2021.

Operational responsibility for recording and consolidating environmental activity data lies with the Corporate Procurement & Real Estate department for the headquarters and with the respective management teams for the ProSiebenSat.1 assets. The Corporate Communications central function and the Corporate Sustainability Office are responsible for CO_2 accounting, which in 2021 also included half-yearly internal reporting, determining other reported environmental performance indicators, and reporting and communicating these. The Corporate Sustainability Office is also responsible in organizational terms for the management of climate and environmental protection measures taken in order to achieve climate-related corporate goals. ▲

Energy

▼ ProSiebenSat.1's energy consumption mainly consists of electricity and heat. Total energy consumption (including electricity) within the Group fell to 33.43 GWh in the reporting year (previous year: 36.67 GWh), due to lower electricity consumption compared to 2020 and the continued severely restricted employee mobility as a result of the COVID-19 pandemic. The material energy consumption outside the Group is indirectly represented by the Scope 3 emissions in the carbon footprint. In 2021, total electricity consumption was 14.73 GWh (previous year: 17.94 GWh). In heat generation, environmentally friendly geothermal energy was largely used instead of fuel oil or natural gas at the Unterföhring site. Overall, ProSiebenSat.1's heating and cooling energy consumption decreased slightly to 12.49 GWh (previous year: 12.60 GWh). The energy consumption of the vehicle fleet was 6.13 GWh in 2021 (previous year: 5.99 GWh). ▲ GRI 302-1, GRI 302-2

▼ ENERGY INTENSITY/GRI 302-3 ▲

	2021	2020	2019
Energy consumption in GWh	**33.43**	36.67	40.72
Revenues in EUR m	**4,494**	4,047	4,135
Average FTE	**7,956**	7,128	7,265
Energy consumption/revenues			
in MWh/EUR m	**7.44**	**9.06**	**9.85**
Energy consumption/average FTE			
in MWh/average FTE	**4.20**	**5.14**	**5.60**

Emissions

▼ Our carbon footprint includes direct greenhouse gas emissions (Scope 1), indirect greenhouse gas emissions (Scope 2) and greenhouse gas emissions from upstream and downstream stages of the value chain (Scope 3). As in the previous year, the direct emissions of the ProSiebenSat.1 Group in 2021 resulted almost exclusively from the emissions of the vehicle fleet. At 1,596 tonnes of CO_2 equivalents (CO_2e), the corresponding emissions were slightly above the previous year's level of 1,560 tonnes of CO_2e. Scope 2 emissions decreased to 2,036 tonnes CO_2e (previous year: 2,188 tonnes CO_2e) compared to the previous year due to lower electricity consumption. Overall, operational emissions (Scope 1 and 2) fell by 4% to 3,651 tonnes CO_2e (previous year: 3,787 tonnes CO_2e). Employee commuting continued to fall sharply in the reporting year due to out-of-office regulations in the wake of the COVID-19 pandemic and contributed 1,491 tonnes CO_2e (previous year: 2,529 tonnes CO_2e) to Scope 3 emissions. Emissions from business travel increased to 1,582 tonnes CO_2e (previous year: 1,347 tonnes CO_2e). Total emissions decreased by 5% to 9,147 tonnes CO_2e in the reporting year (previous year: 9,584 tonnes CO_2e).

Detailed information on the balancing of greenhouse gas emissions can be found in the → Notes on the carbon footprint. ▲

▼ CARBON FOOTPRINT OF PROSIEBENSAT.1 GROUP/GRI 305-1/GRI 305-2/GRI 305-3 ▲

Greenhouse gas emissions (CO_2 equivalent) in metric tons[1]	2021	Change	2020	2019
Scope 1 – Direct greenhouse gas emissions	**1,615**	**1%**	**1,599**	**2,110**
_ Vehicle fleet[2]	1,596	2%	1,560	2,064
_ Fuel oil	19	−53%	40	46
Scope 2 – Indirect greenhouse gas emissions[3]	**2,036**	**−7%**	**2,188**	**2,882**
_ Electricity[4]	775	−26%	1,054	1,719
_ District heating and geothermal energy[5]	1,261	11%	1,134	1,163
Scope 3 – Greenhouse gas emissions from upstream and downstream stages of the value chain	**5,495**	**−5%**	**5,797**	**16,292**
_ Fuels and energy-related activities not included in Scope 1 or 2	2,405	27%	1,898	1,974
_ Waste from operating processes	17	−26%	23	47
_ Employee commuting	1,491	−41%	2,529	6,474
_ Business travel (plane, train, rental car and taxi)[6]	1,582	17%	1,347	7,797
Operational emissions (Scope 1 and 2)	**3,651**	**−4%**	**3,787**	**4,992**
Total emissions (Scope 1, 2 and 3)[7,8]	**9,147**	**−5%**	**9,584**	**21,284**

1 In determining the carbon footprint, we followed the criteria and definitions of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). The data collection was based on internal guidelines. In addition, we used the following standards to calculate our carbon footprint and selected data on indirect CO_2 emissions (Scope 3): Greenhouse Gas (GHG) Protocol - Corporate Accounting and Reporting Standard, Corporate Value Chain Accounting and Reporting Protocol of the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). All of the ProSiebenSat.1 Group's own sites and employees were included in the carbon footprint. The coverage with measurement data is 74% (previous year: 78%) for Scope 1 and 75% (previous year: 79%) for Scope 2. We used the market-based method for the calculation.
2 Excluding car power.
3 Energy consumption of production studios and data centres outside the Unterföhring and Berlin sites are not included. Extrapolation based on reference buildings. Scope 2 emissions according to the location-based method amounted to 7,166t CO_2e in the reporting period (previous year: 9,577t CO_2e).
4 The location-based emissions in the electricity category amounted to 5,032t CO_2e in the reporting period (previous year: 7,401t CO_2e).
5 The location-based emissions in the category district heating and geothermal energy amounted to 2,133t CO_2e in the reporting period (previous year: 2,176t CO_2e).
6 In the business travel category, 324t CO_2e were offset in the reporting period (previous year: 355t CO_2e).
7 Total emissions according to the location-based method amounted to 14,244t CO_2e in the reporting period (previous year: 16,973t CO_2e).
8 The remaining non-reduced and non-compensated emissions in the reporting period were 8,823t CO_2e (previous year: 9,229t CO_2e.)

▼ GHG EMISSIONS INTENSITY/GRI 305-4 ▲

	2021	2020	2019
GHG emissions in metric tons	9,147	9,584	21,284
Revenues in EUR m	4,494	4,047	4,135
Average FTE	7,956	7,128	7,265
GHG emissions/revenues in metric tons/EUR m	**2.04**	**2.37**	**5.15**
GHG emissions/average FTE in metric tons/average FTE	**1.15**	**1.34**	**2.93**

Waste

The operational waste volume at the Unterföhring site fell to 527 tonnes in the reporting year 2021 (previous year: 615 tonnes). In the waste balance, 173 tonnes (previous year: 188 tonnes) were due to conversion and demolition work in the existing buildings. Waste that cannot be recycled is disposed of in an environmentally friendly manner. ProSiebenSat.1 follows local regulations and classifies waste as hazardous or non-hazardous in accordance with the respective national laws. The amount of hazardous waste (for example, insulation material and building materials containing asbestos) fell to 6 tonnes in 2021 (previous year: 29 tonnes). Mixed municipal waste (household-type waste from commerce and industry) decreased to 38 tonnes (previous year: 69 tonnes). The reduction is due to the out-of-office regulations in the wake of the COVID-19 pandemic. Waste separation and reduction measures are continuously optimized. At the ProSiebenSat.1 campus, for example, single-use plastic is already completely dispensed with in the canteens and cafés. Due to demolition work in connection with the "New Campus" construction project in Unterföhring, 27,930 tonnes of construction waste were disposed of in the reporting year. **GRI 306-2**

Disclosures in accordance with the EU Taxonomy Regulation

▼ With the “European Green Deal,” the European Commission is pursuing a plan for a sustainable and competitive Europe, with the aim, among other things, of organizing the European economy more sustainably in the future and directing capital flows into sustainable economic activities. To enable the categorization of economic activities based on their sustainability, the European Commission has created a classification system with the Taxonomy Regulation, which applies to non-financial declarations and reports published after January 1, 2022. In the first year of its application, reporting is initially required with respect to the two environmental objectives “climate change mitigation” and “climate change adaptation,” on which the European Commission has published the “Climate Delegated Act.” This contains a description of economic activities that can be classified under the taxonomy system, i.e. potentially “sustainable” activities. It also includes the technical criteria for subsequent assessment of compliance with the taxonomy, which can be used to evaluate whether an activity is actually “sustainable.” Only eligibility for classification under the taxonomy system needs to be assessed in the first year of application. We describe below how ProSiebenSat.1 Group has identified the relevant economic activities and determined the corresponding taxonomy KPIs (share of taxonomy-eligible and non-taxonomy-eligible revenues, capital expenditure and operating expenses).

For all Group companies, we conducted an initial analysis based on the description of the business models in which we identified the extent to which taxonomy-eligible economic activities exist in the areas of “climate change mitigation” and “climate change adaptation.” This assessment was validated by various Group representatives. Based on the example of ProSiebenSat.1 Media SE as the parent company, we then recorded the amounts from the accounting system in connection with taxonomy-eligible activities. This pilot project allowed us to identify the relevant Group accounts for determining the taxonomy KPIs. The obtained knowledge was then scaled up for the Group as a whole. After that, each company was asked to confirm the initial assessment of its activities and to record the respective figures from the financial systems. This data was then validated and consolidated at Group level.

As a result, the Group has identified various potentially relevant economic activities in relation to the environmental objective of “climate change adaptation”, for example activity 8.3. “Programming and broadcasting activities” or 13.3. “Motion picture, video and television programme production, sound recording and music publishing activities” in the “Climate Delegated Act”. However, no revenues can be assigned to these within the meaning of the taxonomy: In our opinion, these economic activities are not enabling in nature as laid down in the “Climate Delegated Act,” which is a requirement in order for them to be reported. This is understood to refer to an economic activity that directly enables other activities to make a significant contribution to one of the two climate-related environmental objectives of the Taxonomy Regulation. However, this is not the core purpose of ProSiebenSat.1 Group’s activities. Moreover, we were unable to identify any capital expenditure or operating expenses in connection with the environmental objective of “climate change adaptation.” In our view, this can be claimed only for expenses that are incurred in order to make an activity climate-resilient, i.e. to reduce the most significant physical climate risks. In addition, ProSiebenSat.1 Group has identified various activities in connection with the environmental objective of “climate change mitigation” that are linked to capital expenditure and operating expenses. At ProSiebenSat.1 Group, this is mainly limited to expenses for the vehicle fleet (activity 6.5. in the “Climate Delegated Act”), new buildings and renovations as well as expenses for the maintenance and repair of assets (activities 7.1.-7.7. in the “Climate Delegated Act”). All activities were assigned here without ambiguity, so that nothing was counted twice. The following explanatory notes and tables reflect our interpretation of the current legal situation with regard to the EU Taxonomy Regulation. ▲

▼ ENVIRONMENTAL RESPONSIBILITY ▲

In general, the Taxonomy Regulation has to date mainly covered those economic activities that are responsible for the most CO_2 emissions in Europe. The Regulation will be expanded in the coming years to include more environmental objectives and additional taxonomy-eligible economic activities. At present, most of ProSiebenSat.1 Group's business activities are not yet covered by the Taxonomy Regulation. However, this does not mean that our Group is not playing its part in climate protection. We are aware of the Group's responsibility due to the reach of our TV stations and digital platforms, and we will continue to keep our target groups informed and raise awareness regarding climate-related issues.

Revenues

▼ The underlying revenues correspond to the revenues reported in the consolidated income statement. No revenues from taxonomy-eligible economic activities were identified for the financial year 2021. ▲

→ Group Earnings

Capital Expenditure (CapEx)

▼ CAPITAL EXPENDITURE (CAPEX) ▲

Economic activities in 2021	Absolute CapEx (in EUR m)	Share (in %)
A. CapEx from taxonomy-eligible activities	98	8
B. CapEx from non-taxonomy-eligible activities	1,136	92
Total	**1,234**	**100**

▼ ProSiebenSat.1 Group's capital expenditure comprises additions to programming assets, other intangible assets and property, plant and equipment and rights-of-use to property, plant and equipment. There were no additions due to changes in the scope of consolidation in the financial year 2021.

→ Notes to the statement of financial position

Taxonomy-eligible capital expenditure related to the Group's vehicle fleet, new buildings or renovations and spending on the maintenance and repair of assets. The largest contribution comes from the new campus building in Unterföhring. This expenditure corresponds to activities 6.5., 7.1. to 7.7. and 9.3. in the "Climate Delegated Act," which relates to the environmental objective of "climate change mitigation." ProSiebenSat.1 Group has not identified any expenditure in connection with the environmental objective of "climate change adaptation" for the financial year 2021. ▲

Operating Expenses (OpEx)

▼ ProSiebenSat.1 Group's operating expenses in accordance with the definition in the EU Taxonomy, which essentially comprise expenses for servicing and maintenance as well as research and development, came to EUR 28 million in the reporting period. These expenses are not material in the context of the Group's total spending (<1%). There are therefore no material operating expenses in connection with taxonomy-eligible activities. ▲

GOVERNANCE & COMPLIANCE

Governance & Compliance is also one of the central fields of action of the ProSiebenSat.1 sustainability strategy. The Executive Board and Supervisory Board regard good corporate governance as an essential component of responsible, transparent management geared toward long-term value creation. With the German Corporate Governance Code (DCGK), a standard for transparent control and management of companies was established. The corresponding information on corporate governance at ProSiebenSat.1 can be found in particular in the Management Declaration in accordance with sections 289f and 315d of the German Commercial Code (HGB). In addition to the annual Declaration of Compliance pursuant to section 161 of the German Stock Corporation Act (AktG), this includes other relevant information on ProSiebenSat.1 Group's corporate governance practices. Information on the compensation of the Executive Board and Supervisory Board can be found in the Compensation Report.

▼ The Executive Board of ProSiebenSat.1 Media SE is also convinced that sustainable economic success in a competitive environment can be achieved only by ensuring that business practices comply with the applicable laws. In addition to preventing corruption, ProSiebenSat.1 Group particularly focuses on the issues of money laundering, sanctions and embargoes, as well as data protection, in the area of compliance. ProSiebenSat.1 Group has implemented a compliance management system (CMS) for these legal areas. The main objective of the CMS is to ensure that all employees always think and act with integrity and in accordance with the guidelines and regulations, and thus to prevent law- and rule-breaking. The central compliance organization is made up of the Compliance Committee and the Group Compliance department headed by the Chief Compliance Officer (CCO), which are assisted in the performance of their duties by experts from other areas, such as the Legal Affairs and Internal Audit. In addition, Unit Compliance Officers (UCOs) have been appointed who are responsible for the CMS at Group entities and are in direct contact with the respective subject experts. In 2021, the CMS of ProSiebenSat.1 Group was adapted in the course of an update of the delegation of compliance responsibilities. Among other things, the "Compliance Management System" guideline was introduced for this purpose. The aim is to clearly assign responsibilities and areas of responsibility in the management of the Group companies, to establish a uniform Group-wide reporting system and to optimize cooperation between the companies and Group Compliance. Responsibility for antitrust law was transferred from Group Compliance to Legal Affairs as part of the update of delegation in 2021. The following information also relates to antitrust provisions.

ProSiebenSat.1 Group has laid down basic guidelines and policies in its Code of Conduct. These guidelines define the general standards for conduct in business, legal and ethical matters and also govern how employees can report misconduct in the Company. They serve all members of the Executive Board, the management of subsidiaries of ProSiebenSat.1 Group, and the employees of ProSiebenSat.1 Group as a binding reference and regulatory framework for dealing both with each other and with business partners, customers, suppliers, and other third parties. Following a fundamental review and adoption in 2021, a new Code of Conduct came into force in January 2022, which replaces the previous Code and is intended to act as a unifying element across all segments of ProSiebenSat.1 Group. It sets minimum standards for responsible conduct, provides guidance with everyday work and sets out the necessary operational framework for ProSiebenSat.1's business activities.

Another central compliance instrument for ProSiebenSat.1 Group is the whistleblower system. In addition to internal reporting channels, it is also possible to report legal violations anonymously via an external Ombuds Office. In the event of reports of serious suspected cases that turn out to be justified after internal evaluation, the Chief Compliance Officer promptly informs the management.

Further information, particularly on the compliance organization and the whistleblower system, is provided in the Management Declaration in accordance with sections 289f and 315d HGB.

In addition, ProSiebenSat.1 Group has implemented a compliance training program that includes both online and classroom training. The online training, which is offered in English and German in a two-year cycle and is mandatory for all employees, is intended to provide a basic understanding of the main compliance risks. The classroom training, most of which once again took place virtually in 2021, is targeted at “risk groups” and is carried out by Legal Affairs, Group Compliance, HR Law, Taxes, Corporate Information Security, the Data Protection Officer and the Youth Protection Officers for their individual areas. In addition, ProSiebenSat.1 Group offers seminars for the managers of German affiliated companies at its P7S1 Academy in order to give them a comprehensive overview of their rights and obligations as well as the relevant legal bases. ▲

COMPLIANCE TRAININGS

	2021			2020		
Topic	Events (live/virtual)	Participants (live/virtual)	Online trainings	Events (live/virtual)	Participants (live/virtual)	Online trainings
Media, copyright, advertising law, German Unfair Competition Act (UWG)	5	114		1	3	3,448
Compliance Antitrust law	5	48	6,549[1]	7	295	—
Money laundering	—	—		—	—	—
Sanctions & embargoes	—	—		—	—	—
General Act on Equal Treatment (AGG), labour law	5	55	5,544	—	—	2,338
Data protection	19	385	5,876	—	—	2,304
Information security	—	—	3,243	—	—	6,500
Youth protection	4	62	376	2	26	477
Occupational health and safety	—	—	7,385	—	—	6,213
Tax law	4	7	—	2	42	—
Management seminars	4	47	—	2	18	—

1 Since October 2021 incl. money laundering and sanctions & embargoes and excl. media, copyright, advertising law, German Unfair Competition Act (UWG).

Anti-corruption and Antitrust Law

▼ Legally compliant conduct and the prevention of violations of laws and regulations are a prerequisite for a company’s sustainable success. Therefore, preventing corruption and anti-competitive behavior in connection with antitrust law is highly relevant to business and represents an important success factor for achieving our corporate goals. Free competition is a key pillar of our economic system and is given special protection by antitrust laws. Violations of competition laws may result in large fines and claims for damages that may affect not only the Company but also employees personally. In 2021, as in the previous year, we were not aware of any investigations into the Group, its subsidiaries or employees of ProSiebenSat.1 Group with regard to corruption offenses or antitrust violations. ▲ **GRI 205-3, GRI 206-1**

Data Protection

▼ Owing to progressive digitalization and new business models, more and more personal data is being generated and processed in a wide variety of ways. That also applies to ProSiebenSat.1 Group with its diverse range of entertainment services and the different commerce companies in the portfolio. In this context, data protection protects the right to privacy and to information control, i.e. the right of each individual to control the disclosure and use of his or her own personal data. Our goal is to handle this data carefully and protect it from misuse. The Group Data Protection Officer is responsible for cooperation and coordination on all major data protection matters. He is assigned to the Group Compliance division in organizational terms and is supported by data protection law specialists when it comes to legal issues. By way of mandatory training and assessments by the Group Data Protection Officer, violations of privacy are to be prevented and compliance with data protection law ensured.

We aim to ensure compliance with data protection on the basis of a risk-oriented data protection management system and to protect personal and other sensitive data from loss, destruction, unauthorized access or unauthorized use, processing, or disclosure. Specific measures are based on the legal regulations, particularly the EU General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (BDSG), as well as our own data protection guidelines. These were reviewed during the reporting period. The data protection law requirements form part of our CMS. ProSiebenSat.1 Group has implemented processes to protect personal data against misuse. These relate to the preparation of agreements under data protection law in order to meet the requirements of Articles 26 and 28 GDPR and to the disclosure of personal data to public authorities. The data protection processes also cover the information required to be provided, the rights of the data subject, and the reporting of data breaches, i.e. third parties unlawfully obtaining personal data (Articles 33 and 34 GDPR).

In 2021, there were nine cases (previous year: 18) of substantiated complaints regarding the violation of customers' privacy at companies of ProSiebenSat.1 Group in Germany, of which nine (previous year: 15) were from external parties, none (previous year: three) from regulatory authorities. Furthermore, there were 12 cases (previous year: six) of data leaks, data theft, or data loss that had to be reported in accordance with the General Data Protection Regulation (GDPR). ▲ **GRI 418-1**

Information Security

Various types of information are of key importance to the business activities of ProSiebenSat.1. Ensuring that business processes, IT, infrastructure and critical information are kept sufficiently secure is therefore a strategic factor in the Group's competitiveness. Company-wide, process-oriented information security serves as a tool for identifying relevant risks in good time and dealing with them appropriately. The IT Security division in particular is responsible for the protection of IT systems. As a holding function, the Information Security Office defines guidelines, organizes assessments and penetration tests (including for websites and online shops) as well as e-learning courses and training, and is responsible for incident and risk management. It also provides advice within the Group on issues relating to information security. In the period under review, an assessment of the Information Security Management System (ISMS) was carried out in accordance with ISO 27001 and confirmed a high maturity level overall. The Information Security Policy defines the fundamental principles for handling information at ProSiebenSat.1 Group. This overriding guideline applies to all business units and areas worldwide and to all associated subsidiaries with majority investments and their employees. It also applies to all internal and external service providers, business partners, and other third parties that collect, process or use company information of ProSiebenSat.1 Group and that have committed to comply with the guideline.

Media Regulation

▼ The issues that are relevant to ProSiebenSat.1 Group from the point of view of media law include journalistic independence, the principles of the separation of advertising and programming, and the requirements for the protection of young people. These issues also form part of our Code of Conduct. For 2021, as in the previous year, we recorded a total of 12 violations of journalistic due diligence, program principles, and provisions for the protection of minors and personal rights. **GRI 416-2**

In all our activities, we are committed to a free and democratic order, which is based in particular on the fundamental right to freedom of opinion. The central editorial team of Seven.One Entertainment Group GmbH is responsible at operational level for ensuring journalistic independence in the editorial work of all stations. In daily conferences with the editorial teams and programming managers, the focus areas for the content of reporting and programming are discussed. The fundamental dual-control principle applies when approving editorial content. In addition, the Group has formulated guidelines which all journalists and editorial staff are required to follow. The "Guidelines for Ensuring Journalistic Independence" specify the understanding of the journalistic principles set forth in the Press Code of the German Press Council. According to these principles, they are essentially free to form their editorial content as they see fit and should report independently of social, economic or political interests. In addition, training and further in-depth training is provided on topics such as press law and the protection of minors in internal training courses.

ProSiebenSat.1 Group is committed to differentiating between editorial reporting and broadcasts for advertising purposes. In substantiated individual cases where the use of surreptitious advertising is suspected, a supervisory committee can take action. In Germany, the Group is also obliged to comply with the provisions of the German Interstate Media Treaty and the state media authorities' "Common charter on implementation of advertising regulations of the Interstate Media Treaty." The ProSiebenSat.1 Group guidelines on the separation of advertising and programming include specific explanations regarding bans on the placement of particular products and services. They provide employees of the German companies of ProSiebenSat.1 Group with binding guidelines as part of their employment contract in order to prevent violations of program principles as far as possible. For the German stations, the guidelines serve the preservation of journalistic credibility and aim to safeguard the independence of the content from third-party influences as the top-level programming guidelines.

Provisions for the protection of young people are also considered very important in the context of media regulation. ProSiebenSat.1 Group's youth protection officers play a key role in this. They are tasked with making sure that all TV and online content for which the Group is responsible is offered in an age-appropriate way. The goal is to make it difficult for children and young people to gain access to content that is unsuitable for their age group. The German Interstate Agreement on Youth Protection in the Media (JMStV) and the German Youth Protection Act (JuSchG) stipulate clear requirements for this. For example, providers must check their tele-media content for any aspects that could have a harmful effect on the development of children and young people. The youth protection officers are autonomous in their work and are responsible for ensuring that content that is unsuitable for children and young people is broadcast only at the legally stipulated times. At the same time, they are expected to ensure that technical means are used (e.g. PIN procedures or the filtering software JusProg) for dissemination of content that is relevant to the protection of young people on the Group's websites. To this end, the youth protection officers are involved in the production and purchasing of programs at an early stage, if possible. Their tasks include assessing scripts in advance, supporting productions, and preparing expert reports on them. As well as the youth protection officers, TV and online editors also receive regular training on youth protection regulations. In addition to providing employee training and internal guidelines, we support the protection of young people via various organizations, such as the Voluntary Self-Regulation of Television Association (Freiwillige Selbstkontrolle Fernsehen, FSF) and the Voluntary Self-Monitoring of Multimedia Service Providers Association (Freiwillige Selbstkontrolle Multimedia-Diensteanbieter, FSM). ▲

COMPENSATION REPORT

INTRODUCTION

The Compensation Report describes the main features of the compensation system for the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE for the financial year 2021. It explains the structure and level of compensation of the individual current or former members of the Executive Board and Supervisory Board. In line with the German Act for the Implementation of the Second Shareholder Rights Directive (ARUG II) and the German Corporate Governance Code (GCGC), the Supervisory Board adopted changes to the compensation system for the members of the Executive Board and submitted the compensation system for the Annual General Meeting's approval on June 1, 2021. The Annual General Meeting approved the compensation system for the members of the Executive Board by a broad majority of around 96%. A full description of the new system has been published on the Company's website (www.prosiebensat1.com). The new compensation system applies to all new Executive Board employment contracts and to contract extensions. As no new contracts or contract extensions effective in the financial year 2021 were concluded between June 1, 2021, and December 31, 2021, the following remarks relate to the Executive Board compensation system in place since January 1, 2018, which continues to apply in the financial year 2021. The compensation system valid for this financial year was approved by the Annual General Meeting on May 16, 2018, likewise by a broad majority of around 93%, and is likewise published on the Company's website.
→ www.prosiebensat1.com

This Compensation Report was prepared by the Executive Board and Supervisory Board and complies with the applicable provisions of stock corporation law. The Compensation Report was audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("Ernst & Young") in accordance with Section 162 (3) of the German Stock Corporation Act (AktG) and with regard to content. The Compensation Report and the attached Report on the Audit of the Compensation Report are likewise published on the ProSiebenSat.1 Media SE website.
→ www.prosiebensat1.com

The Compensation Report also takes into account the recommendations of the German Corporate Governance Code (GCGC) in the version of December 16, 2019 (see the December 2021 Declaration of Compliance). In the context of the ARUG II, this mainly refers to the statutory provisions for the purposes of reporting on compensation and in particular does not use the template tables for Executive Board compensation. In the interests of a uniform and thus more comprehensible presentation of compensation, the Company has decided to use the template tables of the "Guidelines for Sustainable Management Board Remuneration Systems working group" in this year's Compensation Report.

COMPENSATION OF THE EXECUTIVE BOARD

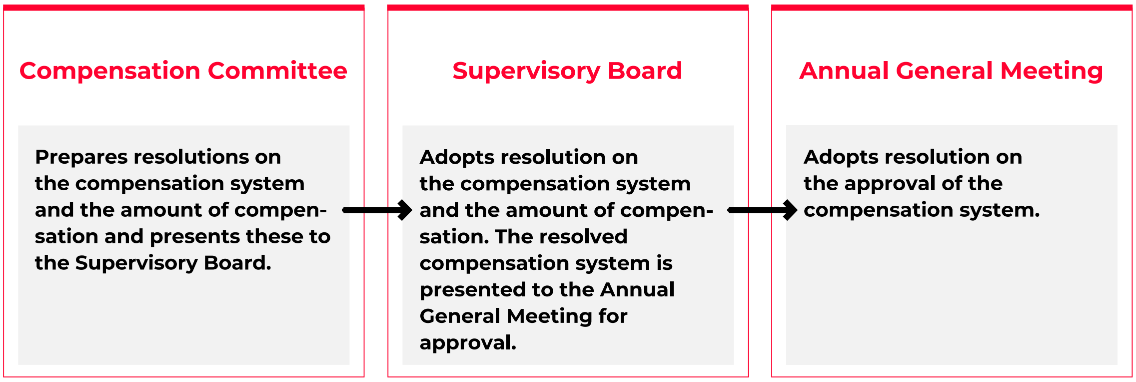
Responsibility and Procedure for Determining Executive Board Compensation

In accordance with Section 87a (1) AktG, the Supervisory Board of ProSiebenSat.1 Media SE determines the compensation system for the Executive Board members with assistance from its Compensation Committee. The Compensation Committee develops a proposal for the compensation system, which the Supervisory Board adopts and regularly reviews. The Annual General Meeting of ProSiebenSat.1 Media SE decides on the approval of the compensation system submitted by the Supervisory Board at least every four years and in the event of material changes to the compensation system.

In line with the compensation system, the Supervisory Board determines the individual level of Executive Board compensation for each Executive Board member on the basis of the Compensation Committee's proposal. The Supervisory Board also sets the target values of the target parameters and key performance indicators based on the Company's budget submitted to and approved by the Supervisory Board. These target values provide the basis for the performance assessment and are anchored in the variable compensation of the Executive Board members.

The Supervisory Board hereby ensures that there is an appropriate relationship between the individual performance and areas of work and responsibility of the individual members of the Executive Board on the one hand and the Company's business situation on the other.

DETERMINING EXECUTIVE BOARD COMPENSATION



The relative compensation within ProSiebenSat.1 Media SE is also taken into account (vertical appropriateness), whereby the Supervisory Board above all analyzes the relationship of Executive Board compensation to the compensation of senior management and the workforce as a whole – including its development over time. For this purpose, the Supervisory Board defines senior management as the group of managers on the top two management levels below the Executive Board; the workforce as a whole comprises the employees employed in Germany, primarily at the Unterföhring site.

The amount of Executive Board compensation in comparable companies is also considered (horizontal appropriateness). The Supervisory Board currently considers comparable companies to be companies listed firstly in the DAX/MDAX and secondly in STOXX Europe 600 Media, a sub-index of the STOXX Europe 600 index comprising companies from the European media industry, as well as direct competitors.

If the Supervisory Board deems it necessary or expedient, it consults external experts to determine and review the Executive Board compensation. To date, the Supervisory Board has also had the Executive Board compensation reviewed at regular intervals by independent external consultants with regard to common market practice.

Principles of the Compensation System and Relationship to Corporate Strategy

The ProSiebenSat.1 Media SE compensation system has clear and transparent structures and is in line with the Group strategy. The aim of the compensation system is to create an effective incentive for successful and sustainable performance of the Company. The system is therefore geared toward components that are transparent, performance-based, and closely linked to the Company's success. They depend in particular on long-term targets and the performance of the ProSiebenSat.1 share and are measurable. The compensation system is intended to motivate the members of the Executive Board to achieve the targets enshrined in ProSiebenSat.1 Media SE's business strategy while simultaneously avoiding disproportionate risks.

Company-specific performance criteria are derived from the Group's strategy and cover both financial and non-financial aspects. They are planned and managed centrally by the Executive Board of ProSiebenSat.1 Media SE. The planning and management process is complemented by the monitoring of key figures on the basis of regularly updated data. This also includes the assessment of developments as part of opportunity and risk management.

The performance criteria specific to ProSiebenSat.1 Group are aligned to the interests of the capital providers and cover financial planning as well as aspects of comprehensive revenue and earnings management.

In designing the Executive Board compensation system in place since January 1, 2018, and still applicable in the financial year 2021 as well as the new compensation system submitted to the Annual General Meeting on June 1, 2021, the Supervisory Board was guided by the following principles:

PRINCIPLES OF EXECUTIVE BOARD COMPENSATION

The Executive Board Compensation includes ...

- ✓ clear and transparent structures
- ✓ predominantly long-term targets
- ✓ effective incentives for sustainable development
- ✓ performance-based components
- ✓ share price reference, also in comparison with the competition
- ✓ fixed payout limits (caps)
- ✓ reasonable and market-oriented heights

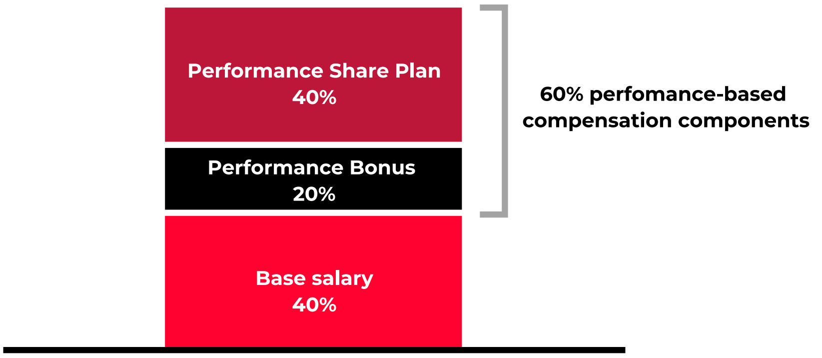
The Executive Board Compensation avoids ...

- lack of transparency in the reporting
- short-term success at the expense of sustainability
- special bonuses
- unreasonably high degrees of judgment
- excessive severance payments
- unreasonably high compensation
- structure attributes not customary in the market

Structure and Components of Executive Board Compensation

The Executive Board compensation system valid for the past financial year and since 2018 comprises three components: a fixed base salary (basic compensation), an annual (Performance Bonus) and a multi-year (Performance Share Plan) variable compensation component. In accordance with the contractually agreed target compensation, the weighting of the individual compensation components for all Executive Board members is 40 : 20 : 40 (basic compensation : Performance Bonus : Performance Share Plan)

COMPENSATION STRUCTURE



Chairman of the Executive Board / Ordinary Executive Board member

There is also a Company pension for Executive Board members. The Company's annual contribution to the Company pension amounts to 20% of the basic compensation. In addition, Executive Board members receive fringe benefits typical for the market.

The following overview gives a summary of the elements of the Executive Board compensation system in place since 2018 followed by a description of the individual items:

OVERVIEW OF EXECUTIVE BOARD COMPENSATION SYSTEM IN FISCAL YEAR 2021

Non-Performance-Based Compensation

Basic compensation	
	Fixed base salary
Scope	Based on the respective area of competence and responsibility of the Executive Board member.
Payment date	In monthly installments.
Fringe Benefits	Contractually agreed and capped fringe benefits in the form of non-cash compensation and other financial benefits.
Company pension	Contractually fixed annual pension contribution in the amount of 20% of the respective basic compensation.

Performance-Based Compensation

Annual variable compensation	
	Short Term Incentive (Performance Bonus)
Target compensation	Target amount contractually fixed.
Cap	Cap: 200% of the target amount.
Missing targets	Complete forfeiture possible if targets not met.
Clawback	Possibility of reclaiming a performance bonus already paid out in case of an incorrect consolidated financial statement.
Target parameters	Financial target parameters (equally weighted): – Group EBITDA – Group free cash flow
	Modifier (+/-20%) serving as a bonus/malus, based on: – individual targets – team targets
Payment date	Within one month after the audited and approved Consolidated Financial Statements of the relevant financial year are available.

Multi-year variable compensation

	Long Term Incentive (Performance Share Plan)
Term	Term of each tranche: 4 years (performance period).
Grant value	Contractually agreed annual grant value.
Cap	Cap: 200% of the target value.
Missing targets	Complete forfeiture possible if targets not met
Target parameters	– Annual adjusted Group net income targets during the term of the respective tranche (50% weighting). – Relative positioning of Total Shareholder Return (TSR) compared with STOXX Europe 600 Media companies during the term of respective tranche (50% weighting).
Grant	Grant of so-called performance share units (PSUs) in annual tranches. Determination of the number of PSUs according to the grant value, based on the volume-weighted average XETRA closing price of ProSiebenSat.1's shares over the 30 trading days before the beginning of the term (January 1) of the respective tranche.
Determination of payout amount	Determination of the final number of performance share units at the end of the term of a tranche by multiplying PSUs by a performance-based conversion factor. The performance factor depends – 50% on the achievement of annual adjusted net income targets during the term of the respective tranche and – 50% on the relative Total Shareholder Return (TSR) positioning against the STOXX Europe 600 Media companies during the term of the the respective tranche. No option to retroactively adjust the conversion factor or undertake discretionary adjustments to target achievement. The payout amount per performance share unit corresponds to the volume-weighted average XETRA closing price of ProSiebenSat.1's shares over the 30 trading days preceding the end of the term of the respective tranche, plus cumulative dividend payments per share during the term of the tranche. In the event of settlement in shares, the payout amount will be converted into treasury shares using the share price cited above.
Dividend payments	All dividend payments during the term of the tranche are accounted for through inclusion of cumulative dividend payments per share in the payout amount.
Vesting	1/12 of the PSUs granted vest at the end of each month of the first year of the term of a respective tranche. If the employment contract as Executive Board member of ProSiebenSat.1 Media SE commences during the first financial year of the plan term the grant value will be on a pro rate temporis basis, but with full vesting of such pro rate temporis portion until the end of the first financial year of the plan term.
Payout	Payment is generally made in cash or, at the Company's discretion, by issuing a corresponding number of treasury shares.
Payment date	The respective Long-Term Incentive tranche is paid out or settled, as the case may be, after the audited and approved Consolidated Financial Statements for the financial year of the four-year performance period are available.

Share Purchase and Holding Obligations

Until the prescribed levels are reached, there is an obligation to invest 25% of the annual gross payouts from annual and multi-year variable compensation in ProSiebenSat.1 shares.

Shares must be held at least until the end of an Executive Board member's appointment.

Volume:	
– Chief Executive Officer:	200% of fixed gross base salary
– Other members of the Executive Board including the Chairman of the Executive Board:	100% of fixed gross base salary

NON-PERFORMANCE-BASED COMPENSATION

The non-performance-based compensation comprises three elements: the basic compensation in the form of a fixed base salary, the Company pension, and additional fringe benefits in the form of non-cash compensation.

BASIC COMPENSATION

The basic compensation is paid in twelve equal installments at the end of each month. If the employment contract begins or ends during a financial year, the basic compensation for this financial year is granted pro rata temporis.

FRINGE BENEFITS

In addition, Executive Board members receive non-performance-based fringe benefits (particularly, the provision of company cars, group accident insurance, insurance policy contributions, and occasionally flights home).

Executive Board members are also covered by group liability insurance (D&O insurance). This D&O insurance covers the personal liability risk should Executive Board members be made liable for financial losses when exercising their professional functions for the Company. The insurance includes a deductible according to which an Executive Board member against whom a claim is made pays a total of at least 10% of the claim in each insured event, but not more than 150% of the respective fixed annual compensation for all insurance events in one insurance year, and thus meets the requirements of Section 93 (2) sentence 3 of the German Stock Corporation Act (AktG). The relevant figure for calculating the deductible is the fixed compensation in the calendar year in which the breach of duty occurred.

COMPANY PENSION

Pension agreements were signed for all members of the Executive Board: For the period of the employment relationship, the Company pays an annual total contribution into the personal pension account managed by the Company. The total annual contribution to be paid by the Company is equivalent to 20% of the respective basic compensation. Each member of the Executive Board has the right to pay any additional amount into the pension account in the context of deferred compensation. There are no further payments after the end of the employment relationship. The Company guarantees the paid-in capital and an annual interest of 2%. The amounts paid-in are invested on the money and capital markets. A monthly retirement pension or alternatively a one-off retirement payment is paid if the Executive Board member reaches the age of 62 and has been a member of the Executive Board for at least three full years. This entitlement also arises in the case of permanent disability. The monthly retirement pension is derived from the actuarially calculated life-long pension as of the time of the entitlement to benefits. If no monthly retirement pension is paid, then a retirement payment is made in the amount of the guaranteed capital as a one-off payment (or in up to ten equal annual installments).

As of December 31, 2021, pension provisions measured in accordance with IFRS for active and former Executive Board members totaled EUR 31.9 million before netting with plan assets. In accordance with Section 162 (5) AktG, disclosures regarding former Executive Board members who left the Executive Board more than ten years ago are not made personalized, but as a total under Others.

AMOUNT OF PENSION OBLIGATION (DBO) AS OF DECEMBER 31, 2021

in EUR thousand

	Amount of pension obligation (DBO)	thereof entitlements from deferred compensation
	Active members of the Executive Board	
Rainer Beaujean	871.0	—
Wolfgang Link	281.9	—
Christine Scheffler	296.6	54.6
Total	**1,449.5**	**54.6**
	Former members of the Executive Board	
Conrad Albert	3,700.5	2,009.0
Andreas Bartl	743.0	—
Thomas Ebeling	12,928.7	10,327.5
Jan David Frouman	768.0	287.4
Dr. Ralf Schremper	345.8	—
Heidi Stopper	409.6	—
Christof Wahl	346.8	—
Dr. Christian Wegner	1,655.5	662.4
Dr. Gunnar Wiedenfels	429.4	429.4
Total Others	9,098.9	4,579.6
Total	**30,426.1**	**18,295.3**
Total	**31,875.6**	**18,349.9**

PERFORMANCE-BASED COMPENSATION

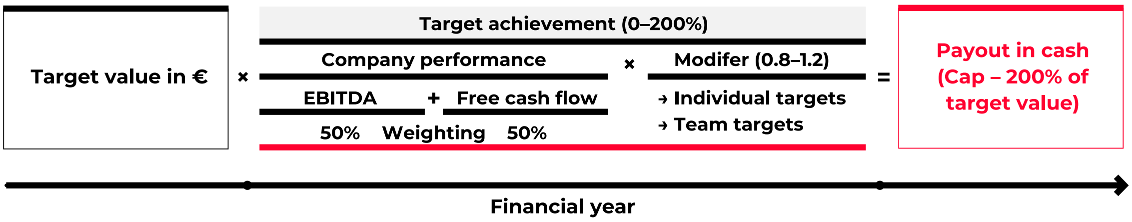
Performance-based compensation comprises two elements: annual variable compensation (Short-Term Incentive) in the form of an annual bonus payment (Performance Bonus) and multi-year variable compensation (Long-Term Incentive) in the form of virtual shares in ProSiebenSat.1 Media SE (Performance Share Plan).

SHORT TERM INCENTIVE (PERFORMANCE BONUS)

The Short-Term Incentive depends on ProSiebenSat.1 Group's business performance in the past financial year. It is calculated on the basis of the target achievement (0% - 200%) identified for the financial year for EBITDA (earnings before interest, taxes, depreciation and amortization) and free cash flow before M&A (referred to hereinafter as FCF or free cash flow), both at Group level, and a modifier (0.8 to 1.2) for the assessment of the individual and collective performance of the Executive Board members. The final payment is capped at a maximum of 200% of the individual target amount agreed in each employment contract.

The Supervisory Board has identified the two key financial figures EBITDA and FCF as relevant target parameters, as they reflect the successful implementation of operational and strategic measures and are thus geared toward ProSiebenSat.1 Group's profitability. They are derived from the Group strategy and are also reflected in the internal management system, which is used to help achieve the Group's strategic goals. EBITDA is an industry-standard and frequently used measure of operating earnings, which allows a high degree of comparability with other businesses in the media industry and is also regularly used on the capital market for enterprise valuations on a multiplier basis. For shareholders, FCF is also an important measure of the cash and cash equivalents generated with operating business and after the deduction of investments, which are available for debt service. Equally, FCF is an important indicator for measuring the cash return on investments and a common basis for the calculation of cash-flow-based enterprise valuations.

HOW THE SHORT-TERM INCENTIVE WORKS



EBITDA AT GROUP LEVEL

EBITDA at Group level is included in the Short-Term Incentive with a weighting of 50%.

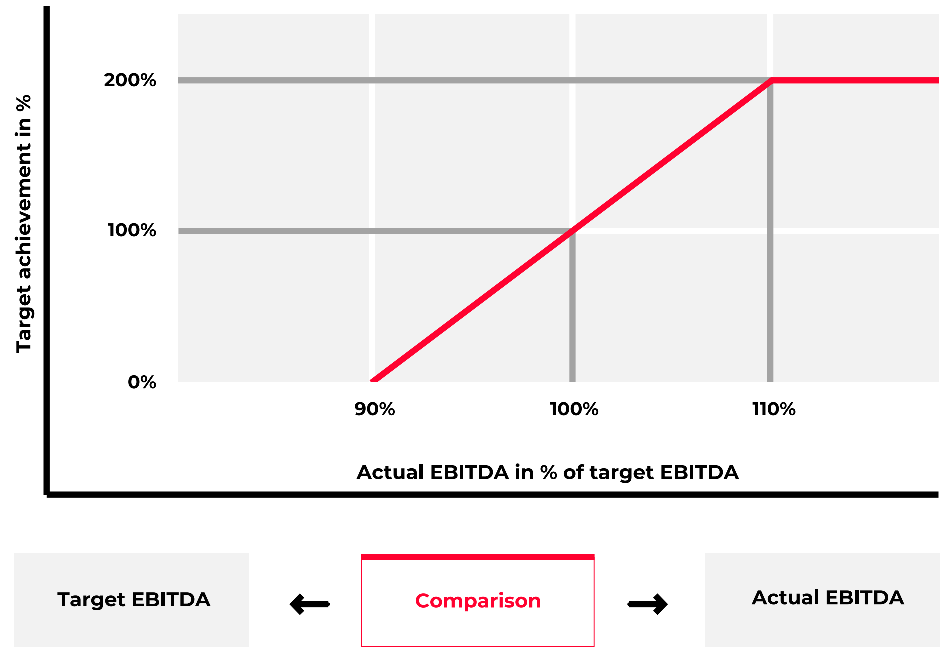
The EBITDA target value is set annually by the Supervisory Board in EUR and is derived from budget planning for ProSiebenSat.1 Group. The financial effects of operational and strategic measures are reflected in the budget planning.

Where necessary, to determine the target achievement, the actual Group EBITDA reported by ProSiebenSat.1 Media SE will be adjusted for effects arising from significant changes in IFRS accounting standards, from unplanned effects from M&A transactions conducted within the reporting period, and from measurements of Group-wide, multi-year variable compensation plans. This allows the Supervisory Board to correct potential distortions in target achievement. No further adjustment is provided for.

To measure the target achievement, the actual EBITDA as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE, subject to the above adjustments, is compared with the target value for the respective financial year.

If the actual EBITDA corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target EBITDA of 10% or more. To reach the maximum target achievement of 200%, the actual EBITDA must exceed target EBITDA by 10% or more. Intermediate values are interpolated in a straight line. The EBITDA target achievement curve is symmetrically designed, meaning that an over- or underachievement of the target will be reflected evenly.

EBITDA TARGET ACHIEVEMENT CURVE



FREE CASH FLOW AT GROUP LEVEL

FCF at Group level is likewise included in the Short-Term Incentive with a weighting of 50%.

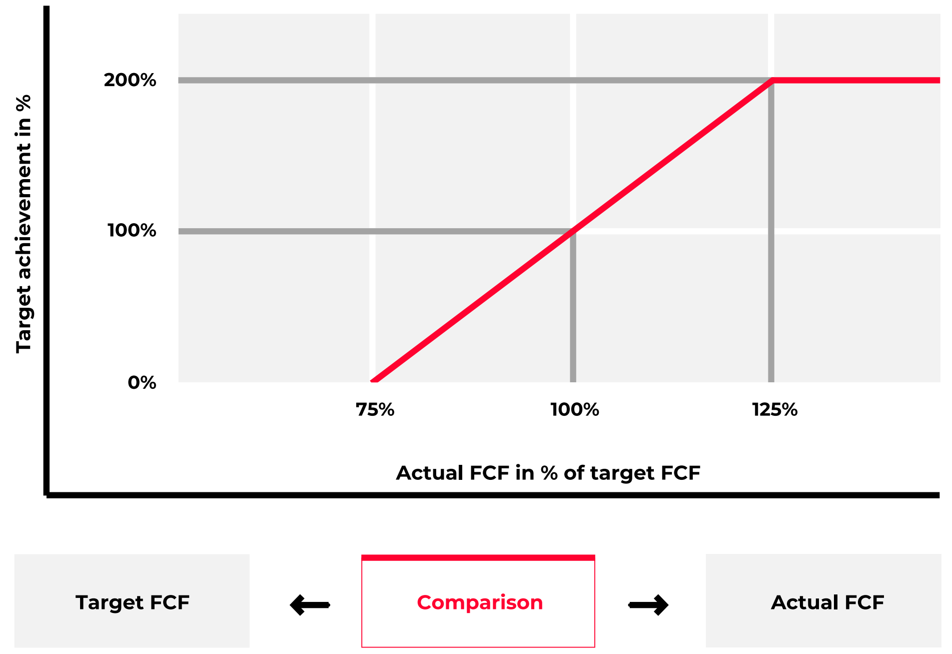
The FCF target value is set annually by the Supervisory Board in EUR and is derived from budget planning for ProSiebenSat.1 Group. The financial effects of operational and strategic measures are reflected in the budget planning.

Where necessary, to determine the target achievement, the actual Group FCF reported by ProSiebenSat.1 Media SE will be adjusted for effects arising from (i) acquisitions and disposals (i.e. (x) effects of investments on the free cash flow from investing activities due to acquisitions and disposals in previous financial years and (y) effects on the free cash flow from operating activities and from investing activities due to new acquisitions and disposals in the financial year in question, including associated financing effects), and from (ii) significant changes in IFRS accounting standards. This allows the Supervisory Board to correct potential distortions in target achievement. No further adjustment is provided for.

To measure the target achievement, the actual FCF as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE, subject to the above adjustments, is compared with the target FCF for the respective financial year.

If the actual FCF corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target FCF of 25% or more. To reach the maximum target achievement of 200%, the actual FCF must exceed target FCF by 25% or more. Intermediate values are interpolated in a straight line. The FCF target achievement curve is symmetrically designed, meaning that an over- or underachievement of the target will be reflected evenly.

FREE CASH FLOW (FCF) TARGET ACHIEVEMENT CURVE



MODIFIER

To determine the individual and collective performance of the Executive Board members, the Supervisory Board assessed both the achievement of individual targets and the Executive Board members' contribution to the fulfillment of collective targets on the basis of criteria defined in advanced. Examples of relevant criteria include customer satisfaction, corporate social responsibility, corporate governance and strategic projects, but also other key financial figures of the Group or segments. If targets relate to key financial figures of ProSiebenSat.1 Group, target achievement is determined on the basis of the audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE for the financial year in question. The resulting modifier for adjusting the size of the Short-Term Incentive can range between 0.8 and 1.2. The modifier therefore has a bonus/malus effect. The individual and collective targets are agreed annually in advance in a target agreement between the Supervisory Board and Executive Board, with a maximum of five targets being defined each year.

PAYMENT DATE

The Short-Term Incentive is payable in the following year within a month of the audited and approved Consolidated Financial Statements for the financial year in question becoming available and is paid out with the next monthly salary.

LONG-TERM INCENTIVE (PERFORMANCE SHARE PLAN)

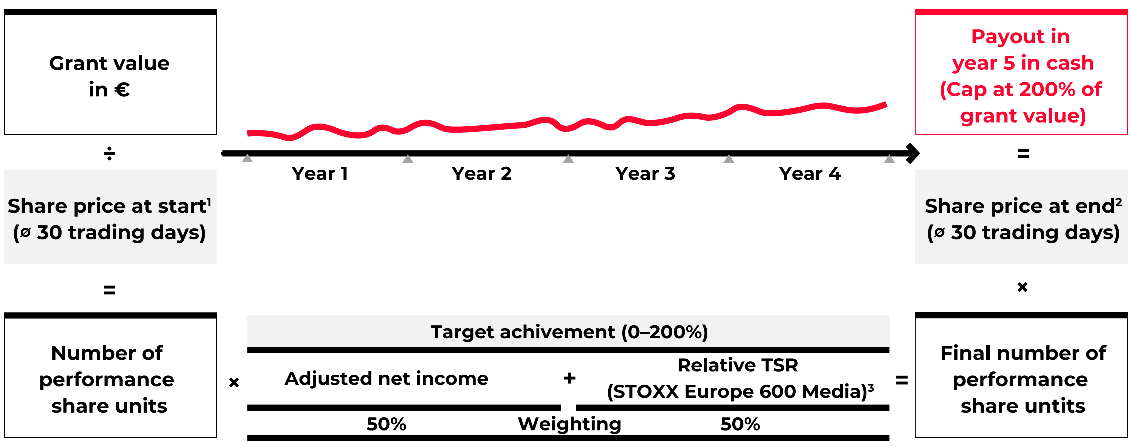
The Long-Term Incentive is designed as multi-year variable compensation in the form of virtual shares (performance share units). Consequently, it does not constitute stock options within the meaning of Section 162 (1) no. 3 AktG. Tranches are granted annually, each with a four-year performance period. Payment is made in cash in year five, the year after the end of the performance period. The Company has the right to choose equity settlement rather than cash settlement and to deliver a corresponding number of own shares for this purpose.

The payout depends on the development of ProSiebenSat.1 Media SE's share price as well as on the Company's internal and external performance. The Company's performance is measured based on adjusted net income at Group level as well as the relative total shareholder return (TSR – shareholder return for ProSiebenSat.1 shares compared to shareholder return for companies in the selected comparison index STOXX Europe 600 Media), each with a weighting of 50%. The Performance Share Plan is issued in annual tranches with a performance period of four years each.

The calculation of corporate performance is on the one hand based on the parameter adjusted net income. This is an important operational and strategic performance indicator for the Group and serves, among other functions, as the metric that underlies the dividend policy and the resulting amounts that are distributed to shareholders. ProSiebenSat.1 Media SE publishes the adjusted net income as part of the regular financial reporting for ProSiebenSat.1 Group. On the other hand, the Company's performance is determined using the relative TSR, which shows the return on ProSiebenSat.1 shares in relation to the return on shares of a relevant group of peer companies. The relative TSR takes into account share price performance and dividends to shareholders over the four-year performance period.

An individual allotment value is specified in the service contract for each member of the Executive Board. With effect from the start of a financial year, a number of performance share units (PSUs) corresponding to the grant value will be granted on the basis of the volume-weighted average XETRA closing price of the ProSiebenSat.1 share over the 30 trading days preceding the start of the financial year. Following the end of the four-year performance period, the granted performance share units are converted into a final number of performance share units according to a performance factor, which is determined according to the weighted target achievement for adjusted net income and the relative TSR. The payout amount for each performance share unit is equal to the volume-weighted average XETRA closing price of ProSiebenSat.1's shares over the 30 trading days preceding the end of the performance period, plus cumulative dividend payments over the performance period on the ProSiebenSat.1 share. The payout is limited to a maximum of 200% of the individual allotment value per tranche (cap). In the case of a settlement in own shares, the amount paid out is converted into a corresponding number of own shares of the Company issued to the beneficiary on the basis of the above average price.

HOW THE PERFORMANCE SHARE PLAN WORKS



1 Volume-weighted average XETRA closing price of ProSiebenSat.1's shares over the 30 trading days preceding the start of the performance period, rounded down to two decimal places.
2 Volume-weighted average XETRA closing price of ProSiebenSat.1's shares over the 30 trading days preceding the end of the performance period, rounded down to two decimal places, plus cumulative dividend payments on each share in ProSiebenSat.1.
3 Relative TSR of ProSiebenSat.1 Media SE's shares over the four-year performance period in comparison with STOXX Europe 600 Media companies.

ADJUSTED NET INCOME AT GROUP LEVEL

The adjusted net income at Group level is taken into account with a weighting of 50% in the Performance Share Plan. That is, 50% of the final number of performance share units are dependent on the average target achievement for the Group adjusted net income over the four-year performance period.

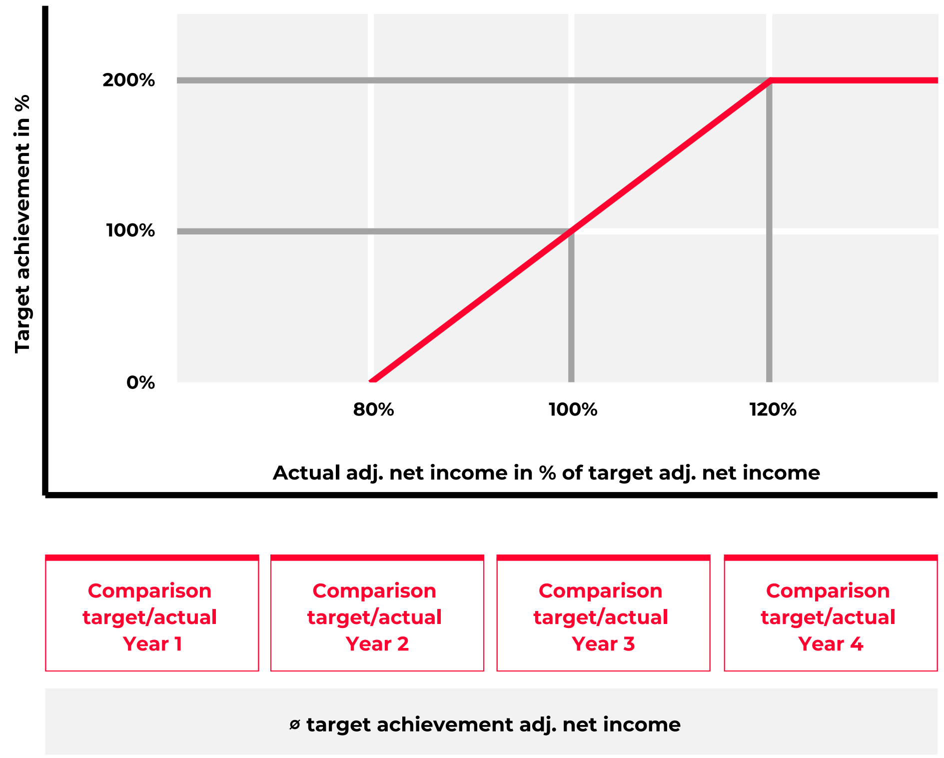
The average annual target achievement of the adjusted net income of the four-year performance period is used to determine the target achievement for the Group's adjusted net income at the end of the term of a tranche. The adjusted net income target value for each of the financial years within the performance period is set annually by the Supervisory Board in EUR and is derived from budget planning for ProSiebenSat.1 Group. The financial effects of operational and strategic measures are reflected in the budget planning.

If required, the Group's actual adjusted net income reported by ProSiebenSat.1 Media SE is adjusted to determine the target achievement, adjustments being made e.g. for effects from significant changes in IFRS accounting and from the effects of M&A transactions (including related financing effects) carried out during the reporting period that are not included in the planning.

To measure the target achievement, the actual adjusted net income as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE, subject to the above adjustments, is compared with the target adjusted net income for the respective financial year.

If the actual adjusted net income corresponds to the target value, the target achievement is 100%. In the case of a negative deviation of 20% or more from the target adjusted net income, the target achievement is 0%. For the maximum target achievement of 200%, the actual adjusted net income must exceed the target adjusted net income by 20% or more. Intermediate values are interpolated in a straight line. The adjusted net income target achievement curve is symmetrical, which means that any underachievement or overachievement of the target is equally taken into account.

ADJUSTED NET INCOME TARGET ACHIEVEMENT CURVE

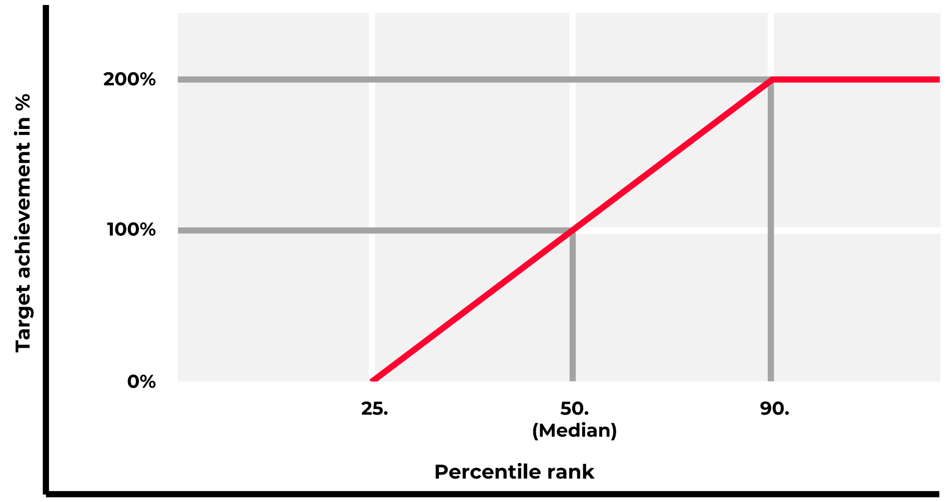


RELATIVE TOTAL SHAREHOLDER RETURN (TSR)

In addition, 50% of the final number of performance share units are dependent on the relative TSR of ProSiebenSat.1 Media SE's shares over the four-year performance period, compared with STOXX Europe 600 Media companies. The companies in this index represent the relevant comparative values for the purpose of classifying the stock return of ProSiebenSat.1 share relative to the stock return of these companies in the selected comparative index. The TSR of the ProSiebenSat.1 share and the shares of the peer companies are ranked and the relative positioning of ProSiebenSat.1 Media SE is expressed on the basis of the percentile rank achieved.

If the relative TSR achieved by ProSiebenSat.1 Media SE corresponds to the median (50th percentile) of the peer group, the target achievement is 100%. When positioned at or below the 25th percentile, the target achievement is 0%. Maximum target achievement of 200% requires that at least the 90th percentile is reached. Intermediate values are interpolated in a straight line for both positive and negative deviations.

RELATIVE TSR TARGET ACHIEVEMENT CURVE



1 Relative TSR of ProSiebenSat.1 Media SE's shares over the four-year performance period in comparison with STOXX Europe 600 Media companies.

PAYMENT DATE

Each respective tranche of the Long-Term Incentive is paid out or settled, as the case may be, in the following year, after the audited and approved Consolidated Financial Statements for the final financial year of the four-year performance period become available.

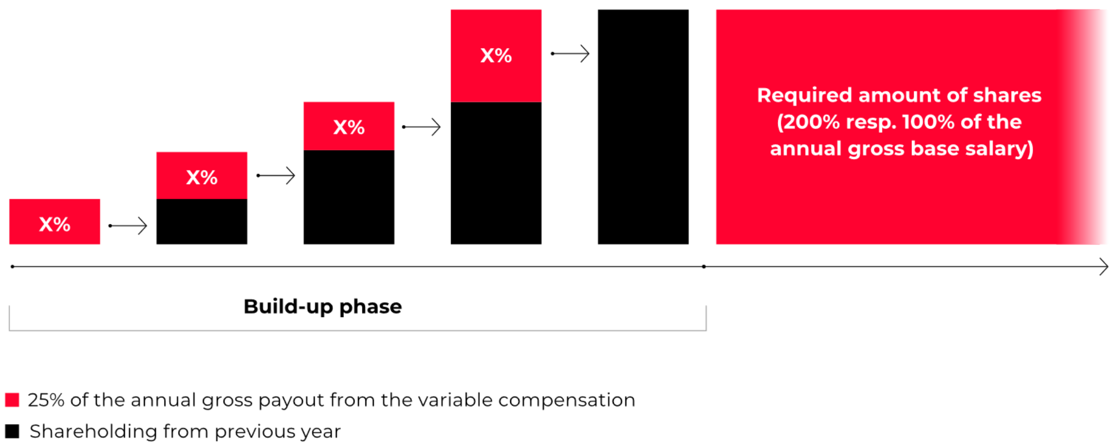
MAXIMUM COMPENSATION

In addition to the limits on the individual variable compensation components, the compensation system approved by the Annual General Meeting on June 1, 2021, provides for maximum compensation determined by the Supervisory Board in accordance with Section 87a (1) sentence 2 no. 1 AktG, which encompasses all compensation components. This maximum amount is EUR 7,500,000 for the Group CEO/Chairman of the Executive Board and EUR 4,500,000 for the other Executive Board members. The maximum compensation limits the sum of the disbursements of all compensation components resulting from a financial year and constitutes the maximum permissible limit within the compensation system. As adherence to the maximum compensation depends on the receipts from the multi-year performance-based compensation (Performance Share Plan), it can only be reported on after the end of the respective four-year performance period. Although this maximum compensation is not yet applicable to the compensation in the financial year 2021, the contractually promised target compensation for the financial year 2021 and the limits on the variable compensation ensure that the determined maximum compensation cannot be exceeded.

OBLIGATIONS TO ACQUIRE AND HOLD SHARES IN THE COMPANY (SHARE OWNERSHIP GUIDELINES)

In order to strengthen the equity culture and bring the interests of the Executive Board and shareholders into even greater alignment, obligations to acquire and hold shares in the Company were introduced for the members of the Executive Board. Each Executive Board member is obliged to acquire shares in ProSiebenSat.1 Media SE with a value totaling 100% (200% in the case of a Group CEO) of the annual basic compensation and to hold these shares at least until the end of their appointment as a member of the Executive Board. Until the required levels are reached, the Executive Board members are obliged to invest at least 25% of the annual gross payout from the Short-Term Incentive (Performance Bonus) and the Long-Term Incentive (Performance Share Plan) in ProSiebenSat.1 shares.

SHARE OWNERSHIP GUIDELINES



The Executive Board members have met their respective purchase obligations as of December 31, 2021. Rainer Beaujean already voluntarily fulfilled his total investment obligation directly upon joining the Company. For Wolfgang Link and Christine Scheffler, this applied for the first time when the Performance Bonus for 2020 was paid out in the financial year 2021. An overview of the amounts invested as of December 31, 2021, is given below:

INDIVIDUALIZED SHAREHOLDINGS OF THE EXECUTIVE BOARD AS OF DECEMBER 31, 2021

Member of the Executive Board	Number of shares	Investment at acquisition date	Investment obligation as of December 31, 2021[1]	Total investment obligation
Rainer Beaujean	195,152	2,498,471 €	261,625 €	1,400,000 €
Wolfgang Link	8,860	152,294 €	90,000 €	800,000 €
Christine Scheffler	5,958	99,304 €	72,000 €	715,000 €

1 Sum of 25% of the annual gross payouts from variable compensation since the beginning of the respective build-up phase.

Claw-Back Regulations; Deferment of Variable Compensation Components/Damage Compensation

In the context of recommendation G.11 of the GCGC in the version dated December 16, 2019, the Executive Board contracts for the members in office contain claw-back regulations under which the Company can reclaim Performance Bonuses that have already been paid if the relevant Consolidated Financial Statements subsequently prove to be inaccurate in a way that impacts the determination of the amount of the Performance Bonus for the respective financial year. The claw-back option was not utilized in the financial year 2021.

Moreover, all variable compensation components for Executive Board members in the compensation system are forward-looking and are not paid out until after the end of the plan term. Until then, they also reflect negative value risks at the expense of the variable compensation.

Finally, the respective employment contracts clearly state that potential claims on the part of the Company against Executive Board members from Section 93 (2) of the Stock Corporation Act are unaffected. According to this provision, Executive Board members who neglect their duties are obliged to compensate the Company for the resulting damage as joint and several debtors.

Commitments in the Event of Termination of Executive Board Employment

REGULAR TERMINATION

If an Executive Board member's employment is terminated, any remaining variable compensation components attributable to the period up until contract termination are paid based on the originally agreed targets and only after the end of the regular performance periods.

PREMATURE TERMINATION WITHOUT GOOD CAUSE

If the employment contracts of Executive Board members are terminated prematurely by the Company without good cause within the meaning of Section 626 of the German Civil Code, these contracts provide for a severance payment amounting to two years' worth of total compensation as defined by recommendation G.13 GCGC in the version dated December 16, 2019. However, this may not exceed the amount of compensation that would have been paid until the end of the contract period.

PREMATURE TERMINATION IN THE EVENT OF A CHANGE OF CONTROL

The contracts of Executive Board members contain change of control clauses in the event of a change of control at the Company. A change of control as defined in the agreements of the Executive Board members takes place (i) if control is acquired within the meaning of takeover law pursuant to §§ 10, 29, 30, 35, 39 of the German Securities Acquisition and Takeover Act (WpÜG), i.e. at least 30% of the voting rights in the Company are acquired by the acquirer, (ii) if the merger of the Company is implemented with the Company as the transferring legal entity pursuant to §§ 2 et. seq. or §§ 122a et. seq. of the German Transformation of Companies Act (UmwG), or (iii) if a control agreement pursuant to § 291 German Stock Corporation Act (AktG) (also in connection with a profit and loss transfer agreement) comes into force with the Company as the dependent entity. In the event of a change of control, Executive Board members had the right until September 30, 2021, inclusively, to terminate their employment contract with three months' notice at the end of the month and resign from the Executive Board if the change of control significantly affects the position of these Executive Board members. If this right of termination had been exercised, the Executive Board members would have received a payment in cash that would have been added in full to any waiting allowances. Compensation in cash would have corresponded to three – or in the case of Wolfgang Link and Christine Scheffler, two – years' compensation, but would not have exceeded the compensation for the remainder of the employment contract discounted to the termination date. When determining this cash settlement, fixed compensation for the last financial year that Executive Board members are contractually entitled to, the Performance Bonus, multi-annual compensation components and pension contributions are to be regarded as annual compensation. The change of control clause was not applied in the financial year 2021.

The new Executive Board compensation system, which was approved by a broad majority of around 96% at the Annual General Meeting on June 1, 2021, will be applied to new contracts and contract extensions effective in the financial year 2022. The change of control clause was adjusted so that Executive Board members are no longer entitled to a severance payment if the special right of termination is exercised following a change of control.

POST-CONTRACTUAL NON-COMPETITION CLAUSE

A post-contractual non-competition clause was agreed for all Executive Board members covering one year following the termination of the employment contract.

If the post-contractual non-competition clause applies, Executive Board members receive a monthly waiting allowance for the duration of the post-contractual non-competition agreement, which in each case amounts to 1/12 of 75% of the annual compensation amount most recently received. In order to determine the waiting allowance, the sum of basic compensation, the Performance Bonus and, if applicable, additional multi-annual compensation components that have been granted are to be regarded as annual compensation. This calculation assumes a target achievement of 100% and a modifier of 1 for the Performance Bonus and the allocated amount of multi-year compensation components or, if no annual allocation has been made, the pro rata allocated value attributable to one year of the plan term. Any income generated from work performed while the non-competition clause is in force is to be offset against in the waiting allowance – based on a one-year period – if it exceeds 50% of the annual compensation most recently obtained. The Company may waive the non-competition clause before the end of the agreement. In this case, the Executive Board member is entitled to a waiting allowance only for the period between the end of the agreement and the end of a six-month period after the waiver has been received. Sections 74 ff. of the German Commercial Code also apply accordingly.

The following table shows the net present value of compensation to be paid in connection with the post-contractual non-competition clause. This consists of the present value of the amounts that would be paid assuming that Executive Board members were to leave the Company at the end of the term of their respective current contracts and that the contractual benefits received immediately before the termination of their contracts equal their most recent annual compensation. It can be assumed that actual compensation resulting from the post-contractual non-competition clause will differ from the amounts presented in this table. This depends on the exact date on which the employment contract is terminated and the level of compensation received on this date.

WAITING ALLOWANCE
in EUR thousand

	Duration of the contract	**Net present value of the waiting allowance[1]**
Rainer Beaujean[2]	06/30/2022	2,623.7
Wolfgang Link	03/31/2023	1,496.6
Christine Scheffler	03/31/2023	1,337.6
Total		**5,457.9**

1 The following discount rates according to IAS 19 were used for this calculation: Rainer Beaujean 0.10%, Wolfgang Link 0.18% and Christine Scheffler 0.18%.
2 On December 16, 2021, Rainer Beaujean's Executive Board contract was extended by five years effective July 1, 2022. Taking into account the new contract term and compensation, this would result in a waiting allowance of EUR 2.9 million as of December 31, 2021.

COMPENSATION FOR SUPERVISORY BOARD POSTS

If an Executive Board member receives compensation for holding Supervisory Board posts at affiliated entities, this compensation is included. All entities in which ProSiebenSat.1 Media SE holds a stake are considered affiliated entities. In the financial year 2021, the Executive Board members received no compensation for holding Supervisory Board posts at affiliated entities.

INDIVIDUAL COMPENSATION OF THE EXECUTIVE BOARD FOR THE FINANCIAL YEAR 2021

Target Compensation

The following individual target compensation levels and breakdowns were determined for Executive Board members in office in the financial year 2021. The one-year and multi-year variable compensation shown in the table is based on a theoretical target achievement of 100%.

TARGET COMPENSATION

	Rainer Beaujean				Wolfgang Link[1]				Christine Scheffler[1]			
	Chairman of the Executive Board & CFO				Member of the Executive Board & CEO Seven.One Entertainment Group				Member of the Executive Board & Chief Human Resources Officer			
	(member of the Executive Board since July 2019)				(member of the Executive Board since March 2020)				(member of the Executive Board since March 2020)			
	2021		2020		**2021**		2020		**2021**		2020	
	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %
Basic compensation	1,400.0	37%	1,295.0	37%	800.0	37%	600.0	37%	683.8	37%	480.0	37%
+ fringe benefits	24.0	1%	26.5	1%	8.8	0%	6.2	0%	5.0	0%	1.5	0%
= total fixed compensation	**1,424.0**	**38%**	**1,321.5**	**38%**	**808.8**	**37%**	**606.2**	**37%**	**688.8**	**37%**	**481.5**	**37%**
+ annual variable compensation												
Performance Bonus for 2020	—	—	647.5	19%	—	—	300.0	18%	—	—	240.0	18%
Performance Bonus for 2021	700.0	18%	—	—	400.0	18%	—	—	341.9	19%	—	—
+ multi-year variable compensation												
Performance Share Plan (2020-2023)	—	—	1,295.0	37%	—	—	600.0	37%	—	—	480.0	37%
Performance Share Plan (2021-2024)	1,400.0	37%	—	—	800.0	37%	—	—	683.8	37%	—	—
+ Company pension service cost	272.9	7%	193.4	6%	153.9	7%	127.2	8%	124.8	7%	103.2	8%
= total compensation	**3,796.9**	**100%**	**3,457.4**	**100%**	**2,162.7**	**100%**	**1,633.4**	**100%**	**1,839.2**	**100%**	**1,304.7**	**100%**

1 Wolfgang Link and Christine Scheffler were appointed as members of the Executive Board effective March 26, 2020; their employment contracts came into force as of April 1, 2020.

COMPENSATION GRANTED AND OWED

In accordance with Section 162 (1) AktG, the following table presents the compensation granted and owed in the financial year 2021. In order to ensure congruence between the published business results of the financial year 2021 and the resulting compensation ("pay for performance"), the variable compensation components are based on the compensation owed for performance in the financial year 2021, regardless of the actual timing of receipt. Therefore, the Performance Bonus for 2021 and the Performance Share Plan 2018 are presented here, because the performance was completed in the financial year 2021 even though the payout will not be made until the financial year 2022. The service cost for the Company pension is shown in an additional sum as total compensation, even though it is not compensation granted and owed in the narrower sense.

COMPENSATION GRANTED AND OWED

	Rainer Beaujean Chairman of the Executive Board & CFO (member of the Executive Board since July 2019)				Wolfgang Link[1] Member of the Executive Board & CEO Seven.One Entertainment Group (member of the Executive Board since March 2020)				Christine Scheffler[1] Member of the Executive Board & Chief Human Resources Officer (member of the Executive Board since March 2020)			
	2021		2020		**2021**		2020		**2021**		2020	
	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %	in EUR thousand	in %
Basic compensation	1,400.0	50%	1,295.0	62%	800.0	50%	600.0	62%	683.8	50%	480.0	62%
+ fringe benefits	24.0	1%	26.5	1%	8.8	1%	6.2	1%	5.0	0%	1.5	0%
= total fixed compensation	**1,424.0**	**50%**	**1,321.5**	**63%**	**808.8**	**50%**	**606.2**	**63%**	**688.8**	**50%**	**481.5**	**63%**
+ annual variable compensation												
Performance Bonus for 2020	—	—	777.0	37%	—	—	360.0	37%	—	—	288.0	37%
Performance Bonus for 2021	1,400.0	50%	—	—	800.0	50%	—	—	683.8	50%	—	—
+ multi-year variable compensation												
Group Share Plan (2017-2020)	—	—	—	—	—	—	—	—	—	—	—	—
Performance Share Plan (2018-2021)	—	—	—	—	—	—	—	—	—	—	—	—
= total compensation granted and owed (in accordance with Section 162 AktG)	**2,824.0**	**100%**	**2,098.5**	**100%**	**1,608.8**	**100%**	**966.2**	**100%**	**1,372.6**	**100%**	**769.5**	**100%**
+ Company pension service cost	272.9	—	193.4	—	153.9	—	127.2	—	124.8	—	103.2	—
= total compensation	**3,096.9**	**—**	**2,291.9**	**—**	**1,762.7**	**—**	**1,093.4**	**—**	**1,497.4**	**—**	**872.7**	**—**

1 Wolfgang Link and Christine Scheffler were appointed as members of the Executive Board effective March 26, 2020; their employment contracts came into force as of April 1, 2020.
2 The members of the Executive Board in office in the financial year 2021 did not participate in the Group Share Plan 2017 or the Performance Share Plan 2018.

All fixed and variable compensation components of the Executive Board members correspond to the compensation system valid in the financial year 2021.

Variable Compensation – Detailed Disclosure on Target Achievement

PERFORMANCE BONUS

The Performance Bonus is calculated on the basis of the target achievement (0% - 200%) identified for the financial year for EBITDA and FCF, both at Group level, and a modifier (0.8 to 1.2) for the assessment of the individual and collective performance of the Executive Board members. The final payment is capped at a maximum of 200% of the individual target amount agreed in each employment contract.

The Supervisory Board has determined the following target achievement for the financial year 2021 with regard to EBITDA and FCF, each with a weighting of 50%:

TARGET PARAMENTERS FOR PERFORMANCE BONUS 2021 IN EUR M

	Weighting	0% target value	**100% target value**	200% target value	Actual value in FY 2021 (before adjustment)	**Actual value in FY 2021 (adjusted)**	Target achievement
EBITDA at Group level	50%	637.3	708.1	779.0	804.3	814.3	200.0%
Free cash flow (FCF) at Group level	50%	70.2	93.6	117.1	275.1	276.1	200.0%
Weighted target achievement	**100%**						**200.0%**

To calculate target achievement for the financial year 2021 for the target parameters of EBITDA at Group level and FCF at Group level, the Supervisory Board primarily adjusted for material reconciling items from M&A activities, especially the disposals of the portfolio companies Amorelie and Gravitas Ventures.

For the modifier in the financial year 2021, the Supervisory Board set the achievement of ProSiebenSat.1 Group return on capital employed (P7S1 ROCE) of 10.6% and as an ESG target the reduction of CO_2 emissions by 15% compared with 2019 as collective targets for the Executive Board members. In addition, the achievement of external revenues of EUR 4,407.8 million was agreed as an individual target for Rainer Beaujean, the achievement of external revenues in the Entertainment segment of EUR 2,345.8 million as an individual target for Wolfgang Link, and the implementation of measures and effectiveness review with regard to the compliance management system as an individual target for Christine Scheffler.

On the basis of the audited and approved Consolidated Financial Statements and after evaluation of individual performance, the Supervisory Board set the modifier for adjusting the Performance Bonus at 1.2 for Rainer Beaujean, at 1.2 for Wolfgang Link, and at 1.2 for Christine Scheffler.

TARGET ACHIEVEMENT MODIFIER 2021

Member of the Executive Board	Targets	Weighting	Modifier-Range			Target achievement	Target achievement modifier
			0.8	1.0	1.2		
Rainer Beaujean	Return on capital employed	33.3%	9.0%	10.6%	12.2%	14.1%	1.2
	Reduction of CO_2 emissions	33.3%	10.0%	15.0%	20.0%	57.0%	1.2
	External revenues at Group level in EUR m	33.3%	4,187.4	4,407.8	4,628.2	4,497.8	1.1
Wolfgang Link	Return on capital employed	33.3%	9.0%	10.6%	12.2%	14.1%	1.2
	Reduction of CO_2 emissions	33.3%	10.0%	15.0%	20.0%	57.0%	1.2
	External revenues of the Entertainment segment in EUR m	33.3%	2,228.5	2,345.8	2,463.1	2,524.2	1.2
Christine Scheffler	Return on capital employed	33.3%	9.0%	10.6%	12.2%	14.1%	1.2
	Reduction of CO_2 emissions	33.3%	10.0%	15.0%	20.0%	57.0%	1.2
	Compliance management system	33.3%	Not introduced	Implementation of measures after risk analysis and start of effectiveness review	Fully introduced	Fully introduced	1.2

Taking the target achievement for EBITDA and FCF and the modifier into account results in the following overall target achievement for the Performance Bonus in the financial year 2021:

TOTAL TARGET ACHIEVEMENT PERFORMANCE BONUS 2021

Member of the Executive Board	Target value in EUR thousand	Target achievement EBITDA at Group level	Target achievement free cash flow (FCF) at Group level	Modifier	Total target achievement	Payout amount in EUR thousand
Rainer Beaujean	700.0	200.0%	200.0%	1.2	200.0%	1,400.0
Wolfgang Link	400.0	200.0%	200.0%	1.2	200.0%	800.0
Christine Scheffler	341.9	200.0%	200.0%	1.2	200.0%	683.8

PERFORMANCE SHARE PLAN

The Performance Share Plan was granted to the Executive Board members for the first time in the financial year 2018 and replaced the Group Share Plan, which acted as the Long-Term Incentive up to and including for the financial year 2017. The members of the Executive Board in office in the financial year 2021 did not participate in the Group Share Plan 2017 or the Performance Share Plan 2018. A new tranche of the Performance Share Plan was granted to the Executive Board members in the financial year 2021. Target achievement is measured based on adjusted net income at Group level as well as the relative total shareholder return (TSR), each with a weighting of 50%. The value performance of the resulting number of performance share units is dependent on the absolute share price performance of the ProSiebenSat.1 share and the dividend payments over the performance period.

The 2018 tranche's performance period ends at the end of the financial year 2021. The following target achievements were defined for adjusted net income at Group level and relative TSR:

TARGET PARAMETERS FOR PERFORMANCE SHARE PLAN 2018

in EUR m

	Weighting	0% target value	**100% target value**	200% target value	Actual value in FY 2021 (before adjustment)	**Actual value in FY 2021 (adjusted)**	Target achievement
adjusted net income at Group level	50%						
2018		447.7	559.6	671.5	540.8	546.6	88.4%
2019		332.0	415.0	498.0	386.7	388.0	67.5%
2020		216.4	270.5	324.6	221.3	202.8	0.0%
2021		197.9	247.4	296.9	362.3	363.4	200.0%
Weighted target achievement adjusted net income							89.0%
Relative total shareholder return (TSR)	50%	25th percentile rank	50th percentile rank	90th percentile rank	11th percentile rank	—	0.0%
Weighted total target achievement	**100%**						**44.5%**

The target achievement for adjusted net income equals the average annual target achievement for the four financial years of the respective plan term. As of the end of 2021, the Performance Share Plans from 2018 (with the performance period 2018 to 2021), from 2019 (with the performance period 2019 to 2022), from 2020 (with the performance period 2020 to 2023), and from 2021 (with the performance period 2021 to 2024) are outstanding. The respective target achievement is 88% for the financial year 2018 (for Performance Share Plan 2018), 68% for the financial year 2019 (for Performance Share Plans 2018 and 2019), 0% for the financial year 2020 (for Performance Share Plans 2018, 2019, and 2020), and 200% for the financial year 2021 (for Performance Share Plans 2018, 2019, 2020, and 2021). The relative TSR takes account of the share price development over the four-year performance period and cannot be measured until the end of the four-year performance period.

The final target achievement with regard to adjusted net income at Group level and relative TSR for the four-year performance period of the 2019, 2020, and 2021 Performance Share Plans cannot be calculated until after the end of the final financial year of the respective four-year performance period.

The following table shows an overview of the tranches of the Performance Share Plan running in the financial year 2021:

OVERVIEW OF THE GRANTED TRANCHES OF THE PERFORMANCE SHARE PLAN (PSP)

						Determination of payout amount				
		Fair value at the grant date in EUR thousand	Target value in EUR thousand	Starting price of ProSiebenSat.1 share	Number of performance share units granted conditionally	Total target achievement[1]	Final number of performance share units	Closing price of ProSiebenSat.1 share	Total dividends paid	Payout amount in EUR thousand
PSP 2018 (01/01/2018 - 12/31/2021)	Max Conze	857.5	857.5	24.90 €	34,438	44.5%	15,319	13.65 €	3.61 €	264.4
	Conrad Albert	1,100.0	1,100.0		44,177		19,650			339.2
	Dr. Jan Kemper	980.0	980.0		39,358		17,507			302.2
	Sabine Eckhardt	810.0	810.0		32,531		14,470			249.8
	Jan David Frouman	810.0	810.0		32,531		14,470			249.8
PSP 2019 (01/01/2019 - 12/31/2022)	Rainer Beaujean	490.0	490.0	16.91 €	28,977	The performance period of the 2019 tranche ends on December 31, 2022.				
	Max Conze	1,470.0	1,470.0		86,931					
	Conrad Albert	1,100.0	1,100.0		65,051					
	Jan David Frouman	810.0	810.0		47,901					
PSP 2020 (01/01/2020 - 12/31/2023)	Rainer Beaujean[2]	980.0	980.0	13.59 €	72,112	The performance period of the 2020 tranche ends on December 31, 2023.				
		315.0	315.0	8.67 €	36,333					
	Wolfgang Link[3]	600.0	600.0		69,205					
	Christine Scheffler[3]	480.0	480.0		55,364					
	Conrad Albert	366.7	366.7	13.59 €	26,981					
PSP 2021 (01/01/2021 - 12/31/2024)	Rainer Beaujean	1,400.0	1,400.0	13.10 €	106,871	The performance period of the 2020 tranche ends on December 31, 2023.				
	Wolfgang Link	800.0	800.0		61,069					
	Christine Scheffler	683.8	683.8		52,195					

1 Total target achievement is derived from the adjusted net income at Group level and the relative total shareholder return, each weighted at 50%.
2 Following the adjustment of compensation during the year, the relevant share price was calculated as of March 31, 2020.
3 Wolfgang Link and Christine Scheffler also have PSUs from work performed before they joined the Executive Board. These were not granted as compensation for their role on the Executive Board and are thus not included in the overview.

OTHER COMPENSATION COMPONENTS

The Company has granted neither loans nor provided guarantees or warranties to the members of the Executive Board. The Executive Board members received no payments from third parties.

COMPENSATION GRANTED AND OWED TO FORMER EXECUTIVE BOARD MEMBERS

The compensation granted and owed for former members of the Executive Board in the financial year 2021 amounted to EUR 2.5 million (previous year: EUR 10.1 million). This included the payment of 183,035 performance share units from the Performance Share Plan 2018 in the amount of EUR 1.4 million (previous year: EUR 1.3 million), which comprised the following: EUR 0.3 million for Max Conze, EUR 0.3 million for Conrad Albert, EUR 0.3 million for Dr. Jan Kemper, EUR 0.2 million for Sabine Eckhardt and EUR 0.2 million for Jan David Frouman. In addition, pension benefits of EUR 1.1 million (previous year: EUR 0.8 million) were paid to former Executive Board members, of which EUR 0.5 million to Thomas Ebeling. This amount includes pension benefits from deferred compensation of EUR 0.4 million. Another EUR 0.6 million was paid to former Executive Board members who left the Company more than ten years ago and whose information is therefore disclosed not personalized in accordance with Section 162 (5) AktG. This amount includes pension benefits from deferred compensation of EUR 0.2 million. As of December 31, 2021, pension provisions for former members of the Executive Board in accordance with IFRS amounted to EUR 30.4 million (previous year: EUR 27.9 million).

COMPENSATION OF THE SUPERVISORY BOARD

Structure and Components of Supervisory Board Compensation

The compensation of the Supervisory Board is governed by article 14 of the articles of incorporation of ProSiebenSat.1 Media SE, the current version of which was adopted by the Annual General Meeting on May 21, 2015. According to the German Act for the Implementation of the Second Shareholder Rights Directive (ARUG II) and the revised Section 113 (3) AktG, listed companies must pass a new resolution on the compensation of Supervisory Board members at least every four years. The resolution confirming the compensation for the members of the Supervisory Board was passed by a broad majority of around 99% at the Annual General Meeting on June 1, 2021.

In line with the predominant market practice at listed companies in Germany, the compensation of the Supervisory Board members consists purely of fixed compensation plus an attendance fee. There are no performance-based components. The Executive Board and Supervisory Board believe that purely fixed compensation is best suited to strengthening the Supervisory Board's independence and fulfilling the Supervisory Board's advisory and controlling function, which must performed independently of the Company's success. The level and design of the Supervisory Board compensation ensures that the Company is able to obtain qualified candidates for membership of the Company's Supervisory Board; the Supervisory Board compensation thus makes an ongoing contribution to the advancement of the business strategy and the long-term development of the Company. The compensation arrangement also follows in particular recommendation G.17 and suggestion G.18 sentence 1 GCGC in the version dated December 16, 2019, which state, firstly, that the compensation of Supervisory Board members should take appropriate account of the larger time commitment of the chairperson and the deputy chairperson of the Supervisory Board as well as the chairperson and the members of committees and, secondly, that Supervisory Board compensation should be fixed compensation.

Members of the Supervisory Board receive fixed annual compensation for each full financial year of their membership of the Supervisory Board. The fixed compensation amounts to EUR 250,000 for the chairperson of the Supervisory Board, EUR 150,000 for the vice chairperson and EUR 100,000 for all other members of the Supervisory Board. The chairperson of a Supervisory Board committee receives additional annual compensation of EUR 30,000; the additional annual compensation for the chairperson of the Audit and Finance Committee amounts to EUR 50,000. Members of the Supervisory Board also receive fixed annual compensation of EUR 7,500 for membership in a Supervisory Board committee. In addition, members of the Supervisory Board receive a meeting honorarium of EUR 2,000 for each meeting attended in person. For the chairman of the Supervisory Board, the meeting honorarium amounts to EUR 3,000 for each meeting attended in person. If multiple meetings are held on one day, the meeting honorarium is paid only once. No performance-based variable compensation is granted.

The current members of the Supervisory Board have declared to the Supervisory Board that they voluntarily undertake to each use 20% of their fixed compensation granted on a yearly basis in accordance with article 14 (1) and (2) of the articles of incorporation (before deduction of taxes) in order to purchase shares in ProSiebenSat.1 Media SE every year, and to hold these for a period of four years which, however, shall not exceed the duration of their membership on the Supervisory Board of ProSiebenSat.1 Media SE; if they are re-elected, the obligation to hold these shares shall apply to their individual terms of office. With this self-commitment to invest in and hold ProSiebenSat.1 shares, the members of the Supervisory Board want to underline their interest in the long-term, sustainable success of the Company.

COMPENSATION GRANTED AND OWED TO THE SUPERVISORY BOARD FOR THE FINANCIAL YEAR 2021 IN ACCORDANCE WITH SECTION 162 (1) AKTG

in EUR thousand

		Fixed basic compensation	Presiding Committee compensation	Audit and Finance Committee compensation	Compensation Committee compensation	Meeting honorarium for personal attendance	Total
Dr. Werner Brandt Chairman	**2021**	**250.0**	**30.0**	**0.0**	**30.0**	**57.0**	**367.0**
	2020	250.0	30.0	0.0	30.0	69.0	379.0
Dr. Marion Helmes Deputy Chairwoman	**2021**	**150.0**	**30.0**	**7.5**	**7.5**	**38.0**	**233.0**
	2020	150.0	30.0	7.5	7.5	46.0	241.0
Lawrence A. Aidem	**2021**	**100.0**	**7.5**	**0.0**	**7.5**	**28.0**	**143.0**
	2020	100.0	7.5	0.0	5.6	32.0	145.1
Adam Cahan[1]	**2021**	**86.7**	**0.0**	**0.0**	**0.0**	**20.0**	**106.7**
	2020	100.0	0.0	0.0	0.0	24.0	124.0
Angelika Gifford[2]	**2021**	—	—	—	—	—	—
	2020	3.6	0.0	0.3	0.3	0.0	4.1
Erik Huggers	**2021**	**100.0**	**0.0**	**0.0**	**0.0**	**24.0**	**124.0**
	2020	100.0	0.0	0.0	0.0	26.0	126.0
Marjorie Kaplan	**2021**	**100.0**	**7.5**	**0.0**	**0.0**	**24.0**	**131.5**
	2020	100.0	7.5	0.0	0.0	26.0	133.5
Dr. Antonella Mei-Pochtler[3]	**2021**	**100.0**	**7.5**	**7.5**	**0.0**	**30.0**	**145.0**
	2020	71.6	4.2	4.2	0.0	20.0	100.0
Ketan Mehta	**2021**	**100.0**	**7.5**	**0.0**	**0.0**	**26.0**	**133.5**
	2020	100.0	7.5	0.0	0.0	28.0	135.5
Prof. Dr. Rolf Nonnenmacher	**2021**	**100.0**	**0.0**	**50.0**	**7.5**	**38.0**	**195.5**
	2020	100.0	0.0	50.0	7.5	46.0	203.5
Total	**2021**	**1,086.7**	**90.0**	**65.0**	**52.5**	**285.0**	**1,579.2**
	2020	1,075.2	86.7	61.9	50.9	317.0	1,591.7

1 Member of the Supervisory Board until November 12, 2021.
2 Member of the Supervisory Board until January 13, 2020.
3 Member of the Supervisory Board since April 13, 2020.

In addition to this fixed annual compensation and meeting honoraria, the members of the Supervisory Board were reimbursed for all out-of-pocket expenses and value-added tax levied on their compensation and out-of-pocket expenses.

D&O insurance covers the personal liability risk should Board members be made liable for financial losses when exercising their functions. No deductible has been agreed for members of the Supervisory Board.

Compensation or benefits for services rendered in person, in particular for advisory and agency services, were not granted to Supervisory Board members in the financial year 2021. The Company has granted no loans to members of the Supervisory Board.

All compensation components of the Supervisory Board members correspond to the compensation system valid in the financial year 2021.

COMPARISON OF ANNUAL CHANGE IN THE COMPENSATION AND EARNINGS DEVELOPMENT OF THE COMPANY

The following table compares the percentage change in the compensation of the members of the Executive Board and the Supervisory Board with the earnings development of ProSiebenSat.1 Group and with the average compensation of employees on the basis of full-time equivalents versus the previous year. The compensation of Executive Board members included in the table is based on the compensation granted and owed for performance in the respective financial year, regardless of the actual timing of receipt. For the members the Executive Board, the values for the financial year 2021 equal the values stated in the "Compensation Granted and Owed" table in accordance with Section 162 (1) sentence 1 AktG. If members of the Executive Board and Supervisory Board received only pro rata compensation in individual financial years, for example due to entry or departure during the year, the compensation for this financial year is accordingly presented pro rata. In these cases, the significance of the percentage change is thus very limited, since different periods and thus compensation receipts are being compared.

The earnings development is mainly presented on the basis of the performance criteria relevant for the performance-based Executive Board compensation.

The comparison with the development of the average employee compensation is based on the average target compensation of employees, including senior management, employed in Germany, primarily at the Unterföhring site, as of December 31 of the respective financial year. This peer group was also referenced in the last review of the appropriateness of Executive Board member compensation by an external compensation consultant. In order to ensure comparability, the compensation of part-time workers was extrapolated to full-time equivalents.

COMPARISON OF EARNINGS DEVELOPMENT AND CHANGE IN THE COMPENSATION OF EMPLOYEES AND THE EXECUTIVE BOARD

Financial year	**2021**	2020	Change 2021 vs. 2020 in %
1. Earnings development (in EUR m)			
EBITDA at Group level	804.3	801.0	0.4%
Adjusted EBITDA at Group level	840.2	705.7	19.1%
Free cash flow at Group level	275.1	235.3	16.9%
Adjusted operating free cash flow at Group level	599.3	424.1	41.3%
Adjusted net income at Group level	362.3	221.3	63.8%
Return on capital employed (P7S1 ROCE) at Group level	14.1%	10.5%	34.3%
Net income in accordance with HGB	517.0	118.6	335.9%
2. Average employee compensation (in EUR thousand)			
Employee average[1]	76.0	76.7	−0.9%
3a. Executive Board compensation of current members (in EUR thousand)			
Rainer Beaujean (since July 2019, Chairman of the Executive Board since March 2020)[2]	2,824.0	2,098.5	34.6%
Wolfgang Link (since March 2020)[3]	1,608.8	966.2	66.5%
Christine Scheffler (since March 2020)[3]	1,372.6	769.5	78.4%
3b. Executive Board compensation of former members (in EUR thousand)			
Max Conze (from June 2018 to March 2020)[4]	264.4	1,143.2	−76.9%
Conrad Albert (from October 2011 to April 2020)	339.2	934.8	−63.7%
Dr. Jan Kemper (from June 2017 to March 2019)	302.2	286.2	5.6%
Sabine Eckhardt (from January 2017 to April 2019)	249.8	286.2	−12.7%
Jan David Frouman (from March 2016 to February 2019)	249.8	190.8	30.9%
Christof Wahl (from May 2016 to July 2018)	—	190.8	—

1 The negative change in 2021 versus 2020 is mainly due to the composition of the entities analyzed as of December 31, 2021, and their salary structures.
2 Rainer Beaujean was appointed as Chairman of the Executive Board effective March 26, 2020; his salary adjustment came into force as of April 1, 2020.
3 Wolfgang Link and Christine Scheffler were appointed as members of the Executive Board effective March 26, 2020; their employment contracts came into force as of April 1, 2020.
4 Max Conze left the Executive Board effective March 26, 2020; his employment contract ended effective May 31, 2020.

COMPARISON OF EARNINGS DEVELOPMENT AND CHANGE IN THE COMPENSATION OF EMPLOYEES AND THE SUPERVISORY BOARD

Financial year	2021	2020	Change 2021 vs. 2020 in %
1. Earnings development (in EUR m)			
EBITDA at Group level	804.3	801.0	0.4%
Adjusted EBITDA at Group level	840.2	705.7	19.1%
Free cash flow at Group level	275.1	235.3	16.9%
Adjusted operating free cash flow at Group level	599.3	424.1	41.3%
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Return on capital employed (P7S1 ROCE) at Group level	14.1%	10.5%	34.3%
Net income in accordance with HGB	517.0	118.6	335.9%
2. Average employee compensation (in EUR thousand)			
Employee average[1]	76.0	76.7	−0.9%
3a. Supervisory Board compensation of current members (in EUR thousand)			
Dr. Werner Brandt (since June 2014)	367.0	379.0	−3.2%
Dr. Marion Helmes (since June 2014)	233.0	241.0	−3.3%
Lawrence A. Aidem (since June 2014)	143.0	145.1	−1.4%
Adam Cahan (until November 2021)	106.7	124.0	−14.0%
Erik Huggers (since June 2014)	124.0	126.0	−1.6%
Marjorie Kaplan (since May 2018)	131.5	133.5	−1.5%
Dr. Antonella Mei-Pochtler (since April 2020)	145.0	100.0	45.0%
Ketan Mehta (since November 2015)	133.5	135.5	−1.5%
Prof. Dr. Rolf Nonnenmacher (since May 2015)	195.5	203.5	−3.9%
3b. Supervisory Board compensation of former members (in EUR thousand)			
Angelika Gifford (until January 2020)	—	4.1	—

1 The negative change in 2021 versus 2020 is mainly due to the composition of the entities analyzed as of December 31, 2021, and their salary structures.

OUTLOOK TO COMPENSATION IN THE FINANCIAL YEAR 2022

The new Executive Board compensation system, which was approved by a broad majority of around 96% at the Annual General Meeting on June 1, 2021, will be applied to new contracts and contract extensions effective in the financial year 2022. On December 6, 2021, the Supervisory Board decided to extend Rainer Beaujean's Executive Board contract by five years effective July 1, 2022, and to appoint him as Group CEO effective January 1, 2022. In addition, Ralf Peter Gierig became the new Group CFO of ProSiebenSat.1 Media SE effective January 1, 2022.

A full description of the new system has also been published on the Company's website.
→ www.prosiebensat1.com

The material changes are described below:

Among other things, the new compensation system defines maximum compensation for Executive Board members, expands the existing claw-back regulation, and adds a malus regulation to the variable compensation. Following the revision, the financial performance targets for the variable compensation were also adjusted to the current Group strategy. These are in line with the strategic objective of continuous value enhancement of ProSiebenSat.1 Group. In addition, relevant and simultaneously quantifiable ESG targets were integrated as separate sub-components of the Short-Term Incentive into the Executive Board compensation system, where they replace the previous modifier for non-financial targets. The change of control clause was adjusted so that Executive Board members are no longer entitled to a severance payment if the special right of termination is exercised following a change of control.

The graphic below provides and overview of individual compensation and other contractual components in comparison with the previous Executive Board compensation system:

COMPARISON OF THE COMPENSATION SYSTEM

Previous compensation system		New compensation system
Non-Performance-Based (fixed) Compensation		
– Fixed base salary which corresponds to the area of activity and responsibility of the respective Executive Board member and is paid in monthly installments.	**Base salary**	– Fixed base salary which corresponds to the area of activity and responsibility of the respective Executive Board member and is paid in monthly installments.
– Non-performance-based fringe benefits in the form of provision of a company car, group accident insurance, insurance policy contributions, as well as occasionally flights home.	**Fringe benefits**	– Non-performance-based fringe benefits in the form of provision of a company car, group accident insurance, insurance policy contributions, as well as occasionally flights home.
– Defined contribution plan: Annual payment into a pension account in the amount of 20% of the gross base salary. – Payout either as a monthly retirement payment or as a one-off retirement payment (after reaching the age of 62).	**Company pension scheme**	– Defined contribution plan: Annual payment into a pension account in the amount of 20% of the gross base salary. – Payout either as a monthly retirement payment of as a one-off retirement payment (after reaching the age of 62).
Performance-Based (variable) Compensation		
	Short Term Incentive (STI)	
– Target bonus system	**Type of plan**	– Target bonus system
– 1 year	**Performance period**	– 1 year
– 50%: EBITDA (target achievement 0% - 200%). – 50%: Free cash flow (target achievement 0% - 200%). – Modifier: 0.8 – 1.2 for individual targets and team targets.	**Performance targets**	– 40%: adjusted EBITDA (target achievement 0% - 200%). – 40%: adjusted Operating FCF (target achievement 0% - 200%). – 20%: ESG targets (target achievement 0% - 200%).
– In cash after the end of the financial year (cap: 200% of the target amount).	**Payout**	– In cash after the end of the financial year (cap: 200% of target amount).
	Long-Term Incentive (LTI)	
– Performance Share Plan	**Type of plan**	– Performance Share Plan
– 4 years	**Performance period**	– 4 years
– 50%: adjusted net income (target achievement 0% - 200%). – 50%: relative TSR compared to the STOXX Europe 600 Media Index (target achievement 0% - 200%).	**Performance targets**	– 70%: P7S1 ROCE (target achievement 0% - 200%). – 30%: relative TSR compared to the STOXX Europe 600 Media Index (target achievement 0% - 200%).
– In cash after the end of the performance period of the respective tranche (cap: 200% of the allocation amount).	**Payout**	– In cash after the end of the performance period of the respective tranche (cap: 200% of the allocation amount).
Further Contractual Components		
– Full or partial reclaim of compensation already paid out under the STI in case of an incorrect consolidated financial statement.	**Malus- and Clawback-provisions**	– Full or partial reduction of unpaid variable compensation (STI and LTI) and also reclaim of variable compensation already paid out in the event of material compliance violations and an incorrect consolidated financial statement.
– 100% of the gross base salary.	**Share Ownership Guidelines**	– 200% of the gross base salary for the Chairman of the Executive Board. – 100% of the gross base salary for the other members of the Executive Board.
– No maximum compensation.	**Maximum compensation**	– EUR 7,500,000 for the Chief Executive Officer/Chairman of the Executive Board. – EUR 4,500,000 for the Ordinary Members of the Executive Board.
– Limitation of severance commitments in the event of premature termination of Executive Board contact without good cause to the amount of two years' total compensation (severance cap), but not exceeding the amount of compensation that would have been paid until the end of the contract period. – Change of control clause: Entitlement to a severance payment in the event of termination in the context of a change of control.	**Commitments in the event of termination of Executive Board employment**	– Limitation of severance commitments in the event of premature termination of Executive Board contact without good cause to the amount of two years' total compensation (severance cap), but not exceeding the amount of compensation that would have been paid until the end of the contract period. – Change of control clause: Non entitlement to severance payment in the event of a change control.

Unterföhring, March 1, 2022

On behalf of the Executive Board

Rainer Beaujean
Chairman of the Executive Board (Group CEO)

Ralf Peter Gierig
Member of the Executive Board & Chief Financial Officer (Group CFO)

On behalf of the Supervisory Board

Dr. Werner Brandt
Chairman of the Supervisory Board

TAKEOVER-RELATED DISCLOSURES[3]

As a publicly traded company whose voting shares are listed in an organized market as defined by Section 2 (7) of the German Securities Acquisitions and Takeover Act (WpÜG), ProSiebenSat.1 Media SE is obliged to disclose the information stipulated in Section 315a (1) of the German Commercial Code (HGB) in the Group Management Report. The disclosures are intended to enable a third party interested in taking over a publicly traded company to inform itself about the company, its structure, and any obstacles to the takeover. In addition to these statutory disclosures, the following section also includes the related explanations in accordance with Section 176 (1) Sentence 1 of the German Stock Corporation Act (AktG) in conjunction with Article 9 (1) lit. c) ii) SE Regulation.

COMPOSITION OF THE SUBSCRIBED CAPITAL

As of December 31, 2021, the share capital of ProSiebenSat.1 Media SE amounted to EUR 233,000,000. It is divided into 233,000,000 no-par registered common shares with a pro rata share in the share capital of EUR 1.00 per share. All shares entail the same rights and obligations. Each share in ProSiebenSat.1 Media SE grants one vote at the Annual General Meeting and an identical share in profits.

→ Organization and Group Structure

As of December 31, 2021, the total number of treasury shares held by the Company was 6,694,738; this corresponds to 2.9% of the share capital.

→ Financial Performance of the Group

RESTRICTIONS AFFECTING VOTING RIGHTS OR THE TRANSFER OF SHARES, AND SHAREHOLDINGS THAT EXCEED 10% OF THE VOTING RIGHTS

The Executive Board has no information on any restrictions on the exercise of voting rights or the transferability of shares that go beyond general regulatory requirements, especially of the law governing the capital market and competition as well as the media laws of the German federal states.

In accordance with Section 63 Sentence 1 of the German Interstate Media Treaty (MStV), the competent state media authority must be notified in writing of any planned change in participating interests or other influences prior to their implementation. The competent state media authority may confirm that no objections exist to such changes only if a license could still be issued under such changed conditions. If a planned change is implemented to which confirmation pursuant to Section 63 Sentence 3 MStV has not been given, the license necessary for the operation of national TV stations pursuant to Section 52 MStV shall be revoked.

Checks will be made for the impermissible participation of domestic or foreign state institutions, their legal representatives or political parties, as well as compliance with the rules for ensuring diversity of opinion in broadcasting (Sections 53 and 60 et seq. MStV).

For minor changes in participating interests or other influences, the body responsible for the state media authorities in this matter pursuant to Section 105 (3) MStV – the Commission on

3 This section is part of the audited Group Management Report.

Concentration in the Media (KEK) – has provided for the following exceptions: Pursuant to Section 2 in conjunction with Section 3 of KEK's Reporting Obligation Directive, changes in participating interests are minor if they are effected by acquisition, disposal, or in any other way with less than 5% of capital or voting rights.

This does not apply if (1) the participating threshold reaches, exceeds or falls below the 25%, 50% or 75% threshold, (2) an increase or decrease in a notified shareholding interest of at least 5% is effected by one or more consecutive transactions, or (3) a shareholding in a listed stock corporation reaches or exceeds 5%, and the exceeding of this threshold has not already been reported within the preceding twelve months (see Section 5 of the Reporting Obligation Directive).

The German federal states intend to reform media concentration legislation. In the states' Broadcasting Commission, there is a working group developing proposals for an amendment of the German Interstate Media Treaty, while amendments are also being made to the states' individual media laws. The aim is to further strengthen the pluralistic media system.

On the basis of the voting rights notifications according to Sections 33 and 34 of the German Securities Trading Act (WpHG) received by the Company by December 31, 2021, the following investments in the Company exceed 10% of the voting rights:

MFE-MEDIAFOREUROPE N.V., Amsterdam, Netherlands ("MFE-MediaForEurope") holds 19.11% of the shares with voting rights, partly directly and partly indirectly via Mediaset España Comunicación, S.A., Madrid, Spain ("Mediaset España Comunicación").

Due to its direct and indirect investments in MFE-MediaForEurope and in Mediaset España Comunicación, Finanziaria d'investimento Fininvest S.p.A., Milan, Italy ("Finanziaria d'investimento Fininvest") is attributed an indirect investment of 19.11% of the shares with voting rights.

Due to his direct and indirect investments in Finanziaria d'investimento Fininvest, in MFE-MediaForEurope, and in Mediaset España Comunicación, Silvio Berlusconi, born September 29, 1936, is in turn attributed an indirect investment within the meaning of Section 34 of the German Securities Trading Act (WpHG) of 19.11% of the shares with voting rights according to the voting rights notification dated December 3, 2021.

In addition, Silvio Berlusconi indirectly holds instruments within the meaning of Section 38 (1) of the German Securities Trading Act (WpHG) amounting to 4.58% of the voting rights via the entities named above.

According to the voting rights notifications received by the Company by February 15, 2022, pursuant to sections 33 and 34 of the German Securities Trading Act (WpHG), the level of the aforementioned shareholdings has changed compared with the reporting date of December 31, 2021; according to these notifications, Silvio Berlusconi holds an indirect shareholding within the meaning of section 34 of the German Securities Trading Act (WpHG) amounting to 21.61% via the aforementioned companies and instruments within the meaning of section 38 (1) of the German Securities Trading Act (WpHG) amounting to 2.29% of the voting rights indirectly also via the aforementioned companies. The attributions of direct and indirect shareholdings correspond to the presentation as of the reporting date December 31, 2021.

SHARES WITH SPECIAL RIGHTS THAT CONFER CONTROLLING POWERS AND VOTING CONTROL IF EMPLOYEES HOLD A CAPITAL SHARE

No shares with special rights that confer controlling powers have been issued.

There is no control over voting rights in the event that employees hold a capital share of ProSiebenSat.1 Media SE and do not exercise their controlling rights directly.

APPOINTMENT AND REMOVAL OF EXECUTIVE BOARD MEMBERS

In accordance with Section 7 (1) Sentence 1 of the Company's articles of incorporation, the Executive Board of ProSiebenSat.1 Media SE comprises one or several people. The exact number is determined by the Supervisory Board in accordance with Section 7 (1) Sentence 2 of the articles of incorporation. Members of the Executive Board are in principle appointed and removed by the Supervisory Board as the supervisory body in accordance with Article 39 (2) SE Regulation. In accordance with Section 7 (2) Sentence 1 of the articles of incorporation in conjunction with Article 46 SE Regulation, Executive Board members are appointed for a maximum period of five years. Reappointments are permitted for a maximum of five years respectively. Executive Board members can be removed by the Supervisory Board prematurely for major cause. The appointment and removal of Executive Board members require a simple majority of the votes cast in the Supervisory Board. In the event of a tie, the vote of the Chairman of the Supervisory Board shall prevail (Article 12 (1) Sentence 3 of the Company's articles of incorporation). In urgent cases, the court shall appoint a member at the request of one of the parties involved if the Executive Board does not have the required number of members (Section 85 (1) Sentence 1 AktG in conjunction with Article 9 (1) lit. c) ii) SE Regulation).

AMENDMENTS OF THE ARTICLES OF INCORPORATION

The Annual General Meeting must generally decide on changes to the articles of incorporation (Article 59 (1) SE Regulation). In the case of ProSiebenSat.1 Media SE, a resolution by the Annual General Meeting to change the articles of incorporation requires the simple majority of the votes cast if at least half of the share capital entitled to vote is represented when the resolution is being passed (Article 59 (2) SE Regulation, Section 51 Sentence 1 of the German SE Implementation Act (SEAG)). Otherwise, this requires a majority of two thirds of the votes cast (Section 59 (1) SE Regulation) unless the articles of incorporation or the law require a greater majority. For example, this is the case for changing the purpose of the Company (Section 179 (2) Sentence 1 AktG in conjunction with Article 59 (1) and (2) SE Regulation and Section 51 Sentence 2 of the German SE Implementation Act) and creating Contingent Capital (Section 193 (1) Sentences 1 and 2 AktG in conjunction with Article 57 SE Regulation, Section 51 Sentence 2 of the German SE Implementation Act) or Authorized Capital (Section 202 (2) Sentences 2 and 3 AktG in conjunction with Article 57 SE Regulation, Section 51 Sentence 2 of the German SE Implementation Act) for which a majority of at least three quarters of the valid votes cast is required respectively. The Supervisory Board is authorized to pass amendments that relate solely to the wording of the articles of incorporation (Section 179 (1) Sentence 2 AktG in conjunction with Article 9 (1) lit. c) ii) SE Regulation and Section 13 of the Company's articles of incorporation).

EXECUTIVE BOARD'S POWERS TO ISSUE OR REPURCHASE SHARES

In accordance with section 71 (1) no. 8 of the German Stock Corporation Act (AktG), the Annual General Meeting of June 12, 2019, authorized the Company, with the approval of the Supervisory Board, to acquire, in accordance with the more detailed conditions of the authorization, its treasury shares on or before June 11, 2024 (inclusive), in the total amount of up to 10.0% of the Company's share capital on the date the authorization was granted or – if this figure is lower – on the date the authorization is exercised, and to use these, also under exclusion of preemptive rights in the cases described in more detail in the authorization. Treasury shares may also be acquired using derivatives up to a total of 5.0% of the share capital on the date the authorization was granted or – if this figure is lower – on the date the authorization is exercised in accordance with the more detailed conditions of the authorization. No treasury shares were acquired in the financial year 2021.

By resolution of the Annual General Meeting of June 1, 2021, the Executive Board was authorized, subject to the consent of the Supervisory Board, to increase the share capital of ProSiebenSat.1

Media SE on one or more occasions on or before May 31, 2026 (inclusive), by not more than EUR 46,600,000.00 in return for contributions in cash and/or in kind by issuing new registered no-par value shares (Authorized Capital 2021). Subject to the consent of the Supervisory Board, the Executive Board is authorized to determine the further content of the share rights and the conditions of the share issue. The dividend rights of the new shares can also be designed in deviation from Section 60 (2) of the German Stock Corporation Act (AktG); in particular, the new shares can also be given dividend rights from the start of the financial year preceding their issue if, on the date the new shares are issued, the Annual General Meeting has not yet passed a resolution on the allocation of profits from this financial year. Shareholders shall generally be granted the statutory preemptive right to the new shares. The preemptive rights can be entirely or partially designed as indirect preemptive rights within the meaning of Section 186 (5) Sentence 1 of the German Stock Corporation Act (AktG). However, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' preemptive rights in accordance with the more detailed conditions of the authorization if the shares issued on the basis of Authorized Capital 2021 excluding the shareholders' preemptive rights do not exceed a total of 10% of the share capital either at the effective date or at the exercise date of the authorization to exclude preemptive rights.

By resolution of the Annual General Meeting of June 30, 2016, the Executive Board was authorized, subject to the consent of the Supervisory Board, to increase the share capital of ProSiebenSat.1 Media SE on one or more occasions on or before June 30, 2021 (inclusive), by not more than EUR 87,518,880 in return for contributions in cash and/or in kind by issuing new registered no-par value shares (Authorized Capital 2016). Following the capital increase in November 2016 resulting from the partial utilization of Authorized Capital in the amount of EUR 14,202,800, Authorized Capital 2016 amounted to EUR 73,316,080. Authorized Capital 2016, if unutilized, was repealed by resolution of the Annual General Meeting of June 1, 2021, with effect from the date the amendment of the articles of incorporation to create Authorized Capital 2021 was registered with the commercial register.

By resolution of the Annual General Meeting of June 1, 2021, the Executive Board was authorized, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or warrant-linked bonds in the total nominal amount of up to EUR 800,000,000.00 with a limited or unlimited term, on one or more occasions on or before May 31, 2026 (inclusive), and to grant conversion or option rights to the holders or creditors of such bonds in order to acquire up to 23,300,000 new registered no-par value shares in the Company in the pro rata amount of up to EUR 23,300,000.00 of the Company's share capital as specified in more detail in the terms and conditions of the bonds and/or to stipulate the corresponding conversion rights of the Company ("2021 authorization").

By resolution of the Annual General Meeting of June 30, 2016, the Executive Board was also authorized, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or warrant-linked bonds in the total nominal amount of up to EUR 1.5 billion with a limited or unlimited term, on one or more occasions on or before June 29, 2021 (inclusive), and to grant conversion or option rights to the holders or creditors of such bonds in order to acquire up to 21,879,720 new registered no-par value shares in the Company in the pro rata amount of up to EUR 21,879,720 of the Company's share capital as specified in more detail in the terms and conditions of the bonds and/or to stipulate the corresponding conversion rights of the Company ("2016 authorization"). The 2016 authorization, which the Company did not utilize, was repealed with effect from the effective date of the 2021 authorization.

By resolution of the Annual General Meeting on June 1, 2021, there was a contingent increase in share capital by up to EUR 23,300,000.00 due to the issuance of up to 23,300,000 new registered no-par value shares (Contingent Capital 2021). The Contingent Capital increase serves to grant shares to holders or creditors of convertible bonds in addition to holders of option rights attached to warrant-linked bonds to be issued before May 31, 2026 (inclusive), as a result of the authorization granted by resolution of the Annual General Meeting of June 1, 2021, by the Company or by a domestic/foreign entity in which the Company either directly or indirectly holds the majority of votes and capital.

By resolution of the Annual General Meeting on June 30, 2016, there was a contingent increase in share capital by up to EUR 21,879,720 due to the issuance of up to 21,879,720 new registered no-par value shares (Contingent Capital 2016). The Contingent Capital increase serves to grant shares to holders or creditors of convertible bonds in addition to holders of option rights attached to warrant-linked bonds to be issued before June 29, 2021 (inclusive), as a result of the authorization granted by resolution of the Annual General Meeting of June 30, 2016, by the Company or by a domestic/foreign entity in which the Company either directly or indirectly holds the majority of votes and capital. Contingent Capital 2016 was likewise repealed by resolution of the Annual General Meeting of June 1, 2021, with effect from the date the 2016 authorization was repealed.

SIGNIFICANT AGREEMENTS OF THE COMPANY SUBJECT TO A CHANGE OF CONTROL, PURSUANT TO SECTION 315A SENTENCE 1 NO. 8 HGB

ProSiebenSat.1 Media SE concluded the following significant agreements that entail regulations for the event of a change of control, which could result from a takeover bid:

- ProSiebenSat.1 Media SE has a syndicated facilities agreement which, as of December 31, 2021, includes a term loan of EUR 1.2 billion (previous year: EUR 2.1 billion) and a revolving credit facility with an amount of EUR 750 million. In the event of a change of control over ProSiebenSat.1 Media SE due to the direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media SE by a third party, the lenders are entitled to terminate their participation in the facility and to demand repayment of outstanding amounts allocable to them within a certain period after the change of control takes place.
  → Borrowings and Financing Structure
- In 2016, ProSiebenSat.1 Media SE issued promissory notes totaling EUR 500 million with maturity ranges of seven years (EUR 225 million at a fixed interest rate and EUR 50 million at a variable interest rate) and ten years (EUR 225 million at a fixed interest rate). In the reporting period, the Company issued another promissory notes totaling EUR 700 million with maturity ranges of four years (EUR 115.5 million at a fixed interest rate and EUR 110.5 million at a variable interest rate), six years (EUR 193 million at a fixed interest rate and EUR 153 million at a variable interest rate), eight years (EUR 46 million at a fixed interest rate and EUR 34 million at a variable interest rate) and ten years (EUR 48 million at a fixed interest rate). In the event of a change of control over ProSiebenSat.1 Media SE due to the direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media SE by a third party, the lenders are entitled to terminate their loan participation and demand repayment.
  → Borrowings and Financing Structure
- In the reporting year, ProSiebenSat.1 Media SE had access to a program on the Luxembourg stock exchange for issuing debt securities with a framework volume of up to EUR 2.5 billion. No bonds have been issued under the program to date. If bonds are issued, they may contain a change of control agreement. Such a change-of-control agreement can give creditors the right to demand repurchase of the bonds in the event of a change in control of ProSiebenSat.1 Media SE of more than 50% of the voting rights by a third party and the occurrence of a negative rating event.
- In addition, some license agreements for films, TV series and other programs that are important for the Company include regulations that, in the event of a change of control, entitle the provider of the program content to terminate the corresponding license agreement prematurely. In addition, individual contracts with distribution platforms also grant the contract partner the right to terminate the respective agreements in the event of a change of control.

The contractual relationships underlying these matters have a total volume of around EUR 1.1 billion.

- There is a framework agreement between ProSiebenSat.1 Media SE and, among others, RTL Deutschland and its indirect Group subsidiary Ad Alliance GmbH ("Ad Alliance") with regard to the investment in d-force GmbH ("d-force"). Ad Alliance is entitled to extraordinary termination of the framework agreement if a third party directly or indirectly holds more than 50% of the shares and/or voting rights in ProSiebenSat.1 Media SE. Upon the termination taking effect, Ad Alliance shall cease to be a shareholder of d-force as soon as possible.

- ProSiebenSat.1 Media SE is also subject in particular to media concentration law and the relevant media laws of the German federal states, as described in the "Restrictions Affecting Voting Rights or the Transfer of Shares, and Shareholdings That Exceed 10% of the Voting Rights" section, which can result in requirements in the event of a change of control.

COMPANY'S COMPENSATION AGREEMENTS WITH EXECUTIVE BOARD MEMBERS OR EMPLOYEES FOR THE EVENT OF A CHANGE OF CONTROL

The employment contracts of Executive Board members generally contain a change of control clause in the event of a change of control at the Company. In the financial year 2021, in the event of a change of control Executive Board members had the right to terminate their employment contract with three months' notice at the end of the month and resign from the Executive Board if the change of control would have significantly affected the position of these Executive Board members. This right existed under the Executive Board employment contracts valid in the financial year 2021 up to and including September 30, 2021 and was not utilized in the financial year 2021. If this right of termination had been exercised effectively, the Executive Board member would have received cash compensation, the full amount of which would have been credited against any waiting allowance. The cash compensation would have corresponded to three – in the case of Wolfgang Link and Christine Scheffler two-years' compensation, but at most to the compensation for the remaining term of the service contract discounted to the termination date. For the purposes of the cash compensation, the annual compensation to be recognized is generally the sum contractually due to the Executive Board member for the last completed fiscal year, comprising the fixed compensation, the performance bonus, the multi-year compensation components and the addition to the pension plan. The new Executive Board compensation system, which was approved by a broad majority of around 96% at the Annual General Meeting on June 1, 2021, will apply to new contracts and contract extensions effective in the financial year 2022. The change of control clause has been amended to the effect that, in the event of the exercise of the special right of termination in the course of a change of control, the Executive Board member will no longer be entitled to payment of a severance package in the future. For more detailed information, please refer to the Compensation Report.
→ Compensation Report

Apart from that, the employment contracts of ProSiebenSat.1 Media SE employees only rarely included change of control clauses up to December 31, 2021, but these will cease to apply as of January 1, 2022.

PROSIEBENSAT.1 MEDIA SE SHARE

PROSIEBENSAT.1 MEDIA SE ON THE CAPITAL MARKET

The COVID-19 pandemic and its impact on the global economy and public life continued to dominate the development of the capital markets in 2021. The start of the new stock market year was initially very subdued due to high infection rates worldwide and associated lockdown measures. However, as vaccinations progressed, raising the prospect of improvement in the pandemic and economic situation, the stock markets in Germany then recorded a largely continuous rise, which – apart from a brief countermovement in September – persisted until mid-November. On November 17, 2021, the German leading index DAX reached a new all-time high of 16,251 points.

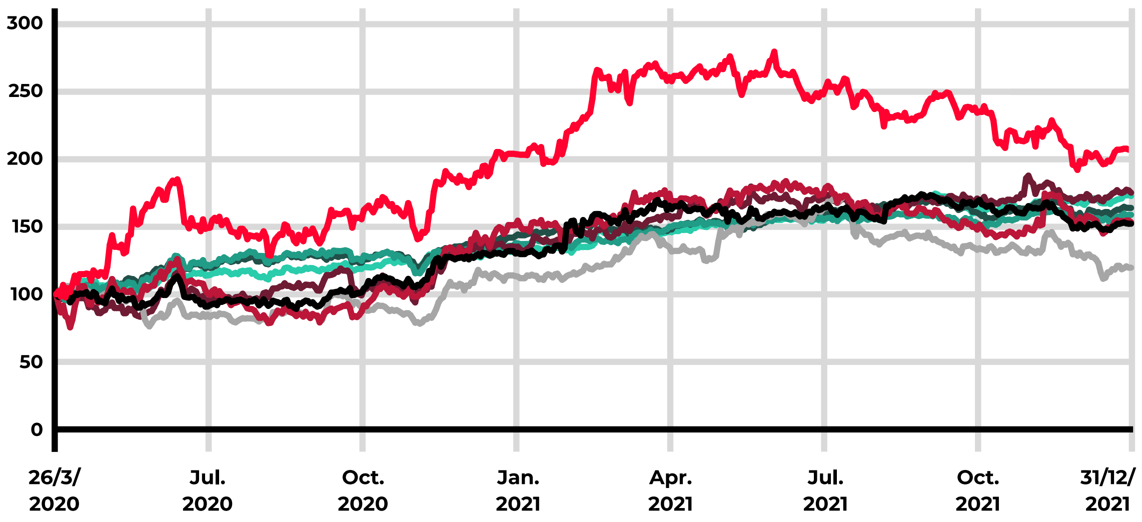
In November 2021, the MDAX, which includes the ProSiebenSat.1 Media SE share, was only slightly below its high of 36,276 points from September 2, 2021. However, with the emergence of the COVID-19 variant Omicron and the associated global uncertainty over its impact and another sharp rise in infection rates, stock markets came under pressure again from mid-November. Nevertheless, the DAX and the MDAX were up 15.8% and 14.1%, respectively, at the end of 2021 compared to the end of 2020. EuroStoxx Media, which includes TV companies as well as other media stocks in addition to TV companies, closed the stock market year 2021 up 30.4% compared to the end of 2020.

In this stock market environment, the performance of the ProSiebenSat.1 share was very positive in the first half of the year in view of a significant recovery in the advertising business and had even outperformed the benchmark indices by the end of July 2021. The share closed at EUR 16.78 on the last trading day of the first half of 2021 – an increase of 22.0% compared to the end of 2020 (December 31, 2020: EUR 13.76). In contrast, the second half of the year was volatile – cyclically sensitive stocks such as the ProSiebenSat.1 share were particularly affected, among other things, by macro indicators deteriorating due to the uncertainty about the impact of the new COVID-19 variant Omicron. Nevertheless, the ProSiebenSat.1 share closed at EUR 14.01 on the last trading day of 2021, up 1.9% compared to the year-end of 2020 (December 31, 2020: EUR 13.76). Including the dividend payment of EUR 0.49 per entitled share, the total shareholder return increased to 4.6% per ProSiebenSat.1 share in 2021 (previous year: -1.1%). The dividend yield based on the year-end share price in 2020 was 3.6% per ProSiebenSat.1 share.

As a broadly diversified digital group, ProSiebenSat.1 has come through the pandemic better than media companies with a strong TV focus. This is also shown by the share price performance in a two-year comparison. With the new Executive Board set-up on March 26, 2020, and a focused strategy, the ProSiebenSat.1 share significantly recovered from its then price of EUR 6.76 and its low of EUR 5.89 on March 18, 2020. Compared to March 26, 2020, the ProSiebenSat.1 share shows a gain of 107% at the end of 2021. The total share return for this period is 113%. The benchmark indices DAX, MDAX and EuroStoxx Media as well as the peer companies listed performed significantly weaker, with gains of between 20% and 75%.

→ Strategy and Objectives

PROSIEBENSAT.1 MEDIA SE SHARE PRICE PERFORMANCE



Base: Xetra closing prices, Index 100 = March 26, 2020; Source: Bloomberg.

KEY FIGURES FOR THE PROSIEBENSAT.1 MEDIA SE SHARE IN A MULTI-YEAR COMPARISON

		2021	2020	2019	2018	2017
Share capital at closing date	EUR	233,000,000	233,000,000	233,000,000	233,000,000	233,000,000
Number of shares as of closing date	Shares	233,000,000	233,000,000	233,000,000	233,000,000	233,000,000
Free float market capitalization at end of financial year (according to Deutsche Börse)	EUR m	2,488	2,421	2,900	3,734	6,502
Close at end of financial year (XETRA)	EUR	14.01	13.76	13.91	15.55	28.71
High (XETRA)	EUR	18.92	14.04	16.58	32.78	41.51
Low (XETRA)	EUR	13.00	5.89	10.76	15.16	24.28
Dividend per entitled share	EUR	–/–[1]	0.49	0,0[2]	1.19	1.93
Total dividend	EUR m	–/–[1]	111.0	0[2]	269	442
Adjusted earnings per share[3]	EUR	1.63	0.98	1.71	2.36	2,403
Adjusted net income[3]	EUR m	369	221	387	541	550
Weighted average number of shares issued	Shares	226,234,153	226,147,133	226,088,493	228,702,815	228,854,304
Dividend yield per share on basis of closing price	%	–/–[1]	3.6	0,0[2]	7.7	6.7
Total XETRA trading volume	Million shares	286.7	462.3	377.8	357.4	348.0

1 Dividend proposal, please refer to Company Outlook.
2 At the Annual General Meeting on June 10, 2020, the shareholders of ProSiebenSat.1 Media SE agreed to the Executive Board's and Supervisory Board's proposal to carry forward the full amount of the balance sheet profits of financial year 2019 to the new accounting period. This measure was part of stringent financial management in an environment affected by COVID-19. The Group thus secured additional liquidity of EUR 192 million, which was originally earmarked for the dividend distribution.
3 Underlying net income renamed as adjusted net income and underlying earnings per share as adjusted earnings per share since January 1, 2018.

ProSiebenSat.1 Group is consistently advancing its diversification. This is an increasingly decisive competitive advantage over traditional media companies and competitors with a pan-European focus. At the same time, ProSiebenSat.1 is growing sustainably and benefiting from the Group's synergistic positioning. Against this backdrop, 69% of analysts recommended the ProSiebenSat.1 share as a buy at the end of 2021, while 25% were in favor of holding the share. The analysts' average price target (median) was EUR 21.00. At the end of the reporting period, a total of 16 brokerage houses and financial institutions actively valued the ProSiebenSat.1 share and published research reports.

SHAREHOLDER STRUCTURE OF PROSIEBENSAT.1 MEDIA SE

ProSiebenSat.1 Media SE's shares are largely held by institutional investors from Europe and the US. As of December 31, 2021, the largest individual shareholders were MFE-MediaForEurope (formerly Mediaset N.V.), with registered office in Amsterdam, Netherlands, and its headquarters in Cologno Monzese, Italy, and Mediaset España Comunicación, Madrid, Spain. As of December 31, 2021, they held 19.1% of the shares with voting rights and 4.6% of the voting rights from instruments within the meaning of Section 38 (1) No. 1 and No. 2 of the German Securities Trading Act (WpHG), according to the voting rights notification dated December 3, 2021. Overall, this position decreased slightly by 0.5 percentage points compared with the end of the previous year. Another large shareholder is BlackRock, Inc., Wilmington, Delaware, USA ("BlackRock"), which according to the voting rights notification dated October 6, 2021, has a 3.0% stake in ProSiebenSat.1 Media SE.

In total, 78.0% of ProSiebenSat.1 shares were held in free float as of December 31, 2021 (December 31, 2020: 78.3%); this includes 23.4% that were held by private shareholders (December 31, 2020: 24.7%). 2.9% (6,694,738 shares) were held by ProSiebenSat.1 Group as treasury shares (December 31, 2020: 2.9%).

According to the voting rights notifications of January 14, and February 15, 2022, MFE-MediaForEurope N.V. and Mediaset España Comunicación increased their shareholding in ProSiebenSat.1 Media SE, in particular by exercising instruments, and now together hold 21.6% shares with voting rights and 2.3% voting rights from instruments within the meaning of Section 38 (1) no. 1 and no. 2 WpHG. As a result, the free float decreased to 75.5%.

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2020

The Annual General Meeting of ProSiebenSat.1 Media SE for the financial year 2020 was held as a virtual event on June 1, 2021. The event was held without the physical presence of the shareholders or their proxies in compliance with the COVID-19 Act passed by the German legislator[4]. All proposed resolutions requiring approval were accepted by a clear majority of the shareholders for each individual proposal. We would like to thank all our shareholders for their support.

The Group broadcast the public part of the Annual General Meeting as a live stream on the company's website. As in the past, the Executive Board and Supervisory Board answered the shareholders' questions. The debate itself took place via the online shareholder portal where all those entitled to vote could register. The shareholders had submitted a total of over 260 questions prior to the Annual General Meeting, some of which consisted of several individual questions. In addition, there was the possibility to ask follow-up questions during the debate. The Executive Board and Supervisory Board answered all of the submitted questions.

By a clear majority, the shareholders resolved to distribute a dividend of EUR 0.49 per dividend-entitled common share for the financial year 2020. This corresponds to 50% of adjusted net income and a total payout of EUR 111 million. Based on the closing price on December 31, 2020, the dividend yield was 3.6%. Based on the closing price on the day of the Annual General Meeting, June 1, 2021, the dividend yield amounts to 2.6%. The dividend was paid on June 7, 2021. ProSiebenSat.1 Media SE is thus continuing its general dividend policy and distributed a dividend despite the decline in advertising revenues and net income in the financial year 2020 as a result of the pandemic. In other agenda items, this year's Annual General Meeting also granted discharge to the Executive Board and Supervisory Board for the financial year 2020, approved the revised compensation system for Executive Board members, as well as the proposed capital authorizations, all by a clear majority. The

4 German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 pandemic of March 27, 2020.

high level of approval in the voting results underlines our shareholders' confidence in the Executive Board and ProSiebenSat.1 Group's strategy.

CAPITAL MARKET COMMUNICATION

In 2021, we continued to provide investors, analysts and private shareholders with extensive information about the Company's economic performance at numerous meetings, including roadshows and conferences. Due to the ongoing COVID-19 pandemic, dialog continued to take place virtually. Key points of the discussions – besides the business performance of ProSiebenSat.1 – were the Group's portfolio changes. Investors, analysts and private shareholders also focused increasingly on ESG (environment, social, governance) issues.

All relevant company information is published on the website at www.ProSiebenSat1.com in German and English in due time and on an ad-hoc basis if necessary. In addition, the Group provides capital market participants with audio recordings on the quarterly reporting; these can be found at:
→ www.prosiebensat1.com/en/investor-relations/publications/results

ESG RATINGS

We are aware of our corporate and social responsibility and see it as a holistic challenge. For ProSiebenSat.1 Group, success does not only mean increasing the economic results of the Group in the long-term. For us, success also means consistently developing the Group's sustainability performance and non-financial performance indicators. This includes our special responsibility in the media sector: With our programs, we make an important contribution to the plurality of opinion. We want to portray a cosmopolitan and democratic society and promote it above all through our platforms.

ProSiebenSat.1's non-financial performance in the environmental, social and governance fields is analyzed by various rating agencies. In 2021, we were assessed by ISS, MSCI and Sustainalytics, among others, as part of their ESG ratings.

We are continuously working to further develop the Group's sustainability strategy, improve the non-financial key figures and increase transparency towards our stakeholders. Against this background, the Supervisory Board has commissioned Ernst & Young Wirtschaftsprüfungsgesellschaft to audit the content of the Separate Non-Financial Report in order to obtain reasonable assurance regarding the legally required disclosures pursuant to §§ 315b, 315c in conjunction with 289b to 289e of the German Commercial Code (HGB).
→ Sustainability

GROUP MANAGEMENT REPORT

5 This section is part of the audited Group Management Report. It is included in the "To Our Shareholders" section of this Annual Report.

OVERALL ASSESSMENT FROM THE MANAGEMENT'S VIEW: OUR GROUP

Despite the ongoing COVID-19 pandemic, ProSiebenSat.1 Group again demonstrated the success and resilience of its business model in 2021. We made our portfolio even more focused and synergistic and grew dynamically and profitably as a Group even in this challenging environment. The advertising market in particular recovered faster than expected from the pandemic restrictions since the second quarter of 2021, with the result that we were able to increase our revenues here more significantly than assumed at the beginning of the year and to strengthen our market leadership. Synergies are at the core of our strategy: we are diversifying our business from a highly profitable entertainment business with strong cash flow. In doing so, we use our high reach as an investment currency, enabling us to market products from both our own consumer brands and our partners efficiently and without large cash investments to an audience of millions. As a result, we are not only very profitable, we also generate strong returns and can offer our shareholders an attractive dividend. In other words, we are not purely concentrating on revenue growth, but manage our business with a clear focus on earnings and cash flow. The attention is on consistent value enhancement, which is why the medium-term financial impact of our strategic projects is coming much more sharply into focus.

ORGANIZATION AND GROUP STRUCTURE

BUSINESS ACTIVITIES AND SEGMENTS

Corporate Profile and Business Activities

ProSiebenSat.1 Group is an innovative digital group based on three strong segments: Entertainment, Dating & Video, and Commerce & Ventures. In Germany, we are the number one in the audience and TV advertising markets, whereby our live and on-demand offerings complement each other synergistically. As a digital group, we also use this millions-strong reach and expertise in the Entertainment business to establish leading brands in other industries and to tap into digital revenue markets.

Since January 1, 2021, our business has been divided into three mutually reinforcing segments. In the Entertainment segment, we unite linear and digital entertainment platforms with the content, distribution and sales business. Our programming strategy focuses on local content, which we broadcast live and on-demand across all platforms in a targeted way. This strengthens our competitive position and sets us apart from multinational providers. The Dating & Video segment (formerly: Dating), which consists of ParshipMeet Group founded in 2020, offers a wide range of online dating platforms with the portfolio of the Parship Group and the business of The Meet Group. Here, we are concentrating on establishing a synergistic platform ecosystem for social entertainment, dating and online matchmaking and linking it with our existing entertainment portfolio. We bundle ProSiebenSat.1 Group’s investment areas in the Commerce & Ventures segment. Here, we use media services and the power of our brands to build digital consumer brands into market leaders. Our three segments are connected by a wide range of tangible synergies, with the media services of ProSiebenSat.1's platforms as the foundation of our strong Group.

→ Strategy and Management System

ProSiebenSat.1 has around 8,000 employees, who are driving the digital transformation of the entire Group with great commitment. ProSiebenSat.1 Media SE, headquartered in Munich-Unterföhring, is a listed stock corporation.

» **INFORMATION**

A detailed overview of the shareholding structure in ProSiebenSat.1 Group can be found in the following section of the Annual Report:

→ Notes to Consolidated Financial Statements, note 39 "List of subsidiaries and associated companies of ProSiebenSat.1 Group pursuant to section 313 (2) of the German Commercial Code (HGB)"

» **INFORMATION**

The management declaration in accordance with sections 289f, 315d HGB and the Compensation Report in accordance with section 162 AktG are published in the Annual Report and on the Company's website.

Segments and Brand Portfolio

The Entertainment segment forms the basis of our Company. At the same time, ProSiebenSat.1 Group relies in particular on the synergistic combination with the two other segments, Dating & Video and Commerce & Ventures:

→ Strategy and Management System → Significant Events and Changes in the Scope of Consolidation

Entertainment: With our 15 free and pay TV stations in Germany, Austria, and Switzerland, we address various target groups and reach over 60 million people a month in our core market of Germany. In addition, we have almost 11 million unique users on our online channels. In Germany, the station family comprising SAT.1, ProSieben, Kabel Eins, sixx, SAT.1 Gold, ProSieben MAXX, and Kabel Eins Doku leads both the audience and the TV advertising market. At the same time, the Group is boosting the reach of its digital portfolio and is continuing to expand its range of usage options. The aim is to reach various audience groups with video content regardless of time, location or device.

One example of this is the streaming platform Joyn GmbH ("Joyn"): Joyn is a central element of our digital strategy and the digital product for our video offerings – as an app for connected TV, smartphones or other devices. 15 content partners and over 70 stations make their content available here. Joyn offers access to all live TV offerings of the ProSiebenSat.1 station family, a comprehensive media library and exclusive previews and catch-ups of all formats. The Group will also continue to develop the Joyn brand in 2022: Over the course of the spring, all mobile apps and the ProSiebenSat.1 Group's apps for SmartTVs and streaming devices will be successively removed from the market and replaced by Joyn. At the same time, we are further expanding our content offering: For example, previews of our prime time formats will then also be available exclusively on Joyn. Viewers' demand for freely available content is great, so the streaming platform with up to 4 million unique users plays a central role in the exploitation of our content.

ProSiebenSat.1's digital offering also includes the digital media and entertainment company Studio71, which sells and distributes a broad portfolio of content creators on digital platforms such as YouTube, Facebook and Instagram, particularly addressing the young target group between 18 and 25 years. With this digital portfolio for a young audience, and especially thanks to the positioning of the ProSieben entertainment brand, which specifically targets younger viewers between 14 and 39 years, the Group's Entertainment business distinguishes itself from the competition.

ProSiebenSat.1 benefits from this media mix in both the audience and the advertising market. By addressing viewers via multiple platforms, we offer our advertising customers a cross-media sales portfolio, ensure the relevance of TV content even among young target groups, and boost viewer retention. With its subsidiaries Seven.One Media GmbH ("Seven.One Media") and Seven.One AdFactory GmbH ("Seven.One AdFactory"), the Group supports advertising customers and agencies from brainstorming to conception and implementation.

ProSiebenSat.1 Group pursues a cross-media strategy and actively promotes digitalization. Being able to offer targeted advertising and broadcast it according to socio-demographic criteria, for example, is another important success factor in the sales business. In this context, ProSiebenSat.1 will continue to invest in fields such as AdTech and data. Seven.One Entertainment Group brings this field together with all station brands and the content, distribution, and sales business under one roof.
→ Research & Development → Opportunity Report

ProSiebenSat.1's international program production and distribution business is pooled under the umbrella brand Red Arrow Studios GmbH ("Red Arrow Studios"). This consists of international production companies, including the German RedSeven Entertainment GmbH ("Redseven Entertainment"), the TV distribution firm Red Arrow Studios International and the digital media and entertainment company Studio71. The particular focus is the German-speaking production business with Redseven Entertainment, for example. In this way, Red Arrow Studios supports the Group's strategic goal to consistently increase the share of local programming produced in-house on ProSiebenSat.1's entertainment channels.

Dating & Video: With ParshipMeet Group, we cover a broad spectrum of the online dating market in line with the motto "Meet – Date – Love." ParshipMeet Group is also broadly diversified geographically: Dating platforms such as eharmony, Parship, ElitePartner and LOVOO help singles in North America, Europe and Australia to find a partner. Video-based social dating and entertainment apps such as MeetMe, Skout, Tagged and GROWLr enable their users to socialize and be entertained worldwide. In this way, ParshipMeet Group can make various customer groups a comprehensive offer for their search for friendships, flirting or love.

The portfolio is characterized by a classic platform business and is easily scalable. At the same time, the strong entertainment aspect provides significant potential for cooperation with our Entertainment segment. The revenue model is diversified and includes long- and short-term subscriptions as well as platform services and revenues from in-app purchases and marketing services in addition to distribution revenues. In particular, the live video streaming expertise of ParshipMeet Group strengthens our position in the dating business and opens up additional revenue potential. For example, we use our video-Platform-as-a-Service solution ("vPaaS"), which enables streamers to reach a broad audience across platforms, not only for our own offerings, but also make it available to third-party companies. Other applications are continuously reviewed across the Group and could likewise be licensed to third parties.

The Dating & Video segment with ParshipMeet Group emerged from a successful Commerce & Ventures business: The initial investment in the areas of online matchmaking was made via a media-for-revenue participation in Parship in 2012; in the following years, ProSiebenSat.1 acquired a majority stake and further online dating brands. In this context, ProSiebenSat.1 Group acquired The Meet Group in 2020, which synergistically complements the Parship Group portfolio and contributes significantly to the Group's revenue diversification.

Commerce & Ventures: We bundle our various investments in consumer-focused digital companies in the Commerce & Ventures segment. With a wide range of investment formats, we are able to support companies at various stages of growth, from seed financing and media-for-revenue and media-for-equity deals to strategic majority investments. The companies are united by a common foundation: We invest in digital firms that benefit from the reach of our platforms.

At the beginning of our value chain is SevenAccelerator, which belongs to our SevenVentures investment arm. At SevenVentures GmbH ("SevenVentures"), we support companies with our TV and digital reach via media-for-revenue or media-for-equity deals, and thus raise awareness of the consumer brands. In addition to these minority investments, this segment comprises strategic minority and majority investments by our investment vehicle SevenGrowth as well as the portfolio of the NCG - NUCOM GROUP SE ("NuCom Group"). With this focused lineup, ProSiebenSat.1 intends to further promote direct cooperation between shareholders and investees and thus make greater use of the synergy potential within the Group.

PROSIEBENSAT.1 GROUP SEGMENTS IN FINANCIAL YEAR 2021

ENTERTAINMENT

The Entertainment segment comprises the Seven.One Entertainment Group with our station brands and the content, distribution and sales business, as well as the production and distribution business of Red Arrow Studios and Studio71.

DATING & VIDEO[1]

In the Dating & Video segment, we cover a broad spectrum from social entertainment to dating and online matchmaking with ParshipMeet Group.

COMMERCE & VENTURES

In this segment, we bundle our investments in digital commerce companies with a strong consumer focus. We support these companies with our investment options at various stages of growth.

1 The Dating & Video segment was reported as the Dating segment in the first three quarters of 2021 and renamed Dating & Video in the fourth quarter.

CORPORATE STRUCTURE AND INVESTMENTS

The economic development of ProSiebenSat.1 Group is determined primarily by the subsidiaries, held both directly and indirectly. ProSiebenSat.1 Media SE is the ultimate parent company of the Group. In this function, its tasks include central financing, Group risk management and the ongoing development of the corporate strategy. These Consolidated Financial Statements include ProSiebenSat.1 Media SE and all significant subsidiaries – meaning entities in which ProSiebenSat.1 Media SE directly or indirectly holds a majority of voting rights, or whose relevant activities it is otherwise able to control.

→ Notes to Consolidated Financial Statements, note 4 "Scope of Consolidation"

STRATEGY AND MANAGEMENT SYSTEM

STRATEGY AND OBJECTIVES

ProSiebenSat.1 is an innovative digital group and the home of popular entertainment and digital consumer brands. Our Group's strategic focus is on a diversified Group portfolio consisting of three strong segments: Entertainment, Dating & Video, and Commerce & Ventures.

Our aim is to grow profitably in all three segments. To this end, we also make consistent use of the synergies between our three business areas based on our reach and media power. Thanks to our diversified revenue and earnings profile, we are becoming increasingly independent of traditional TV advertising revenues and thus strengthening the resilience of our business model. This has been clearly demonstrated during the COVID-19 pandemic.
→ Business Activities and Segments

The megatrend of digitalization is and will remain one of the determining factors for the development of our Company. Digitalization is changing our business areas and offering major opportunities. For example, media usage is becoming increasingly digital: Television content can be accessed regardless of time, device or location. TV sales benefits from modern technologies such as Addressable TV, which for example make it possible to broadcast TV advertising to internet-connected devices in real time and address target groups precisely. The digital transformation also continues to accelerate in the consumer markets in which ProSiebenSat.1 Group operates, driving the usage of online offerings. This also applies to the usage of online and live videos in sectors such as dating, which are growing in importance as a result of increasing digitalization.

The changes in the market environments are resulting in diverse opportunities for ProSiebenSat.1 Group, which are reflected in the Group's strategy.

What Drives Us

Empowering brands and creating moments that matter – this is the core of our Group and what drives us every day. We inform, entertain and connect people around the clock. We offer them products, services, and experiences that enrich their everyday lives. That's how we reach millions of people day to day.

We broadcast entertainment and information on all platforms – live and on-demand. In this way, we also make an important contribution to the formation and diversity of opinion. We use the wide reach of our entertainment offerings to make brands well known and create environments in which they can grow sustainably. This benefits not only our advertising customers' brands, but also our own consumer brands in the Dating & Video and Commerce & Ventures segments. Here, we invest in digital brands and business models as well as international platforms with long-term growth prospects and high synergy potential with our Entertainment segment.

Our investment currency of reach offers us the opportunity to market products efficiently to an audience of millions and to create new growth areas with low entrepreneurial risk. This investment strategy, combined with an attractive Entertainment business, strengthens our ROI (return on investment) as well as our dividend yield.

We want to be one of the leading digital first infotainment and entertainment providers in the German-speaking region (Germany, Austria, Switzerland) and use this strength to establish and expand global synergistic digital consumer platforms. The source of our synergies is our know-how regarding content, digital business models, platforms and consumer brands. We are thus promoting ProSiebenSat.1 Group's growth and value enhancement.

Entertainment Segment

In the Entertainment segment, we concentrate on the core markets of Germany, Austria and Switzerland. Here, we unite linear and digital entertainment platforms with the content, distribution and sales business.

Our ambition is to remain market leader for video content in the German-speaking region (Germany, Austria, Switzerland). To achieve this, we focus on the production of local, relevant content, which we increasingly produce ourselves and broadcast live and on demand across all platforms in a targeted way. In particular, the streaming platform Joyn and our digital media and entertainment company Studio71 play an important role for our growing digital reach.

With our digital focus, we are increasing our total reach and strengthening our opportunities for monetization. Primarily with modern, digital advertising products, we enable our advertising customers to address users in a targeted manner, which secures us additional revenue potential.

In this way, we create a future-proof, profitable Entertainment business and the foundation for growth in the other two segments.

Dating & Video Segment

ParshipMeet Group offers a broad range of online dating platforms with the portfolio of Parship Group and the business of The Meet Group. We want to establish ParshipMeet Group as one of the leading internationally operating mobile-first players in the dating and social entertainment sectors. To this end, we are building a synergistic platform ecosystem for social entertainment, dating and online matchmaking.

ParshipMeet Group operates in a rapidly growing market environment with a broad-based revenue model, including short- and long-term subscriptions, the sale of virtual goods, marketing services, and distribution revenues. The platforms address a broad target group in a large geographical area. An important element is the live video streaming expertise of ParshipMeet Group, which strengthens our position in the dating business and unlocks new growth potential for the entire Group.

Commerce & Ventures Segment

In the Commerce & Ventures segment, we bundle ProSiebenSat.1 Group's growth businesses, which we are building up and making successful with media services and the power of our brands. Via our various forms of participation, we can support companies at diverse stages of growth. Our goal is to become the leading brand investor in the German-speaking region (Germany, Austria, Switzerland). To this end, we are investing in digital consumer brands with long-term structural growth potential and synergies with our Entertainment business.

At the beginning of our value chain is SevenAccelerator, which concentrates on early-stage digital start-ups. With our investment arm SevenVentures, we use our reach to help young companies grow via media-for-revenue or media-for-equity deals, and thus build up minority investments. This segment also comprises strategic minority and majority investments by our investment vehicle SevenGrowth as well as the portfolio of NuCom Group. The focus here is on the synergy potential with our Entertainment business.

At the heart of our investment strategy is our reach: We finance growth through media, even without high cash investments, according to the principle of "reach meets idea". With this investment strategy, we tap into new market segments, as was recently the case with our investment in the online fitness platform Urban Sports GmbH ("Urban Sports Club"). At the same time, we generate attractive returns and can offer our shareholders an income-oriented dividend pay-out.

The following applies: We continually assess whether ProSiebenSat.1 is still the best owner of the respective company in the next development phase. If a business no longer has a strong link to our Entertainment business or no potential for international platform business, we are willing to sell these well-developed commerce brands to a more suitable owner and realize the value created.

Our Synergies

Our three segments are connected by a wide range of tangible synergies, which have a positive impact on the Group's revenue and earnings performance. The media services of ProSiebenSat.1's platforms are the foundation of our strong Group.

With the reach and sales offers of our platforms, the Entertainment business has the power to further raise awareness of the ParshipMeet brands in the German-speaking markets. This has already significantly boosted the market leading positions of the Parship and ElitePartner services in the German-speaking markets in the past. We also intend to strengthen ties between the Entertainment and Dating & Video segments. We are unlocking new synergy potential by combining ParshipMeet Group's live video streaming expertise with our entertainment know-how.

At the same time, we are using the reach and sales offers of our Entertainment business to build up both our own commerce brands and those of our venture partners into leading consumer brands. By advertising on our platforms, we help the companies to strengthen their brand awareness and increase revenues and enterprise value. This gives rise to long-standing, close customer relationships between the companies and our sales units. In addition, the data we generate through our commerce investments helps us to create addressable advertising offerings that are individually tailored to our users.

Our Objectives

With this strategy, ProSiebenSat.1 Group also intends to be attractive for all stakeholders in the medium- and long-term and to grow profitably in all three segments with a clear focus on earnings and cash flow – also in order to progressively increase the share of business areas outside TV advertising revenues in the German-speaking region (Germany, Austria, Switzerland). The focus is on consistent value creation. Therefore, the Group's medium-term target remains to achieve a P7S1 ROCE (return on capital employed) of over 15%, to pay out a reliable dividend of around 50% of adjusted net income to the shareholders and to generate a leverage ratio between 1.5x and 2.5x.
→ Company Outlook

Moreover, ProSiebenSat.1 Group is clearly committed to its obligations in the fields of society, diversity and inclusion, climate and environment, and governance and compliance, which form the basis of our sustainability strategy. In doing so, the Group aligns its sustainability work with the UN Sustainable Development Goals.

PLANNING AND MANAGEMENT

ProSiebenSat.1 Group's management system based on key figures forms the basis for all of the Company's economic and strategic decisions. Company-specific performance indicators are derived from the Group's strategy and cover both financial and non-financial aspects. They are planned and managed centrally by the Executive Board of ProSiebenSat.1 Media SE. The planning and management process is complemented by the monitoring of key figures on the basis of regularly updated data. This also includes the assessment of developments as part of opportunity

and risk management.
→ Risk and Opportunity Report

Intragroup Management System

The performance indicators specific to ProSiebenSat.1 Group are aligned to the interests of the capital providers and cover financial planning as well as aspects of comprehensive revenue and earnings management.

OVERVIEW OF THE MOST IMPORTANT PERFORMANCE INDICATORS AS OF DECEMBER 31, 2021

MOST IMPORTANT NON-FINANCIAL PERFORMANCE INDICATORS
Entertainment segment
– audience shares

MOST IMPORTANT FINANCIAL PERFORMANCE INDICATORS
Group
– revenues
– adjusted EBITDA
– adjusted net income
– adjusted operating free cash flow
– P7S1 ROCE
– leverage ratio

Most important non-financial performance indicators: The development of audience shares is an important criterion in programming and media planning in the advertising-financed TV business. In addition, this data is used as a benchmark for the calculation of advertising time prices: They indicate the number of potential customers a broadcast is able to reach. In this context, audience shares in prime time are increasingly coming into focus, as prime time from 8:15 p.m. to 11:00 p.m. in particular represents the main advertising period.
→ Development of ProSiebenSat.1 Group's Relevant Market Environments

In Germany, TV usage data is collected by GfK Fernsehforschung on behalf of AGF Videoforschung GmbH ("AGF Videoforschung"). ProSiebenSat.1 Group analyses viewer ratings that have been empirically collected by the institutions on a daily basis. In addition to this data on linear TV consumption, we also analyze digital reach figures and KPIs relating to our databased business models. One example of this is the measured data from HbbTV.

Most important financial performance indicators: Revenues, adjusted EBITDA, adjusted net income, adjusted operating free cash flow, P7S1 ROCE (return on capital employed), and the leverage ratio are the central key figures used to manage profitability. A primary objective is to increase the above earnings figures through continuous, profitable revenue growth in all segments; at the same time, active portfolio management in the Commerce & Ventures segment is contributing to this. The business units operate mainly as profit centers. This means that they act with full responsibility for revenues and earnings. In addition, flexibility is an important prerequisite for our success, as ProSiebenSat.1 Group operates in a very dynamic industry environment. The organizational entities – within a centrally adopted framework – therefore make their operating decisions independently, based on the competitive environment, and with the clear objective to use synergies to generate added value for our shareholders.

The earnings figure adjusted EBITDA stands for adjusted earnings before interest, taxes, depreciation and amortization. Reconciling items, such as M&A-related expenses, reorganizations and legal claims, are not taken into account, so this figure provides the Executive Board as the chief operating decision maker with the appropriate performance measure to assess the operating profitability of the Group. Adjusted net income is the adjusted net income attributable to shareholders of ProSiebenSat.1 Media SE; it provides a suitable indicator for calculating the dividend. In addition to the adjustments from adjusted EBITDA, effects of purchase price allocations and other reconciling items in particular are adjusted in the calculation.

→ Definition of Selected Non-IFRS Figures

Reconciling items can influence or even overshadow operating performance and can make a multi-year comparison difficult. Therefore, adjusted earnings figures constitute suitable measures of performance for assessing the sustainable development of the profitability of the Group and its segments. However, the analysis of unadjusted key earnings' figures provides a holistic view of the expense and income structure. At Group level – in addition to revenues, adjusted EBITDA, adjusted net income, adjusted operating free cash flow, P7S1 ROCE and the leverage ratio as the most important financial performance indicators – EBITDA is also relevant in this context as a less significant financial performance indicator. As the effects of taxes and depreciation and amortization and the financing structure are not taken into account, EBITDA also enables simpler comparison with international competitors.

To further focus on the segments' operating cash flow management, the Group introduced adjusted operating free cash flow as the most important financial performance indicator in the financial year 2021. Since 2021, this has replaced the free cash flow before M&A as the relevant cash flow performance indicator for the Group. Adjusted operating free cash flow is defined as operating free cash flow before interest and taxes and is calculated as adjusted EBITDA corrected for cash-neutral expenses and income and less investments (programming and other investments) along with changes in net working capital.

P7S1 ROCE (return on capital employed) is another of the most important financial performance indicators used to manage profitability. It is the ratio of adjusted EBIT (adjusted earnings before interest and taxes) plus pension expenses and the result from investments accounted for using the equity method to average capital employed. Adjusted EBIT is the operating result adjusted for reconciling items. In addition to the reconciling items of adjusted EBITDA, it also adjusts for depreciation, amortization and impairments from purchase price allocations (Group entities and investments accounted for using the equity method) and impairments on goodwill. Capital employed is the difference when other provisions, trade liabilities, liabilities to investments accounted for using the equity method, and other liabilities are deducted from intangible assets (including goodwill and purchase price allocations), property, plant and equipment, investments accounted for using the equity method, media-for-equity investments, programming assets, inventories, trade receivables, current other financial assets (excluding derivatives), and other receivables and assets. The figure relates to the average of the reporting dates of the last five quarters.

The medium-term aim is to generate a return on capital employed, i.e. P7S1 ROCE, of at least 15%. Expansion and new investments will therefore have to be paid back within three years and generate an internal rate of return (IRR) of at least 18%. Strategic projects are usually expected to pay off within five years. The Group therefore manages investments consistently and evaluates each project in the various segments according to the same target parameters.

ProSiebenSat.1 Group is investing in markets with long-term growth opportunities and examining options to expand its portfolio. Part of the investment strategy is the acquisition of entities that complement our portfolio synergistically and sustainably create value for the Group. In this context, a capital-efficient leverage ratio is a key performance indicator for the Group's financial planning. The leverage ratio indicates the level of net financial debt in relation to LTM adjusted EBITDA – the adjusted EBITDA that ProSiebenSat.1 Group has generated in the last twelve months (LTM = last twelve months). The target is a factor of between 1.5x and 2.5x at the end of the relevant year; the target range may be exceeded for a short period of time as a result of fluctuations during the year if, for example, important strategic investments are required.

Financial and non-financial performance indicators are the foundation for corporate management. It is therefore logical to use them as a basis for determining target-oriented variable compensation. The performance bonus is relevant for employees at senior management levels as well as selected sales functions. It is based on the company's success and on the most important financial performance indicators revenues, adjusted EBITDA and adjusted operating free cash flow.

Adjusted net income, EBITDA, free cash flow before M&A and relative total shareholder return served as a variable basis for determining the Executive Board's compensation in the financial year 2021. On June 1, 2021, the Annual General Meeting approved a new compensation system for the Executive Board, which is applied to new Executive Board employment contracts and to contract extensions. As no new contracts or contract extensions effective in the 2021 financial year have been concluded since June 1, 2021, the Executive Board compensation system in place since January 1, 2018, continues to apply in this financial year. In the new compensation system, the Supervisory Board has defined adjusted EBITDA and adjusted operating free cash flow as relevant financial performance targets for the Executive Board's short-term variable compensation (Short-Term Incentive). The Short-Term Incentive also includes ESG targets. In contrast, the achievement of P7S1 ROCE and the relative total shareholder return are decisive for the Executive Board's long-term variable compensation (Long-Term Incentive).

→ Compensation Report

DEFINITION OF SELECTED NON-IFRS FIGURES

ADJUSTED EBITDA

Adjusted EBITDA stands for adjusted earnings before interest, taxes, depreciation and amortization. It describes the operating result (earnings before interest, taxes, depreciation, amortization and impairments) adjusted for certain influencing factors (reconciling items). These reconciling items include:

- **M&A-related expenses include consulting expenses and other expenses for ongoing, closed or canceled M&A transactions as well as costs in connection with an IPO or delisting process and integration costs incurred within a year of the economic acquisition.**
- **Reorganization expenses include material and personnel expenses for reorganizations and restructurings. They comprise expenses such as severance payments, leave compensation, consulting costs, legal consultancy fees and impairments of at least EUR 0.5 million.**
- **Expenses for legal claims include charges, fines, penalties and consulting costs of at least EUR 0.5 million in connection with significant closed, ongoing or expected legal claims.**
- **Fair value adjustments of share-based payments include the portion of the changes in the fair value of cash-settled share-based payment plans that affects profit or loss.**
- **Results from changes in scope of consolidation include income and expenses in the context of mergers, demergers, acquisitions or disposals of Group entities.**
- **Results from other material one-time items include transactions approved by the Group CFO that are not connected to current operating performance. In this context, ProSiebenSat.1 Group considers transactions of at least EUR 0.5 million to be significant.**
- **Valuation effects relating to strategic realignments of business units comprise expenses incurred in the context of changes in the underlying business objective or strategy of the unit in question of at least EUR 25 million.**

ADJUSTED NET INCOME

Adjusted net income is the net income attributable to shareholders of ProSiebenSat.1 Media SE, adjusted for reconciling items shown under adjusted EBITDA, as outlined above, and adjusted for additional reconciling items. These additional reconciling items include:

– Depreciation, amortization and impairments from purchase price allocations.
– Impairments on goodwill.
– Valuation effects included in other financial result, impairments and valuation effects of investments, entities accounted for using the equity method and other financial assets recognized in other financial result. The Group can also acquire control over investees previously accounted for using the equity method through multi-stage company acquisitions. Effects from the valuation of such original shares at fair value upon initial consolidation also fall under this category.
– Valuation effects of put-options and earn-out liabilities include valuation, currency and interest effects of put-options and earn-out liabilities.
– Valuation effects from hedging transactions include ineffectiveness and de-designation effects of cash flow hedges recognized in other comprehensive income and effects from hedging transactions for which there is no hedge accounting as defined by IAS 39.
– Results from other material one-time items include transactions not connected to current operating performance. In this context, ProSiebenSat.1 Group considers transactions of at least EUR 0.5 million to be significant.

Moreover, the tax effects resulting from such adjustments and effects on the net result attributable to non-controlling interests are also adjusted.

REPORTING AND USE OF NON-IFRS FIGURES

In addition to the financial information determined in accordance with IFRS, this Annual Report also includes non-IFRS figures. The reconciliation of these non-IFRS figures with the corresponding IFRS figures is shown in the following section:
→ Group Earnings

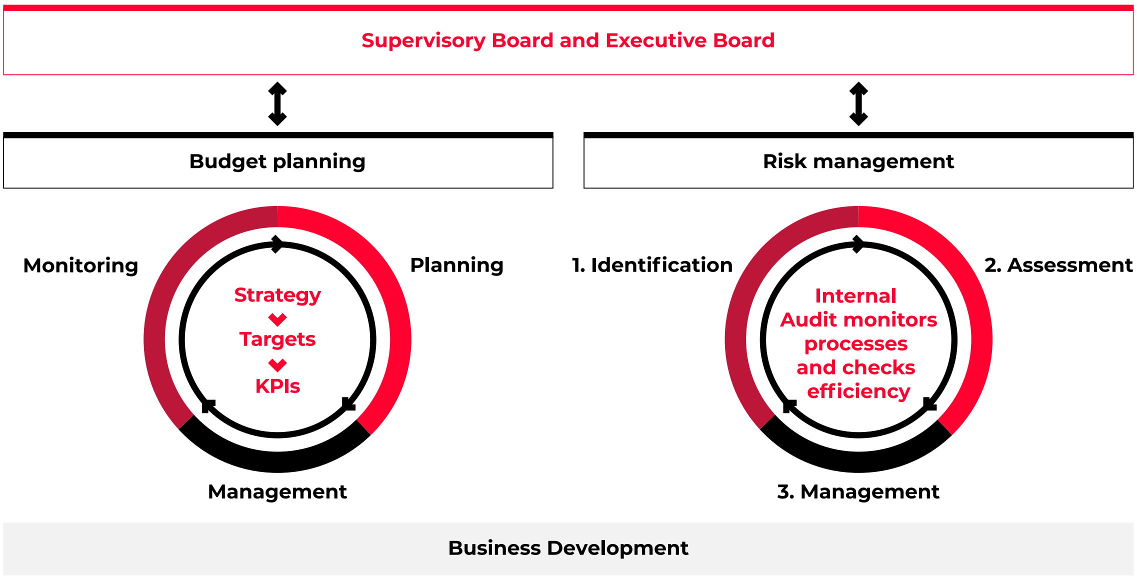
For its financial, strategic and operating decisions, ProSiebenSat.1 Media SE uses primarily non-IFRS figures as the basis of decision-making. These also provide investors with additional information which allow a multi-year performance comparison, as they are adjusted for specific factors. These figures are not determined on the basis of IFRS and may therefore differ from other entities' non-IFRS figures. Therefore, they do not replace the IFRS figures or are more significant than the IFRS figures, but represent supplementary information. We are convinced that the non-IFRS figures are of particular interest to our investors for the following reasons:

– Reconciling items can influence or even overshadow operating performance; figures adjusted for such items therefore offer supplementary information for the assessment of the Company's operating performance. Adjusted figures thus are more relevant for managing the Company.
– Moreover, adjusted net income is an important factor at ProSiebenSat.1 Media SE for the calculation of the dividend payment, as we want to give our shareholders a share in the Company's operating profitability.
– The Group has implemented a holistic management system. Non-IFRS figures are calculated consistently for the past and the future; they form an important foundation for internal controlling and the management's decision-making processes.

Operational and Strategic Planning

Management and planning are closely intertwined at ProSiebenSat.1 Group. Target figures are defined and determined for various periods within the context of planning, with a focus on the performance indicators outlined above. The different levels in the planning process build on each other and are linked to our risk management. The Supervisory Board is also regularly informed by the Executive Board about all issues relevant to the Company’s strategy, planning, business performance, risk situation, risk management, and compliance, both at the Supervisory Board meetings and outside of meetings.

BUDGET PLANNING AND RISK MANAGEMENT AT PROSIEBENSAT.1 GROUP



Corporate planning: Corporate planning comprises the operating annual planning (budget) plus the long-term corporate planning (multi-year planning) and constitutes a detailed quantitative depiction of strategic planning. It is on a monthly basis for the first year and on an annual basis for a further four years. The strategically derived targets for the first planning year are specified for the most important financial and non-financial performance indicators in a top-down/bottom-up process and carried forward to the multi-year planning. The financial figures from the income statement or statement of financial position and statement of cash flows of individual subsidiaries are analyzed and aggregated at segment and Group level.

Monthly reporting and trend projections: Trend projections are an important tool in planning during the year. They allow the Company’s expected performance for the year to be calculated on the basis of the targets achieved to date and to be compared with the target figures that were originally budgeted. The aim is to identify potential discrepancies between the target and actual figures immediately and to implement the necessary countermeasures promptly. In 2021, the Executive Board also discussed short-term and long-term targets with the Supervisory Board. In addition to monthly reporting, potential risks are reported to the Group Risk Officer on a quarterly basis. In particular, any changes to the early warning risk indicators during the year and over time are analyzed here. For example, the development of audience shares is an important early warning indicator. Additional opportunities and therefore possible positive deviations from projected targets are analyzed in parallel with risk management; they are taken into account in budget planning if their probability of occurrence is more than 50%.

OVERALL ASSESSMENT FROM THE MANAGEMENT'S VIEW: IMPACT OF GENERAL CONDITIONS ON BUSINESS PERFORMANCE

2021 was a record year for ProSiebenSat.1. We increased our financial targets three times during the year, most recently in November 2021. As an early cyclical company, we benefited from the economic recovery of the advertising market and strengthened our market leadership after the first quarter, which was still affected by the pandemic restrictions. The advertising market in Germany grew more significantly and faster than expected in 2021. This development and the positive forecasts for the coming years underscore the role of TV as the most effective advertising medium. The past financial year also proved the success of our diversification strategy, which is based on three segments, and the resilience of our business model. For the full-year, Group revenues rose by 11% to a record level of EUR 4,494 million, while our adjusted EBITDA increased by 19% to EUR 840 million. At the same time, our consistent cash flow management shows an impact. Despite the dividend payment, our net financial debt decreased by EUR 117 million, and our leverage ratio of 2.2x is thus clearly back within the target range. In 2021 we took advantage of the favorable conditions on the debt market to also sustainably reduce our gross debt, extend the average maturity of our financing instruments and diversify the maturity profile. Against this backdrop, our company is solidly positioned for the long-term.

GROUP ENVIRONMENT

DEVELOPMENT OF ECONOMY AND ADVERTISING MARKET

In 2021, the global economy was decisively shaped by the spread of COVID-19 and its variants for the second year in a row: Although the global economy recovered palpably overall, development in the individual regions and countries was very heterogeneous. It was primarily determined by the effectiveness of vaccination campaigns and protective measures as well as the extent of governmental economic aid. Against this backdrop, national economies such as the USA mainly expanded in the first half of 2021. According to estimates by the International Monetary Fund (IMF), the gross domestic product of the USA – one of the largest economies in the world – is likely to have increased by 5.6% in the full-year. However, the strong upward momentum combined with restricted production capacity and transport chains resulted in supply bottlenecks and considerable price increases for raw materials and intermediate products such as microchips. This has increasingly impaired the development of global industry since the second half of 2021. Against this backdrop, the IMF expects global economic growth of 5.9% over the full-year (previous year: -3.1%).

Due to the infection rates in Europe, the economic recovery there did not begin until the second quarter of 2021, but it remained stable into the fall. Strong growth stimulus was provided in particular by private consumption, which was previously significantly restricted by lockdown measures. However, the number of COVID-19 cases throughout Europe again increased significantly at the end of the year. The resulting new restrictions and the sharp rise in consumer prices curbed consumption accordingly. Despite the weak closing quarter (+0.3% vs. previous quarter in real terms), the gross domestic product of the eurozone nevertheless grew strongly in the full-year 2021 by 5.2% in real terms according to the European Statistical Office.

Germany's economy recovered more hesitantly than those of its major European neighbors. Between mid-December 2020 and early March 2021, the economy was influenced by the negative progression of the COVID-19 pandemic and an accompanying further severe lockdown. In the first quarter of 2021, private consumer spending therefore fell by 5.3% in real terms compared with the previous period; the savings rate rose to 22.0% (Q1 2019: 14.4%).

In the summer half-year – after the restrictions were eased – a substantial surge in growth followed. Contact-intensive service industries such as restaurants, tourism, culture, and parts of brick-and-mortar retail enjoyed a particularly palpable recovery. With stable labor market and income development as well as additional savings, households had high purchasing power and propensity to buy. In real terms, private consumption in the second and third quarters of 2021 therefore expanded by 3.8% and 6.2%, respectively, compared with the previous period.

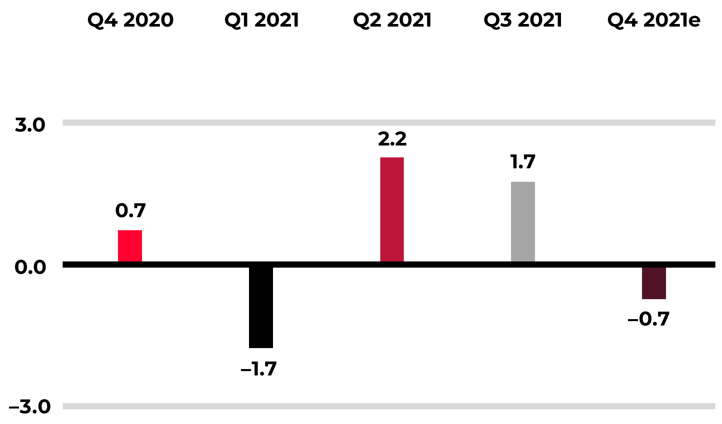
In parallel, however, the vaccination campaign launched in the spring faltered, and at the beginning of winter infection rates increased sharply again, due in part to the new Omicron variant. In addition to the corresponding return of restrictions on consumption, the inflation rate rose to values above 5.0% at the end of the year. This narrowed private households' scope for consumption. Despite all the restrictions, from January to December revenues in German retail increased by 0.7% in real terms and nominally by 2.9% year-on-year. Online retail continued to grow and was, like in 2020, one of the biggest beneficiaries of the pandemic (+12.4% in real terms).

The industry of particular importance for the German economy, i.e. the manufacturing sector not including energy or construction, also came under pressure in the second half of the year. The industry had initially recovered significantly thanks to global demand, but was increasingly hampered by supply shortages and increased raw material prices as the year progressed. As a result, industrial production remained below its potential despite a high order backlog and favorable financing conditions. In turn, this put a damper on export growth. For these reasons, the German economy has declined by 0.7% quarter-on-quarter in the fourth quarter of 2021, according to estimates by the Federal Statistical Office. The new wave of the pandemic with the Omicron variant also means a setback for private consumption, although this will not match the severity of the lockdown in winter 2020.

In the full-year 2021, gross domestic product nevertheless saw solid growth of 2.7% (previous year: -4.6%) in real terms due to the good summer. Despite all the restrictions, private consumption remained at the previous year's level (previous year: -5.9%).

→ Future Business and Industry Environment

DEVELOPMENT OF GROSS DOMESTIC PRODUCT IN GERMANY
in %, change vs. previous quarter



Chained, adjusted for price, seasonal and calendar effects. e: estimate. Source: Federal Statistical Office (Destatis), national accounts as of January 28, 2022.

Economic uncertainty and restrictions on public and social life as a result of the COVID-19 pandemic shaped advertising customers' investment behavior in 2021. After significant restraint in the lockdown hit first quarter (-4.3%), gross TV advertising investment rose sharply in the two summer quarters (Q2 2021: +26.7%; Q3 2021: +22.6%). Although a slight caution was felt in the final quarter in light of rising infection rates, also as a result of the Omicron virus variant, and the associated new restrictions, growth rates nevertheless remained high (Q4 2021: +10.1%). Overall, gross TV advertising investment rose by 12.7% to EUR 8.13 billion for full-year 2021, according to Nielsen Media Research (previous year: EUR 16.10 billion).

ProSiebenSat.1 Group is the market leader in the German TV advertising market. According to Nielsen Media Research, the Group's TV advertising revenues increased about in line with the market in gross terms in 2021, climbing by 11.9% to EUR 6.82 billion (previous year: EUR 6.09 billion). This resulted in a market share of 37.6% (previous year: 37.8%). The Group's TV advertising revenues in the key fourth quarter were once again significantly higher than in the previous year, increasing by 8.6% to EUR 2.52 billion (previous year: EU 2.32 billion). This represents a market share of 38.8% (previous year: 39.4%) for ProSiebenSat.1 Group.

By selling in-stream video ads, which are shown online before, after or during a video stream, ProSiebenSat.1 Group generated gross revenues of EUR 329.5 million in the full-year (previous year: EUR 263.8 million). This is a sharp rise of 24.9% compared with the previous year, which significantly exceeds market growth. The market volume for advertising budgets in in-stream video ads in Germany recorded growth of 15.3% to EUR 976.1 million gross (previous year: EUR 846.7 million). These revenues do not include global platform providers such as Alphabet Inc. ("Alphabet")/Google and Meta Platforms, Inc. ("Meta")/Facebook.

In net terms, the picture is also positive overall. Although the advertising market continues to be affected by the COVID-19 crisis, the market has in total recovered much faster than expected and is now showing clear growth again. According to forecasts by the German Advertising Federation ("Zentralverband der deutschen Werbewirtschaft", "ZAW"), the media's net advertising revenues are expected to have grown by 6.0%. Forecasts for full-year 2021 published by media agencies Magna Global and ZenithOptimedia in December 2021 expected total net adverting spending to record strong growth of 19.7% and 6.6%, respectively. The forecasts also anticipated significant growth in investment in TV advertising of 16.8% and 8.0%, respectively.

ProSiebenSat.1 Group also notes this trend. From the Group's perspective, the TV advertising market benefited in net terms from the economic recovery in the summer months, and enjoyed a strong upwards trend compared with the previous year. The picture for the online advertising market was similar.
→ Comparison of Actual and Projected Business Performance for the Group

TV ADVERTISING MARKETS IN GERMANY, AUSTRIA AND SWITZERLAND ON A GROSS BASIS

in %

	Development of the TV advertising market in Q4 2021 (Change against previous year)	Development of the TV advertising market in 2021 (Change against previous year)
Germany	+10.1	+12.7
Austria	+15.2	+19.7
Switzerland	–2.3	+6.3

	Market shares ProSiebenSat.1 Group Q4 2021	Market shares ProSiebenSat.1 Group Q4 2020	Market shares ProSiebenSat.1 Group 2021	Market shares ProSiebenSat.1 Group 2020
Germany	38.8	39.4	37.6	37.8
Austria	40.8	41.3	40.5	42.4
Switzerland	25.4	25.8	25.1	26.1

Germany: January – December, gross, Nielsen Media.
Austria: January – December, gross, Media Focus.
Switzerland: January – December, the advertising market shares relate to the German-speaking part of Switzerland, gross, Media Focus. Due to technical system adjustments, Media Focus has retroactively adjusted the effective gross output volumes of the TV stations 3 Plus, Kabel Eins, ProSieben, RTL, RTLZWEI, VOX, SAT.1 and SUPER RTL for 2020 and 2021 with data closing in January 2022.

DEVELOPMENT OF PROSIEBENSAT.1 GROUP'S RELEVANT MARKET ENVIRONMENTS

Entertainment

Media usage in Germany is shaped by two fundamental developments. Firstly, the variety of entertainment products and ways to consume media on different end devices is growing as a result of digitalization, which also brings with it increasing fragmentation. Secondly, this diversity is driving up media consumption: People are generally spending more and more time with media. TV remains the most important medium, which underscores its strength.

According to the study "Media Activity Guide 2021" by our advertising time marketer Seven.One Media, daily TV usage among 14- to 69-year-old viewers was the highest in the reporting period 2021 at 238 minutes. Compared with other media, TV therefore accounts for 37% of total daily usage. This includes both live and on-demand content. This wide reach is reflected in the high advertising effectiveness of the medium: According to gross data from Nielsen Media Research, 47.2% of advertising investments in 2021 went on TV advertisement, compared to 44.6% in the previous year. Thus, television has once again strengthened its highest relevance compared with other media.

Advertising on TV is particularly effective as a result of the high reach. Video advertising has a stronger emotional impact on a brand than any other medium. This is important for brand loyalty and ultimately for product sales. Accompanying research also shows that cross-media advertising campaigns reinforce each other in their impact, with online advertising being particularly effective in combination with TV campaigns. This is also one reason why the TV advertising market has developed so positively in 2021 and with significantly more relevance than still forecast in 2019.
→ Development of Economy and Advertising Market

The ProSiebenSat.1 station family continues to lead in the German audience market (14- to 49-year-old viewers), although market shares in the full-year were lower than in the previous year, as expected. The main reason was the TV broadcast of the UEFA European Football Championship in June and July 2021 and of the Summer Olympic Games in July and August 2021, which were shown live on the public TV stations. Accordingly, this also characterizes the development of the market shares of the private stations marketed by Ad Alliance (RTL, VOX, n-tv, Super RTL, NITRO, RTLup and VOXup).

In the full-year 2021, the ProSiebenSat.1 stations' audience share amounted to 25.5% (previous year: 27.2%). The stations marketed by Ad Alliance achieved a combined market share of 23.8% (previous year: 25.3%). In the important fourth quarter, ProSiebenSat.1 Group's audience share increased slightly by 0.1 percentage points to 26.5% (previous year: 26.4%), while the figure for the stations marketed by Ad Alliance fell to 23.6% (previous year: 24.3%).

The Austrian ProSiebenSat.1 Puls 4 Group stations achieved a combined market share of 27.4% among viewers aged between 12 and 49 years in 2021 (previous year: 28.4%). ProSiebenSat.1 Puls 4 GmbH ("ProSiebenSat.1 PULS 4") is thus the leading private TV provider in Austria by far. In Switzerland, the ProSiebenSat.1 station's audience share among 15- to 49-year-olds in the full-year was lower than in the previous year at 14.3% (previous year: 15.9%).

AUDIENCE SHARES OF PROSIEBENSAT.1 STATIONS IN GERMANY, AUSTRIA AND SWITZERLAND

in %

	Audience Shares Q4 2021	Audience Shares Q4 2020	**Audience Shares 2021**	Audience Shares 2020
Germany	26.5	26.4	25.5	27.2
Austria	27.0	28.5	27.4	28.4
Switzerland	15.6	16.0	14.3	15.9

Germany: A 14–49; ProSiebenSat.1 Group: SAT.1, ProSieben, Kabel Eins, sixx, SAT.1 GOLD, ProSieben MAXX, Kabel Eins Doku/AGF Videoforschung in cooperation with GfK; VIDEOSCOPE 1.4; January 1, 2020–December 31, 2021; market standard: TV.
Austria: E 12–49; SAT.1 Österreich, ProSieben Austria, Kabel Eins Austria, PULS 4, sixx Austria, ProSieben MAXX Austria, SAT.1 Gold Österreich, Kabel Eins Doku Österreich, ATV + ATV 2, PULS 24; sources: AGTT/GfK TELETEST; Evogenius Reporting; January 1, 2020–December 31, 2021; weighted for number of people; including VOSDAL/time shift; standard.
Switzerland: Figures are based on 24 hours (Mon–Sun), all platforms, overnight +7. SAT.1 Schweiz, ProSieben Schweiz, Kabel Eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz, Puls 8; advertising-relevant target group: 15- to 49-year-olds; market shares relate to German-speaking Switzerland D-CH; total signal; source: Mediapulse TV Data.

The development described is also reflected in the German stations' market shares in prime time. In the past financial year, the Group was ahead of its main competitor RTL Deutschland's stations marketed by Ad Alliance in prime time in every quarter (market shares target group 14-49 years) and extended its market leadership by 0.3 percentage points to 27.6%, especially in the important fourth quarter (AdAlliance: -1.4 percentage points). In the full year, however, our prime time market shares also fell short of the previous year, as expected, and were particularly influenced by the broadcast of the European Football Championship and of the Summer Olympic Games on the public stations. In addition, the public broadcasters benefited from viewers' higher demand for information as a result of the ongoing COVID-19 pandemic and the catastrophic flooding in parts of Germany in summer 2021. The special situation of 2021 as an election year also entailed increased provision of information on all TV stations, although innovative ProSiebenSat.1 formats such as "Die ProSieben Bundestagswahl-Show" (averaging 7.4%, 14- to 49-year-old viewers) and "Das TV-Triell" (25.0%, 14- to 49-year-old viewers) also appealed to viewers in this environment.

AUDIENCE SHARES OF PROSIEBENSAT.1 STATIONS IN PRIME TIME IN GERMANY

in %

Target group 14–49 years	**Q4 2021**	Q4 2020	**2021**	2020
ProSiebenSat.1 Group	27.6	27.3	25.6	27.4
SAT.1	8.4	8.6	7.4	8.2
ProSieben	10.4	10.5	9.8	10.3
Kabel Eins	4.1	4.1	4.2	4.7
sixx	1.2	1.0	1.1	1.1
SAT.1 Gold	1.2	0.9	1.1	1.1
ProSieben MAXX	1.6	1.5	1.2	1.3
Kabel Eins Doku	0.7	0.7	0.8	0.7

Prime time refers to programs broadcast between 8:15 p.m. and 11:00 p.m. Source: AGF Videoforschung in cooperation with GfK; VIDEOSCOPE 1.4, January 1, 2010 – December 31, 2021, market standard: TV.

ProSiebenSat.1 is relevant in the German media landscape. This goes along with a particular social responsibility – because the Group makes an important contribution to the diversity of media and opinion. We are increasingly responding to the growing need for information and the contextualization of news: Establishing its own newsroom, ProSiebenSat.1 Group will produce news itself from 2023 and better meet the demand for topicality and relevance with new magazine formats.

The Group is increasingly focusing its programming strategy on local, relevant and live content. The aim is to reach audience groups even better and to differentiate ourselves from the competition. In our digital world, this is becoming an increasingly important competitive factor for all participants of the dual system of public and private broadcasting, especially with regard to multinational streaming providers and young target groups. In 2021, the major stations ProSieben and SAT.1 recorded an increase in local program content in prime time alone of 13.5% year-on-year (2020: +11.1% versus 2019). In-house productions such as “Joko & Klaas Live: Wir müssen über Corona reden”, “Zervakis und Opdenhövel. Live.” and the reportage series “ProSieben Spezial,” which handles issues relevant to society in a manner appropriate for the target group, are an important component of this.

In addition to the focus on local and live content, the core of our strategy is to offer programs via as many distribution channels as possible. In this strategic context, ProSiebenSat.1 Group founded the streaming platform Joyn as a joint venture with Discovery Communications Europe Ltd. (“Discovery”) and launched it in June 2019. The streaming service offers viewers livestreams of over 70 channels and an extensive on-demand offering of local series, shows and previews, which are produced in-house. The paid Joyn PLUS+ service with exclusive content, originals, pay TV stations, and content in HD quality was added to the offering in November 2019. According to measurements by AGOF (Arbeitsgemeinschaft Onlineforschung e. V.), the free streaming service Joyn reached 3.85 million unique users in Germany in November 2021 (previous year: 3.75 million). The Group will also continue to develop the Joyn brand in 2022.

We are already reaching 60 million people a month via our free and pay TV stations in Germany. Furthermore, we are reaching almost 11 million unique users via our own online channels. In addition, the digital media and entertainment company Studio71 pools digital-only content offerings and distributes them via digital platforms. In the financial year 2021, Studio71 generated 10.7 billion video views a month on YouTube alone, with 1,235 channels (previous year: 10.5 billion video views[6]).

We are successively strengthening our reach and consistently monetizing it beyond traditional advertising financing, for example with data-based business models such as Addressable TV. In this context, we renewed our contractual agreement with Deutsche Telekom AG (“Deutsche Telekom”)

6 The previous year’s figure is adjusted for 376 million views per month for German TV content that since 2021 has fallen in the area of Seven.One Entertainment Group, as well as without Italy.

in the third quarter of 2021, which allows us to air our Addressable TV campaigns via its MagentaTV streaming service in the future. From now on, ProSiebenSat.1 Group's entire station portfolio is available live or on-demand in HD and UHD quality via the MagentaTV platform.

The distribution of programs in HD quality is another example of how ProSiebenSat.1 Group generates reach while simultaneously diversifying its revenue profile. Here, ProSiebenSat.1 Group participates in the technical service fees that end customers pay to the respective providers for programs in HD quality. In Germany, ProSiebenSat.1 Group's HD stations had 11.1 million users in the reporting period, 4.8% more than in the previous year.

Dating & Video

We are continuing to systematically strengthen synergistic cooperation between our businesses. This means, in particular, that we are using the strength of our Entertainment business and our high advertising reach to establish and build on leading consumer-oriented digital platforms. This has led to the creation of ParshipMeet Group, which was previously part of the Commerce & Ventures portfolio and now forms the Dating & Video segment. After establishing a predominantly German-speaking portfolio around the dating business of Parship Group and increasing brand awareness through the use of TV advertising, we made value-enhancing acquisitions with a focus on the USA including The Meet Group in 2020 with a high level of expertise in the area of video.

Operating in a profitable and fast-growing market environment, ParshipMeet Group has diversified revenue sources ranging from subscription models to marketing services and virtual products and addresses a broad target group across a large geographical area. The business performance of the Dating & Video segment thus depends on various factors, including macroeconomic and technological developments as well as regulatory decisions. There is also the specific impact of the COVID-19 pandemic – in terms of both private consumption and the implications for social life. Dating and, in particular, interactive live videos have become global megatrends.
→ Development of Economy and Advertising Market

With rising numbers of single people – including more and more digital natives – online dating has become an increasingly accepted and popular way to meet people and find a relationship. In ParshipMeet Group's two largest geographical markets, North America and the German-speaking region (Germany, Austria, Switzerland), dating platforms are the most common way to meet someone. 40% of all relationships in the USA and 36% of all relationships in Germany start online. These services are receiving an extra boost from general sector trends such as high levels of smartphone use and increasing willingness to pay, for example for virtual goods.

In North America and the German-speaking region (Germany, Austria, Switzerland), the online dating market, including related live video services, reached a total volume of EUR 2.8 billion in 2021, according to a study by a consulting firm on behalf of ParshipMeet Group, and has grown by 18% per year since 2018 (as of 2021). Live video formats in particular have gained in relevance during the COVID-19 pandemic and the associated restrictions on social contacts since March 2020. Government economic aids in the USA also had a positive effect, stimulating private consumption in 2021 and having a very positive impact on our video offerings in the American area. As social life increasingly returned to normal in the course of 2021 and rigid restrictions on contacts were dropped, video usage stabilized at a high level compared to 2019.

Commerce & Ventures

ProSiebenSat.1 Group bundles its investments in consumer-focused digital commerce companies in the Commerce & Ventures segment. We support these during the various stages of growth with our investment options through NuCom Group, SevenGrowth, SevenVentures and SevenAccelerator. In doing this, our aim is to exploit potential synergies within ProSiebenSat.1 Group and to diversify our overall revenue profile. The most important growth lever is the high reach of the ProSiebenSat.1 station family, through which we reach more than 60 million people each month and can thus significantly strengthen the awareness of consumer brands without major cash investments.

Our portfolio of commerce offerings combines a consumer focus with an affinity for TV as a medium. We are benefiting in particular from the fact that more and more purchasing decisions are being made online. Online shopping is now an integral part of our everyday lives, and services such as consumer advice are also often provided via the internet. However, individual markets vary in terms of their dynamics, the intensity of competition and their dependence on macroeconomic development and in particular the consumer climate described above. This is amplified by the exceptional situation created by the pandemic and the associated restrictions on everyday life.

Against this background, total e-commerce revenues in Germany increased by 19% year-on-year in the reporting period of 2021 (2020: +14.6%), according to the German e-commerce and distance selling association (Bundesverband E-Commerce und Versandhandel, bevh). The strongest growth drivers were fast-moving consumer goods, including food, drugstore products and pet food, as well as the leisure, furnishing and clothing product groups.

In contrast, revenues from online sales of services in Germany, especially travel bookings and event tickets, declined by 12.8% and thus were not yet back to pre-pandemic levels (2020: -52.8%). This shows that people are still more cautious about spending their money on activities than they were before the COVID-19 crisis.

According to the “Energie 2021” survey of distribution channels, comparison portals are the most important source of information and distribution channel in the energy market. In the last financial year, however, and especially in the fourth quarter of 2021, the sharp rise in energy prices had a negative impact on market dynamics for all suppliers. The consumer advice area in the Group’s Commerce & Ventures segment also includes the rental car portal billiger-mietwagen.de, which has been particularly affected by the pandemic. According to Statista, the volume of the car rental market in Europe came to USD 11.9 billion in 2021 (2020: USD 8.1 billion; 2019: USD 16.9 billion).

RESEARCH AND DEVELOPMENT

ProSiebenSat.1 Group does not carry out research and development (R&D) in the conventional sense of an industrial company. Nonetheless, both fields do hold a position of high importance at ProSiebenSat.1 Group.

ProSiebenSat.1 conducts intensive market research in every area relevant to its business activities and in every area in which the Company sees growth potential. In 2021, expenses for Group-wide market research activities amounted to EUR 7 million (previous year: EUR 7 million). The various research units in the Group prepare investigations and analyses on advertising impact, on trends in the advertising market and digital industries as well as on media usage and also assess economic and market projections. Those responsible in the Group use the results of the market analyses for operational and strategic planning. At the same time, market data and analyses are an important basis for successfully advising our advertising clients. With its studies, the Company provides advertisers with valuable knowledge for marketing and advertising planning, which constitutes an important basis for investment decisions. In the program development phase, program research plays a decisive role. An important task is the assessment of international TV trends with regard to their potential for the German television market. In addition, the corresponding research team regularly provides quantitative and qualitative studies and analyses of the ProSiebenSat.1 stations' programming. Among other things, new formats are tested with the aid of survey and audience screenings. Besides, this research team also carries out ad-hoc tests on shows that have already been broadcast. Based on the results, we can adjust formats in the development phase and optimize TV programs that have already been broadcast, thus increasing success rates.

In the area of development, the Group is particularly working on making its advertising products smarter. This means developing intelligent offers to target TV and video advertising to specific target groups. This is for example based on anonymous user data regarding age, gender or household income. In this context, ProSiebenSat.1 is also relying on new technologies, and offers advertising customers the Addressable TV spot in addition to its existing offerings in the area of targeted advertising. This enables the Company's own commercials to be overlaid with addressable spots in all advertising blocks, thus addressing viewers based on their interests. The offer uses an advertising technology that Seven.One Media developed and has applied for a European patent. Since December 2020, the CrossDevice Bridge has also enabled advertising customers to plan and adapt TV and digital advertising campaigns across devices. Customers no longer book the medium via which they wish to broadcast their advertisement, but the quantity and frequency of contacts that they want to generate. This makes cross-media advertising planning significantly easier and faster. The various screens can be connected and coordinated, so that certain target groups can be addressed more easily in overarching TV and digital campaigns. In order to enable the reach generated by combined TV and video campaigns to be measured and evaluated using unified criteria, ProSiebenSat.1 and the licensor Sky Media GmbH ("Sky Media") have jointly developed the CFlight concept for the German market. CFlight includes transparent, cross-media campaign reporting, which guarantees the comparability of TV and video advertising exposures. The results of this currency metric demonstrate once again that high-impact video campaigns work across media. In addition, we are continuously developing our own digital platforms, for example in the Commerce business.
→ Opportunity Report

COMPARISON OF ACTUAL AND PROJECTED BUSINESS PERFORMANCE FOR THE GROUP

In 2021, ProSiebenSat.1 Group achieved all financial targets that it published on November 4, 2021 as part of its Q3 2021 report. The Group thus significantly exceeded all financial targets it set itself at the beginning of the year.

After the first quarter of 2021 was heavily impacted by the effects of the COVID-19 pandemic, the advertising market in the German-speaking region (Germany, Austria, Switzerland) recovered significantly and more strongly than expected from the beginning of the second quarter. In the second quarter in particular, the Group's advertising revenues recorded extremely dynamic growth. Against this background, ProSiebenSat.1 Group raised its Company Outlook for 2021 a total of three times: on May 12, 2021, as part of the reporting on the first quarter of 2021, in an ad-hoc disclosure on July 19, 2021, after revenues and earnings grew strongly in the second quarter of 2021 on the basis of preliminary and as yet unaudited figures, and most recently on November 4, 2021 as part of the reporting on the third quarter of 2021.

For the full-year, the Group achieved record revenues despite the pandemic environment, increasing its revenues by 11%, or EUR 447 million, to EUR 4,494 million. At the same time, adjusted EBITDA grew significantly by 19% or EUR 135 million to EUR 840 million. Most recently, the Group had targeted revenues of EUR 4.5 billion with a variance of plus/minus EUR 50 million and adjusted EBITDA of around EUR 840 million with a variance of plus/minus EUR 10 million for the full-year 2021. In its original forecast for these key financial figures, at the beginning of the year, ProSiebenSat.1 assumed that revenues would rise by between 2% and 7% to between EUR 4,150 million and EUR 4,350 million, and that adjusted EBITDA would increase to between EUR 720 million and EUR 780 million.

As expected, the significant growth in revenues and adjusted EBITDA also had a positive impact on the Group's other most important key financial performance indicators. In its last forecast adjustment, the Group expected adjusted net income to be significantly higher than the previous year's figure of EUR 221 million. For full-year 2021, adjusted net income grew by 64% to EUR 362 million. Adjusted operating free cash flow for the full-year was EUR 599 million, after the Group most recently assumed that it would improve by at least EUR 100 million year-on-year (previous year: EUR 424 million), for reasons of comparability corrected for the change of investments in relation to the construction of the new campus at the premises in Unterföhring. The important key figure P7S1 ROCE (return on capital employed), which ProSiebenSat.1 uses to measure the medium-term financial success of the company, also increased significantly to 14.1% in 2021 and is thus in line with the Group's forecast, which most recently assumed an increase to over 13%. At the same time, the leverage ratio was again clearly in the target range with a factor of 2.2x. At the end of the year, ProSiebenSat.1 Group anticipated this figure to be below the upper end of the medium-term target corridor of 1.5x to 2.5x.

The following table provides an overview of the adjusted outlooks for 2021; the various performance indicators are also evaluated and analyzed in the following sections.

However, it was not only with a view to the key financial figures that the Group achieved important targets in 2021; ProSiebenSat.1 Group also confirmed its strong competitive position in the TV and audience market, with a market share of 25.5% (previous year: 27.2%). The development of audience shares in Germany is the most important non-financial performance indicator, with an increased focus on prime time as a result of the high reach for the advertising industry. In prime time, ProSiebenSat.1 recorded an audience market share of 25.6% in 2021 (previous year: 27.4%, viewers aged 14-49, Germany). The Group thus underlined its leading position in the German market in terms of audience market shares in the advertising-relevant target group of 14- to 49-year-olds, despite the broadcasting of major sports events on the public stations.

COMPARISON OF ACTUAL AND PROJECTED BUSINESS PERFORMANCE FOR THE GROUP

	2020	FY 2021 March 4, 2021	First quarter 2021 May 12, 2021	Ad-hoc disclosure July 19, 2021; Second quarter 2021 August 5, 2021	Third quarter 2021 November 4, 2021	**2021**	
Revenues[1] (in EUR m)	4,055[3]	Overall, the Group is targeting revenues of EUR 4.150 billion for full-year 2021 as the lower end of the target range and revenues of EUR 4.350 billion as the upper end. This represents a year-on-year increase between 2% and 7%.[2]	Overall, the Group is targeting revenues of EUR 4.250 billion for full-year 2021 as the lower end of the target range and revenues of EUR 4.450 billion as the upper end. This represents a year-on-year increase between 5% and 10%.[2]	Overall, the Group is targeting revenues of EUR 4.400 billion for full-year 2021 as the lower end of the target range and EUR 4.500 billion as the upper end. This represents a year-on-year increase between 9% and 11%.[2]	Overall, the Group is targeting revenues of EUR 4.5 billion with a variance of plus/minus EUR 50 million for full-year 2021. This represents a year-on-year increase between 10% and 12%.[2]	4,494	✓
Adjusted EBITDA[2] (in EUR m)	708[4]	Based on the revenue assumptions above, for the full-year of 2021 ProSiebenSat.1 anticipates a Group adjusted EBITDA of EUR 720 million at the lower end of the target range and EUR 780 million at the upper end of the target range.[2]	Based on the revenue assumptions above, for the full-year of 2021 ProSiebenSat.1 anticipates a Group adjusted EBITDA of EUR 750 million at the lower end of the target range and EUR 800 million at the upper end of the target range.[2]	Based on these revenue assumptions, for the full-year of 2021 ProSiebenSat.1 anticipates a Group adjusted EBITDA of around EUR 820 million with a variance of plus/minus EUR 20 million. This corresponds for the mid-point to a year-on-year increase of 16%.[2]	Based on these revenue assumptions, for the full-year 2021 ProSiebenSat.1 anticipates a Group adjusted EBITDA of around EUR 840 million with a variance of plus/minus EUR 10 million. On average, this represents a year-on-year increase of 19%.[2]	840	✓
Adjusted net income (in EUR m)	221	The Group expects that the adjusted net income for the full-year 2021 should be above the previous year's figure.			The Group expects that the adjusted net income for the full-year 2021 should be significantly above the previous year's figure.	362	✓
Adjusted operating free cash flow[5] (in EUR m)	424	Reaching a midpoint of the adjusted EBITDA target range, the Group assumes that the adjusted operating free cash flow should develop in a mid-double-digit million euro range around the previous year's figure of EUR 424 million.		Reaching a midpoint of the adjusted EBITDA target range, the Group assumes that the adjusted operating free cash flow should improve in an at least mid-double-digit million euro range compared with the previous year.	Reaching a midpoint of the adjusted EBITDA target range, the Group assumes adjusted operating free cash flow to improve by at least EUR 100 million compared with the previous year.	599	✓
P7S1 ROCE (return on capital employed)	10.5%	In financial year 2021, ProSiebenSat.1 Group is targeting a figure of more than 10%. For the Group as a whole, this key figure is expected to exceed 15% in the medium-term.			In financial year 2021, ProSiebenSat.1 Group is targeting a figure of more than 13%. For the Group as a whole, this key figure is expected to exceed 15% in the medium-term.	14.1%	✓
Leverage ratio[6] (net financial debt/LTM adjusted EBITDA)	2.8	At the end of 2021, the Group anticipates a leverage ratio slightly above or at the upper end of the target corridor between 1.5x and 2.5x.		At the end of 2021, the Group anticipates a leverage ratio at the upper end of the medium-term target corridor of 1.5x to 2.5x.	At the end of 2021, the Group anticipates a leverage ratio below the upper end of its medium-term target corridor of 1.5x to 2.5x.	2.2	✓

ProSiebenSat.1 Group achieved all financial targets in 2021 that it published on November 4, 2021, as part of its reporting for the third quarter of 2021. Accordingly, the hooks in the table above were also set on the basis of this last forecast. The figures for 2021 represent reported figures.
1 Adjusted for currency effects and portfolio changes.
2 Without any further portfolio changes.
3 Based on revenues in financial year 2020 translated at the exchange rates used for planning purposes in financial year 2021 (EUR/USD exchange rate of around USD 1.22) less revenues of the companies deconsolidated in 2020 – WindStar at EUR 114 million and myLoc at EUR 10 million – plus pro forma revenues for The Meet Group between January and August 2020 of EUR 173 million, also translated at the exchange rate used for planning purposes in financial year 2021.
4 Based on adjusted EBITDA in financial year 2020 translated at the exchange rates used for planning purposes in financial year 2021 (EUR/USD exchange rate of around USD 1.22) less adjusted EBITDA of the companies deconsolidated in 2020 – WindStar at EUR 23 million and myLoc at EUR 3 million – plus the pro forma adjusted EBITDA contributions for The Meet Group between January and August 2020 of EUR 33 million, also translated at the exchange rate used for planning purposes in financial year 2021.
5 For reasons of comparability corrected for the change of investments in relation to the construction of the new campus at the premises in Unterföhring.
6 Depending on business performance and excluding any portfolio changes.

SIGNIFICANT EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

ProSiebenSat.1 Group enhanced its segment reporting during the year in order to be even more focused and more synergistic. In this context, Red Arrow Studios' program production and distribution business, as well as the digital media and entertainment company Studio71, were integrated into the Entertainment segment at the beginning of 2021. The Dating & Video segment corresponds to the former ParshipMeet Group segment and remains unchanged in its composition compared to the end of 2020. The Dating & Video segment was reported as the Dating segment in the first three quarters of the financial year 2021 and renamed Dating & Video in the fourth quarter. This takes account of ParshipMeet Group's business areas. The Commerce & Ventures segment includes the entities of NuCom Group as well as the investment arm SevenVentures with SevenAccelerator. The portfolio of the SevenGrowth investment vehicle with brands such as marktguru and wetter.com is also pooled here. As of December 31, 2021, the Group therefore reports in the three segments Entertainment, Dating & Video and Commerce & Ventures.
→ Organization and Group Structure

With this new segmentation, ProSiebenSat.1 is continuing the consistent alignment of the Group to synergy and value creation. Important foundations for the future were also laid in 2021 with regard to the personnel composition of the Executive Board and the Supervisory Board. Thus, on December 6, 2021, the Supervisory Board made a range of decisions regarding the composition of the Supervisory Board and Executive Board of ProSiebenSat.1 Media SE: The Chairman of the Supervisory Board, Dr. Werner Brandt, will not stand for re-election as a Supervisory Board member at the Annual General Meeting on May 5, 2022. The Supervisory Board intends to elect Dr. Andreas Wiele, formerly Executive Board member at Axel Springer SE, Berlin, Germany ("Axel Springer"), as its new Chairman and thus successor to Dr. Brandt after the next Annual General Meeting. Dr. Wiele has already belonged to the Supervisory Board since February 13, 2022, as a court-appointed member. He succeeds Adam Cahan, who resigned his post in November 2021 to take on a new role as CEO of the technology company PAX Labs, Inc., California, USA ("PAX Labs"). The Supervisory Board will propose to the next Annual General Meeting that Dr. Wiele be confirmed as Supervisory Board member. Bert Habets, formerly CEO of RTL Group S.A., Luxembourg ("RTL Group"), will also be nominated as another new Supervisory Board member.

There were also changes at Executive Board level: The Supervisory Board renewed Rainer Beaujean's contract for five years effective July 1, 2022. With this contract extension, he was appointed Group CEO, effective January 1, 2022. In addition, Ralf Peter Gierig, previously Deputy Group CFO, became the new Group CFO of ProSiebenSat.1 Media SE effective January 1, 2022. He was given a three-year contract until December 31, 2024. Since January 1, 2022, ProSiebenSat.1 Media SE's Executive Board team has therefore comprised Group CEO Rainer Beaujean and members Christine Scheffler, Wolfgang Link and Ralf Peter Gierig.

ProSiebenSat.1 aims to grow sustainably in all segments. This strategy also reflects the management of the Company with its focus on long-term increase in value and profitability. The Group can use a broad range of investment opportunities. In the past financial year, the ventures portfolio has been a particular focus: The IPO of ABOUT YOU Holding SE, Hamburg, Germany ("ABOUT YOU") on June 16, 2021, exemplifies how ProSiebenSat.1 Group sustainably develops consumer-oriented, digital growth companies through individually tailored investments in the form of media services. Already in September 2016, SevenVentures invested in the online fashion retailer as its first external investor with a media-for-equity investment. Since then, ProSiebenSat.1 has helped the company to achieve great brand awareness in the German-speaking region (Germany, Austria, Switzerland) with targeted advertising campaigns on ProSiebenSat.1 Group's high-reach platforms. Even after the IPO of ABOUT YOU, ProSiebenSat.1 remained invested via SevenVentures as a shareholder and continued its media partnership.

In accordance with the best-owner principle, ProSiebenSat.1 Group regularly evaluates its investments and performs an open-ended analysis of the growth and synergy potential of its portfolio companies. Against this backdrop, NuCom Group, in which General Atlantic PD GmbH, Munich, Germany ("General Atlantic") holds a 28.4% stake, sold its 97.8% share in Sonoma Internet GmbH ("Amorelie") to a subsidiary of the EQOM Group, Veendam, Netherlands ("EQOM Group") on October 1, 2021. The transaction took economic effect on December 30, 2021, so the deconsolidation also took place as of this date. After ProSiebenSat.1 Group raised awareness of Amorelie, an online shop for sensual lifestyle and erotic products, in the German-speaking region (Germany, Austria, Switzerland) through TV advertising in the past seven years, it is no longer the best owner for the further internationalization and thus the next development stage of the company.

By agreement of November 15, 2021, and effective as of the same date, Red Arrow Studios, ProSiebenSat.1 Group's production and distribution business, also sold its majority stake of 62.5% in the US film distributor Gravitas Ventures LLC, Wilmington, Delaware, USA ("Gravitas"), to Anthem Sports & Entertainment Inc., Toronto, Canada ("Anthem"), a global multi-platform media company. Gravitas distributes in particular independent films and documentaries to international digital platforms. The transaction is based on a purchase price of USD 73 million and an additional component in the form of common shares. This decision reflects the orientation of ProSiebenSat.1 Group's Entertainment segment, which is clearly focused on the German-speaking region (Germany, Austria, Switzerland) as its core market.

ProSiebenSat.1 Group practices active financial management and uses various financing instruments. In this context, the Group already repaid the EUR 600 million note originally maturing in April 2021 ahead of time at nominal value (plus interest accrued up to this repayment date) from cash on January 15, 2021, after the Company exercised its three-month termination right under the terms and conditions of the note in December 2020. In addition, the Group used the currently attractive conditions on the capital market in the past financial year to implement a new refinancing measure: At the beginning of October 2021, ProSiebenSat.1 Media SE successfully concluded new promissory notes totaling EUR 700 million with tenors of four, six, eight, and ten years. The volume-weighted tenor of the new promissory loan offering over the four tenors is around 5.9 years. ProSiebenSat.1 thus further extended and diversified the debt maturity profile of its financing instruments. The proceeds from the promissory notes were used to prepay existing term loans under the senior facilities agreement ahead of schedule on October 8, 2021. The prepayment amount totaled EUR 900 million, reducing the Group's term loans from EUR 2.1 billion to EUR 1.2 billion. Due to the good development of cash flows in 2021, the Group has also been able to position itself solidly in the long term and to sustainably reduce its gross debt.
→ Borrowings and Financing Structure

GROUP EARNINGS

REVENUES

ProSiebenSat.1 Group recorded dynamic revenue growth in 2021: **Group revenues** increased by 11% or EUR 447 million year-on-year to EUR 4,494 million. The biggest growth driver was the Entertainment segment, with significantly higher advertising revenues than expected at the beginning of the financial year. At the same time, the synergistic diversification that the Group is driving forward in all segments is paying off. Part of this strategy was also the acquisition of the US online dating provider The Meet Group in September 2020, which has since strengthened the Dating & Video segment and had a very positive impact on Group revenues.

Even adjusted for currency effects and portfolio changes, Group revenues for the full year increased significantly by 10% to EUR 4,276 million (previous year: EUR 3,895 million)[7]. With the effects of the pandemic restrictions still noticeable in the first quarter of 2021, the Group posted record revenues for the corresponding period in both the second and third quarters. The key driver here was the Group's Entertainment advertising revenues, which recovered with dynamic growth from the second quarter onwards. These also recorded an increase in the third and fourth quarters – both year-on-year and compared with the pre-Corona year 2019. In addition, adjusted for portfolio and currency effects, the Commerce & Ventures segment contributed to the strong organic growth over the full-year.

EXTERNAL REVENUES[1]

in EUR m

	Entertainment		Dating & Video		Commerce & Ventures		Total Group	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
Advertising revenues	**2,323**	**2,090**	**—**	**—**	**150**	**135**	**2,473**	**2,225**
DACH[2]	2,083	1,873	—	—	150	135	2,233	2,007
Rest of the world	240	217	—	—	—	—	240	217
Distribution	**179**	**169**	**—**	**—**	**—**	**—**	**179**	**169**
Content	**491**	**394**	**—**	**—**	**—**	**—**	**491**	**394**
Europe	198	144	—	—	—	—	198	144
Rest of the world	293	250	—	—	—	—	293	250
Dating & Video	**—**	**—**	**542**	**333**	**—**	**—**	**542**	**333**
Dating	—	—	278	249	—	—	278	249
Video	—	—	263	84	—	—	263	84
Digital Platform & Commerce	**—**	**—**	**—**	**—**	**701**	**807**	**701**	**807**
Consumer advice	—	—	—	—	192	211	192	211
Experiences	—	—	—	—	77	87	77	87
Beauty & lifestyle	—	—	—	—	433	509	433	509
Other revenues	**105**	**116**	**—**	**—**	**3**	**4**	**108**	**119**
Total	**3,098**	**2,768**	**542**	**333**	**854**	**945**	**4,494**	**4,047**

1 The previous year's figures have been adjusted to the segment structure in place since the first quarter of 2021.
2 DACH = German-speaking region (Germany, Austria, Switzerland).

7 This does not include revenues from The Meet Group (acquired in September 2020) for the months January to August 2021. The contributions of myLoc, the hosting and infrastructure provider sold as of the end of September 2020, were also not included for the months January to September 2020. The contributions of the OTC provider WindStar, which was sold at the beginning of December 2020, were not included for the months January to November 2020, and the contribution of the film and TV distribution company Gravitas, sold as of mid-November 2021, was not included for the month of December 2020. Currency effects are determined by translating the previous year's revenues using the average rates applied in currency translation in the current financial year.

External revenues in the **Entertainment** segment increased to EUR 3,098 million in the financial year 2021 and were thus 12% or EUR 329 million above the previous year's figure. This increase reflects the momentum of the advertising business, which has recovered significantly, and better than initially expected, from the impact of the pandemic. For the full-year, the segment's advertising revenues grew 11% and were thus 2% above the level of the pre-Corona year 2019. Following a high-growth second and third quarter, advertising revenues in the fourth quarter not only exceeded the comparatively high level from the previous year, but were also above the pre-Corona level of the fourth quarter of 2019.

At the same time, the program production business recovered from the effects of the pandemic and developed dynamically in 2021: Revenues from program production and program sales increased significantly by 25% year-on-year. Distribution revenues grew by 6%, particularly reflecting a higher reach and increased HD usage. By contrast, other revenues declined due to consolidation: They were 9% below the previous year as a result of the deconsolidation of hosting provider myLoc managed IT AG ("myLoc") in September 2020. Adjusted for currency effects and portfolio changes, growth in external segment revenues amounted to 13%.

External revenues in the **Dating & Video** segment amounted to EUR 542 million for the full year, up EUR 209 million on the previous year's figure. This significant increase of 63% was driven by the acquisition of The Meet Group, which has been complementing the Group's portfolio synergistically since September 2020. Since this acquisition, the main revenue market[8] of ParshipMeet Group has been the USA, which contributed 55% to the segment's revenues in 2021 (previous year: 42%). The German-speaking region accounted for 28% of revenues (previous year: 42%) and the rest of the world for 17% (previous year: 16%).

The Dating unit contributed EUR 278 million, or 51%, to the segment's external revenues (previous year: EUR 249 million). The Video unit generated a revenue contribution of EUR 263 million (previous year: EUR 84 million). The previous year's figure corresponds to the revenue contribution of the Video business from the consolidation of The Meet Group in September 2020. Its most important revenue market is the US, where government stimulus programs stimulated private consumption in the financial year 2021. This had a positive effect on Video revenues, particularly in the first quarter of 2021.

Adjusted for currency effects and portfolio changes, revenues in the Dating & Video segment were almost at the level of the previous year. While the US matchmaking service eharmony recorded strong organic growth year-on-year, the high previous-year figure had the opposite effect for ParshipMeet-Group: In 2020, ParshipMeetGroup had strongly benefited from the restrictions on public life resulting from the pandemic and accordingly dynamically increased its revenues.
→ Group Environment

External revenues in the **Commerce & Ventures** segment amounted to EUR 854 million in 2021 (previous year: EUR 945 million), 10% below the previous year's figure, particularly due to deconsolidations. This development mainly reflects the disposal of the OTC provider WindStar Medical GmbH (WindStar, Beauty & lifestyle) in December 2020.

Segment revenues adjusted for currency effects and portfolio changes thus increased, recording an increase of 3% or EUR 25 million. Organic growth was achieved particularly by the online beauty provider Flaconi GmbH ("Flaconi", Beauty & lifestyle). Strong growth rates were also recorded by the car rental comparison portal billiger-mietwagen (Silvertours GmbH, "Silvertours", Consumer advice), albeit not yet at pre-pandemic levels. At the same time, the investment vehicle SevenGrowth and SevenVentures, with the media-for-equity and media-for-revenue businesses, increased their revenues. By contrast, the increasingly difficult situation in the energy market had a negative impact on the online comparison portal of Verivox GmbH (Verivox, Consumer advice). In addition, the experience and leisure business of Jochen Schweizer mydays Holding GmbH (Jochen

8 Revenues generated at the customer's location.

Schweizer mydays; Experiences) was negatively impacted by the pandemic environment. This particularly applies to the fourth quarter and the general reluctance to buy against the backdrop of the Omicron wave.

→ Development of Relevant Market Environments

REVENUE SHARE BY SEGMENT[1]

	2021	2020
Entertainment		
Advertising revenues DACH[2]	46%	46%
Other Entertainment revenues	23%	22%
Dating & Video	12%	8%
Commerce & Ventures	19%	23%

1 The previous year's figures have been adjusted to the segment structure in place since the first quarter of 2021.
2 DACH = German-speaking region (Germany, Austria, Switzerland).

REVENUES BY REGION[1]

in EUR m

	2021	2020
DACH[2]	3,504	3,349
USA	878	620
Other	111	77
Revenues	**4,494**	**4,047**

1 Revenues, generated at the subsidiary's registered office.
2 DACH = German-speaking region (Germany, Austria, Switzerland).

» **INFORMATION**

At 78%, ProSiebenSat.1 Group generates the majority of its revenues in the DACH region (previous year: 83%).

ADJUSTED EBITDA

ProSiebenSat.1 Group's **adjusted EBITDA** increased significantly over full-year 2021, reflecting the strong growth in revenues and particularly the recovery of the advertising market: Adjusted EBITDA amounted to EUR 840 million in 2021, a clear increase of 19% or EUR 135 million compared with the previous year. The **adjusted EBITDA margin** increased accordingly to 18.7% (previous year: 17.4%). The Group's dynamic revenue growth thus more than compensated for the as expected increased investments in programming in 2021, enabling the Group to increase its profitability for the year. As announced at the beginning of the year, the Group is taking advantage of the positive advertising market environment to strengthen the reach and market share of its entertainment offerings in the medium- and long-term by focusing on local and live content.

ADJUSTED EBITDA BY SEGMENT[1]

in EUR m

	2021	2020	Absolute change	Change in %	**Adjusted EBITDA margin 2021 (in %)[2]**	Adjusted EBITDA margin 2020 (in %)[2]
Entertainment	698	561	137	24.4	21.7	19.4
Dating & Video	119	80	39	48.7	21.9	23.9
Commerce & Ventures	50	84	−34	−40.6	5.8	8.7
Reconciliation (Holding & other)	−26	−19	−7	38.6	—	—
Total adjusted EBITDA	**840**	**706**	**135**	**19.1**	**18.7**	**17.4**

1 The previous year's figures have been adjusted to the segment structure in place since the first quarter of 2021.
2 Based on segment revenues.

The **Entertainment** segment increased its **adjusted EBITDA** by EUR 137 million to EUR 698 million in the financial year 2021, while the **adjusted EBITDA margin** rose to 21.7% (previous year: 19.4%). These positive developments were driven primarily by growth in the advertising business, which has been steadily recovering from the effects of the pandemic since the second quarter of 2021. In addition, revenue growth in the content and distribution business improved the segment’s profitability. Higher investments in programming, as expected, had the opposite effect, although this was overcompensated by the very good advertising business performance. The Group's goal is to consolidate its market leadership in the advertising-relevant target group in prime time with its programming strategy and a focus on local, relevant live content.

The **Dating & Video** segment also recorded an increase in earnings: **Adjusted EBITDA** grew by EUR 39 million to EUR 119 million in the financial year 2021. This is mainly due to the acquisition of The Meet Group in September 2020 and thus its inclusion in the financial year 2021 in total. By contrast, the **adjusted EBITDA margin** of the segment declined to 21.9% (previous year: 23.9%) and reflects the different margin structures of the business areas within the Dating & Video portfolio.

Adjusted EBITDA of the **Commerce & Ventures** segment amounted to EUR 50 million for the full year, down EUR 34 million on the previous year’s figure of EUR 84 million. The **adjusted EBITDA margin** declined to 5.8% (previous year: 8.7%). The earnings performance was characterized by the effects that also impacted the segment’s revenues: On the one hand, the disposal of WindStar and its positive earnings contribution of EUR 18 million in the previous year had a major impact. Secondly there were investments in new growth initiatives and temporary effects. These characterized the earnings performance in the fourth quarter of 2021 in particular. In view of rising infection rates due to the omicron outbreak, consumers were cautious in their consumption behavior, while the high rate of inflation and the increasingly tense situation on the energy market also had an impact. The latter impacted the business of our price comparison portal Verivox.
→ Revenues

EBITDA

The Group’s EBITDA in the financial year 2021 included **reconciling items** of minus EUR 36 million, compared with plus EUR 95 million in the previous year. The previous year’s figure was mainly impacted by income from changes in the scope of consolidation, including the disposals of WindStar (EUR 106 million) and myLoc (EUR 35 million).

The reconciling items include **income to be adjusted** of EUR 7 million, compared with EUR 141 million for the 2020 financial year. **Expenses** also included in the reconciling items and **to be adjusted** in adjusted EBITDA amounted to EUR 43 million (previous year: EUR 46 million). The largest single item was M&A expenses, which amounted to EUR 12 million and were distributed almost equally among the three segments (previous year: EUR 24 million). Expenses from changes in the scope of consolidation amounted to EUR 10 million (previous year: EUR 0 million) and are almost entirely related to the disposal of Gravitas (EUR 10 million) in the fourth quarter of 2021.

Depreciation, amortization and impairments amounted to EUR 251 million in the financial year 2021 (previous year: EUR 248 million). Amortization of intangible assets amounted to EUR 155 million (previous year: EUR 160 million) and, like depreciation of property, plant and equipment, was slightly below the previous year's level (EUR 77 million; previous year: EUR 80 million). Impairments amounted to EUR 29 million (previous year: EUR 8 million) and were mainly recognized on intangible assets in the Entertainment and Commerce & Ventures segments, although this development was also positively offset by a reversal of impairments in Commerce & Ventures amounting to EUR 9 million.

PRESENTATION OF RECONCILING ITEMS WITHIN ADJUSTED EBITDA

in EUR m

	2021	2020
Adjusted EBITDA	**840**	**706**
Income from changes in scope of consolidation	1	140
Income from other one-time items	6	1
Income adjustments	**7**	**141**
M&A related expenses	−12	−24
Reorganization expenses	−7	−6
Expenses for legal claims	−1	−3
Fair value adjustments of share-based payments	−4	−5
Expenses from changes in scope of consolidation	−10	—
Expenses from other one-time items	−8	−7
Valuation effects relating to strategic realignments of business units	−1	−1
Expense adjustments	**−43**	**−46**
Reconciling items	**−36**	**95**
EBITDA	**804**	**801**

In this context, **EBITDA** increased slightly by EUR 3 million to EUR 804 million in financial year 2021. **EBIT** amounted to EUR 553 million (previous year: EUR 553 million) and was thus at the previous year's level despite significantly higher revenues. The previous year's figure is characterized by the positive reconciling items of EUR 95 million described above and, in particular, the income from changes in the scope of consolidation of EUR 140 million included therein. In addition, cost of sales and selling expenses increased in 2021 compared to the previous year reflecting the Group's growth. The following table provides a reconciliation of the various earnings figures to net income:

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME

in EUR m

	2021	2020	Absolute change	Change in %
Adjusted EBITDA	840	706	135	19.1
Reconciling items	−36	95	−131	~
EBITDA	**804**	**801**	**3**	**0.4**
Depreciation, amortization and impairment	−251	−248	−3	1.1
thereof from purchase price allocations	−58	−52	−6	11.0
Operating result (EBIT)	**553**	**553**	**0**	**0.1**
Financial result	54	−183	237	~
Income taxes	−165	−118	−47	40.1
Net income	**442**	**252**	**190**	**75.3**

FINANCIAL RESULT

The **financial result** improved significantly in the 2021 reporting period compared with the previous year and amounted to EUR 54 million (previous year: EUR -183 million). The very positive development of the financial result is characterized by the following developments:

The **interest result** showed a significant improvement to minus EUR 40 million (previous year: EUR -73 million). This was primarily due to the early bond repayment in January 2021. In addition, the **result from investments accounted for using the equity method**, also recognized in interest result, improved to minus EUR 41 million (previous year: EUR -77 million). As in the previous year, this mainly includes the Group's 50% share in the profit or loss of Joyn for the period.

The **other financial result** amounted to EUR 135 million (previous year: EUR -32 million). Firstly, this includes the valuation effects from other financial instruments of EUR 130 million (previous year: EUR 7 million), which were made up of various individual items. The largest single item is a positive valuation effect from fund investments of EUR 66 million (previous year: EUR 20 million). In addition, the valuation effect from other financial instruments is primarily characterized by the investment in ABOUT YOU (EUR 48 million). The other financial result also includes income of EUR 15 million from the valuation of contingent purchase price liabilities (previous year: EUR -30 million).
→ Significant Events and Changes in the Scope of Consolidation

Currency translation results improved by EUR 7 million and amounted to EUR 1 million (previous year: EUR -6 million).

INCOME TAXES

In the financial year 2021, ProSiebenSat.1 Group recorded expenses from **income taxes** of EUR 165 million (previous year: EUR 118 million). The increase compared with the previous year resulted primarily from the increase in the result before income taxes. Furthermore, the figures for 2021 take into account an adjustment of the provision for uncertain tax positions due to a decree by the tax authorities regarding a trade tax reduction for amounts from taxation under the controlled foreign corporation (CFC) rules of EUR 14 million. In addition, the effective tax rate was influenced by tax-free valuation effects and by non-capitalized deferred taxes on losses and income from investments accounted for using the equity method. The effective tax rate decreased from 31.9% in financial year 2020 to 27.2% for financial year 2021. The adjusted tax rate amounted to 34.9%, mainly due to the adjustment of the valuation effects and the aforementioned adjustment of the tax provision relating to the trade tax reduction from taxation under the controlled foreign corporation (CFC) rules.

NET INCOME AND ADJUSTED NET INCOME

INCOME STATEMENT

in EUR m

	2021	2020
Revenues	4,494	4,047
Cost of sales	−2,746	−2,468
Selling expenses	−712	−646
Administrative expenses	−501	−538
Other operating income/expenses	18	157
Operating result (EBIT)	**553**	**553**
Financial result	54	−183
Income taxes	−165	−118
Net income	**442**	**252**
Attributable to shareholders of ProSiebenSat.1 Media SE	449	267
Attributable to non-controlling interests	−7	−15

For the reasons mentioned, **net income** showed very significant growth, increasing by 75%, or EUR 190 million, to EUR 442 million. At the same time, **adjusted net income** moved up by 64%, or EUR 141 million, to EUR 362 million. As a result, **adjusted earnings per share** also showed clear growth, rising to EUR 1.60 (previous year: EUR 0.98). This positive development is reflected in the dividend proposal to shareholders.

→ Allocation of Profits

The reconciling items relevant for calculating adjusted net income are presented in the reconciliation below:

RECONCILIATION OF ADJUSTED NET INCOME

in EUR m

	2021	2020	Absolute change	Change in %
Net income	**442**	**252**	**190**	**75.3**
Reconciling items within EBITDA	36	−95	131	~
Depreciation, amortization and impairments from purchase price allocations	59[2]	52	6	11.9
Valuation effects in other financial result	−130	−7	−123	~
Valuation effects of put-options and earn-out liabilities[1]	−12	33	−45	~
Valuation effects from interest rate hedging transactions	—	−1	1	-100.0
Other effects	−5	12	−16	~
Tax effects on adjustments	−29	−19	−10	53.3
Subtotal	**362**	**228**	**134**	**58.8**
Net income attributable to non-controlling interests	7	15	−7	-49.8
Adjustments attributable to non-controlling interests	−7	−21	14	-68.8
Net income attributable to adjusted non-controlling interests	1	−6	7	~
Adjusted net income	**362**	**221**	**141**	**63.8**
Adjusted earnings per share (in EUR)	**1.60**	**0.98**		

1 Including compounding and foreign currency effects of EUR 4 million (previous year: EUR 3 million).
2 Including impacts on associates consolidated using the equity method in the amount of EUR 0 million.

FUNCTIONAL COSTS

The **cost of sales** rose by 11% to EUR 2,746 million (previous year: EUR 2,468 million) in the financial year 2021. Contributing to this increase were growth-related cost increases, especially in program production (EUR 75 million) and at the online beauty provider Flaconi (EUR 35 million), as well as higher consumption of programming assets of EUR 29 million (+3% y-o-y). In addition to these factors, which particularly reflect strong organic revenue growth, the acquisition of The Meet Group (EUR 161 million) had a cost-increasing effect compared with the previous year, which was partially offset by the disposal of WindStar (EUR 82 million). Adjusted for these portfolio effects, the increase in the cost of sales was only 8%, or EUR 199 million, while revenues expanded by 9% in the same period and from the same perspective.

As expected, programming expenses included in the cost of sales increased in the financial year, rising to EUR 1,055 million (previous year: EUR 1,023 million). In the previous year, the Group announced that it would be taking advantage of the positive advertising market environment to increase investments in its local program in order to expand its reach across all platforms, strengthen its competitive position, and thus also create the conditions for further advertising revenue growth in the future. Programming expenses for the full-year include in particular a consumption of programming assets of EUR 995 million (previous year: EUR 966 million) and expenses for productions directly expensed of EUR 60 million (previous year: EUR 57 million).

The Group's **selling expenses** rose by 10% to EUR 712 million (previous year: EUR 646 million). This development was driven primarily by the acquisition of The Meet Group (EUR 21 million). At the same time, selling expenses increased as a result of growth, for example at Flaconi (EUR 16 million).

By contrast, the Group's **administrative expenses** declined, amounting to EUR 501 million in the financial year 2021. The reasons for this decrease of 7% or EUR 37 million include lower expenses for consultancy services, lower depreciation on property, plant and equipment, and lower building costs.

Personnel expenses reported in cost of sales, selling expenses and administrative expenses totaled EUR 814 million. This corresponds to an increase of 14% or EUR 97 million compared with the previous year. This is mainly due to the dynamic development in all segments, with the higher business volume in program production (EUR 37 million) and the acquisition of The Meet Group (EUR 33 million) having a particular effect. In addition, higher provisions for variable compensation and the payment of a coronavirus bonus also had an impact.

ALLOCATION OF PROFITS

Since financial year 2018, ProSiebenSat.1 Media SE has pursued a general dividend policy of distributing around 50% of adjusted net income to the shareholders as a dividend. The Group uses cash inflows exceeding the dividend distribution primarily for investments in organic and inorganic growth as well as for debt reduction.

In view of the significant growth in adjusted net income and a successful business performance in the financial year 2021, the Executive Board recommends to the Supervisory Board, in line with the Group's dividend policy, to propose to the Annual General Meeting a dividend of EUR 0.80 for the financial year, which is significantly higher than the dividend of the previous year (EUR 0.49). This corresponds to a dividend yield of 5.7% based on the closing price of the ProSiebenSat.1 shares at the end of 2021 (previous year: 3.6%). The total dividend will thus increase to EUR 181 million, compared with EUR 111 million in the previous year.

RETURN ON CAPITAL EMPLOYED (ROCE)

ProSiebenSat.1 Group measures the medium-term financial success of the company on the basis of P7S1 ROCE (return on capital employed). In the medium-term, the Group is targeting a figure of more than 15% here. Against the background of the improved operating performance and the consistent sustainable management of the Group, ProSiebenSat.1 Group's **return on capital employed (P7S1 ROCE)** improved significantly to 14.1% in the financial year 2021. In the previous year, the figure was still 10.5%. The increase is mainly attributable to the positive development of adjusted EBIT. The increase in capital employed was caused in particular by the acquisition of The Meet Group in the third quarter of 2020.

→ Planning and Management

CALCULATION OF P7S1 ROCE

in EUR m

	2021	2020
Adjusted EBIT[1]	652	514
Plus pension expenses	1	2
Plus result from investments accounted for using the equity method	−41	−77
Return (ROCE)	**612**	**439**
Capital employed (average)[2]	**4,337**	**4,189**
P7S1 ROCE (in %)	**14.1**	**10.5**

1 Adjusted EBIT: Stands for adjusted earnings before interest and taxes. It describes the operating result (earnings before interest and taxes) adjusted for certain influencing factors (reconciling items). These factors include the reconciling items that flow into adjusted EBITDA as well as depreciation, amortization and impairments from purchase price allocations.
2 Capital employed is the difference between intangible assets (incl. goodwill and purchase price allocation), property, plant and equipment, investments accounted for using the equity method, media-for-equity investments, program assets, inventories, account receivables and other current assets less other provisions, trade payables, liabilities to at equity investments and other liablities.
The figure relates to the average of the reporting dates of the last five quarters.

FINANCIAL PERFORMANCE OF THE GROUP

Total assets amounted to EUR 6,587 million as of December 31, 2021 (December 31, 2020: EUR 7,081 million), thus decreasing by 7% compared with the previous year's reporting date. Key changes compared with the reporting date in the previous year are described below:

FINANCIAL PERFORMANCE

in EUR m

	12/31/2021	12/31/2020	Absolute change	Absolute in %
Assets				
Goodwill	2,163	2,177	−14	-1
Programming assets	973	1,072	−99	-9
Other intangible assets	867	943	−76	-8
Property, plant and equipment	495	443	52	12
Other	484	341	143	42
Non-current assets	**4,982**	**4,975**	**7**	**0**
Programming assets	172	141	30	22
Trade receivables	504	569	−65	-11
Other	334	172	163	95
Cash and cash equivalents	594	1,224	−630	-51
Current assets	**1,605**	**2,106**	**−502**	**-24**
Total assets	**6,587**	**7,081**	**−495**	**-7**
Liabilities				
Equity	**2,099**	**1,687**	**412**	**24**
Non-current financial debt	2,395	2,591	−197	-8
Other	743	826	−82	-10
Non-current liabilities	**3,138**	**3,417**	**−279**	**-8**
Current financial debt	51	601	−550	-92
Other	1,299	1,376	−77	-6
Current liabilities	**1,350**	**1,977**	**−627**	**-32**
Total equity and liabilities	**6,587**	**7,081**	**−495**	**-7**

Programming assets amounted to EUR 1,145 million (December 31, 2020: EUR 1,213 million). The development of programming assets is characterized by different effects: Due to higher impairments, consumption increased to EUR 1,026 million in the full year (previous year: EUR 999 million). At the same time, additions to programming assets decreased, reflecting our content strategy focused on local and live content. Against this background, investments in licensed programming decreased in 2021. The individual carrying amounts as of December 31 were as follows:

STATEMENT OF CHANGES IN PROGRAMMING ASSETS
in EUR m

	2021	2020
Carrying amount 01/01	**1,213**	**1,204**
Additions	983	1,027
Disposals	−25	−17
Consumption	−1,026	−999
Other change	−1	−1
Carrying amount 12/31	**1,145**	**1,213**

ProSiebenSat.1 Group generally settles the financial obligations from programming rights purchases in US dollars. To hedge against exchange rate fluctuations, the Group applies a range of derivative and non-derivative financial instruments in the form of currency forwards, foreign currency swaps, foreign currency options and foreign currency cash positions. As of December 31, 2021, the hedge ratio was 76% based on the total volume of all future US dollar payments resulting from existing license agreements that will fall due within a strategic hedge horizon of seven years (December 31, 2020: 80%).

EARNINGS EFFECTS OF PROGRAMMING ASSETS
in EUR m

	2021	2020
Consumption	1,026	999
Change in provision for onerous contracts	−31	−33
Consumption incl. change in provision for onerous contracts	**995**	**966**

Other intangible assets declined by 8% to EUR 867 million at the end of the financial year (December 31, 2020: EUR 943 million). This was mainly due to the deconsolidations carried out in the past financial year.

Property, plant and equipment increased by 12% to EUR 495 million (December 31, 2020: EUR 443 million). The main reasons for this are newly rented commercial spaces in Germany and advance payments made in connection with the new campus building in Unterföhring.

Other non-current assets grew by 42% and amounted to EUR 484 million (December 31, 2020: EUR 341 million). This increase is attributable, among other things, to the investment in the sport and fitness platform Urban Sports Club, whose investment is accounted for using the equity method, and positive valuation effects from fund investments.

A very significant increase was recorded in other **current assets**, which nearly doubled to EUR 334 million (December 31, 2020: EUR 172 million). One reason for this were positive valuation effects from the IPO of ABOUT YOU. Other reasons include the increase in income tax prepayments as a result of the positive earnings development and higher short-term foreign currency hedges.

By contrast, **current trade receivables** declined by 11% to EUR 504 million as of the reporting date (December 31, 2020: EUR 569 million).

Cash and cash equivalents amounted to EUR 594 million (December 31, 2020: EUR 1,224 million). This significant decrease compared to the previous year's reporting date reflects the Group's active financial management. In January 2021, for example, ProSiebenSat.1 repaid a bond with a volume of EUR 600 million ahead of schedule. In addition, the Group is continuing its general dividend policy and distributed EUR 111 million to its shareholders as a dividend in June 2021.
→ Borrowings and Financing Structure

Equity increased by 24% to EUR 2,099 million (December 31, 2020: EUR 1,687 million). On the one hand, this development is attributable to the positive net income in the reporting period. On the other hand, the currency translation of foreign subsidiaries' financial statements and the value performance of long-term foreign currency hedges in US dollars had an impact. In line with this, the equity ratio increased to 31.9% (December 31, 2020: 23.8%). The early repayment of a bond originally maturing in April 2021, with a carrying amount of EUR 600 million, had a significant positive impact on total capital.

Financial debt decreased significantly, in particular as a result of the early bond repayment, amounting to EUR 2,446 million (December 31, 2020: EUR 3,192 million).

The 10% change in **other non-current liabilities** to EUR 743 million (December 31, 2020: EUR 826 million) is mainly attributable to the decrease in contingent purchase price liabilities. **Other current liabilities** also declined to EUR 1,299 million (December 31, 2020: EUR 1,376 million). The decrease is mainly due to lower trade payables and lower provisions for onerous contracts compared with the previous year.

NET WORKING CAPITAL

NET WORKING CAPITAL

in EUR m

	12/31/2021	12/31/2020
Inventories	49	44
Receivables	517	588
Trade payables	607	692
Net working capital	**−40**	**−60**

ProSiebenSat.1 Group's **net working capital** amounted to minus EUR 40 million as of December 31, 2021 (December 31, 2020: EUR -60 million). The ratio of average net working capital to revenues of the past twelve months was minus 0.9% as of December 31, 2021 (December 31, 2020: - 1.5%).

GROUP FINANCIAL POSITION AND LIQUIDITY

BORROWINGS AND FINANCIAL STRUCTURE

ProSiebenSat.1 Group uses various financing instruments and practices an active financial management. In the reporting period, the Group thus took advantage of the currently favorable conditions on the debt capital market to secure attractive interest rates and to further extend and diversify its debt maturity profile.

As of December 31, 2021, debt accounted for 68% of total equity and liabilities (December 31, 2020: 76%). Financial debt accounted for the majority of debt at EUR 2,446 million or 54% (December 31, 2020: EUR 3,192 million or 59%).
→ Financial Performance of the Group

The durations and volumes of the long-term financing instruments are as follows:

- As of December 31, 2021, ProSiebenSat.1 Media SE has an unsecured syndicated loan agreement comprising a term loan with a nominal volume of EUR 1,200 million and a revolving credit facility (RCF) with an amount of EUR 750 million. The majority of the credit facilities have a term until April 2024. In October 2021, ProSiebenSat.1 Media SE repaid part of the term loan – which originally had a volume of EUR 2,100 million – mainly using proceeds from new promissory note loans.

- At the beginning of October 2021, ProSiebenSat.1 Media SE concluded new promissory note loans totaling EUR 700 million with maturities of four, six, eight and ten years. The proceeds were used to pay back early a term loan under the syndicated agreement in October 2021. The volume-weighted duration for all tranches is approximately 5.9 years. In addition, ProSiebenSat.1 has three promissory notes totaling EUR 500 million in its portfolio, which the company issued in 2016 with durations of seven years (EUR 225 million at a fixed interest rate and EUR 50 million at a variable interest rate) and ten years (EUR 225 million at a fixed interest rate).

- Until January 15, 2021, ProSiebenSat.1 Media SE had a bond with a volume of EUR 600 million. However, in December 2020, ProSiebenSat.1 Group exercised its early termination right and repaid the bond issued in April 2014 at nominal value at the beginning of the year. Until the time of its early prepayment in January 2021, this bond, which was originally to mature in April 2021, was listed on the regulated market of the Luxembourg stock exchange.

With these financing measures, ProSiebenSat.1 Group sustainably reduced its gross debt, extended the average maturity of the financing instruments and diversified the maturity profile. Against this backdrop, the Group is also solidly positioned for the long-term.
→ Significant Events and Changes in the Scope of Consolidation

DEBT FINANCING INSTRUMENTS AND DURATIONS AS OF DECEMBER 31, 2021

Debt financing instruments	in EUR m	Maturity
Term loan	86	April 2023
Promissory loans '16	275	December 2023
Term loan	1,114	April 2024
Promissory loans '21	226	October 2025
Promissory loans '16	225	December 2026
Promissory loans '21	346	October 2027
Promissory loans '21	80	October 2029
Promissory loans '21	48	October 2031

Excluding syndicated revolving credit facility (currently undrawn) totaling EUR 74 million (maturing in April 2023) and EUR 676 million (maturing in April 2024) as well as other loans and borrowings.

The Group's financing instruments are not subject to financial covenants. Interest payable on the syndicated term loan and syndicated revolving credit facility is variable and based on Euribor money market rates plus an additional credit margin, whereby the contract provides for a floor of 0% for the base rate. The Group uses derivative financial instruments in the form of interest rate swaps and interest rate options to hedge against market-related interest rate changes caused by the market. As of December 31, 2021, the proportion of fixed interest was 100% of the entire non-current financing portfolio (December 31, 2020: 95%). As of December 31, 2021, the average interest cap was 0% per annum for the period up to 2024.

→ Financial Performance of the Group

The promissory loans placed in October 2021 are split into four fixed rate and three floating rate tranches, with the fixed rate tranches totaling around EUR 403 million (average weighted tenor: around 6.1 years) and the floating rate tranches totaling around EUR 297 million. The volume-weighted tenor across all tranches is 5.9 years. The three floating rate tranches are at Euribor money market rates but floored at 0% plus a volume-weighted spread of around 0.85% per annum.

In addition, ProSiebenSat.1 Media SE took advantage of a short-term financing opportunity in the money market in the fourth quarter of 2021 and took up a negative-interest money market product with a twelve-month maturity, for which ProSiebenSat.1 Media SE is the interest payment recipient.

FINANCING ANALYSIS

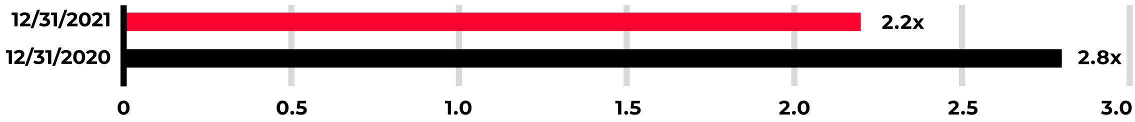
NET FINANCIAL DEBT
in EUR m

	12/31/2021	12/31/2020
Financial debt		
Term loan	1,197	2,092
Notes	—	600
Promissory notes	1,198	499
Other loans	51	1
Financial debt	**2,446**	**3,192**
Cash and cash equivalents	594	1,224
Net financial debt	**1,852**	**1,968**

The Group's **net financial debt** decreased compared with the end of 2020, despite the dividend payment of EUR 111 million in June 2021, dropping by 6% or EUR 117 million to EUR 1,852 million.

The lower net financial debt and the positive development of adjusted EBITDA over the past twelve months led to a significant improvement in the **leverage ratio** to a factor of 2.2x at the end of 2021 (December 31, 2020: 2.8x). As a result, the leverage ratio at the end of the year was again within the target range of 1.5x to 2.5x. In 2020, the leverage ratio was affected by the negative effects of the COVID-19 pandemic.

LEVERAGE RATIO[1]



1 The leverage ratio is derived by calculating the ratio of net financial debt to LTM adjusted EBITDA.

» **INFORMATION**

The leverage ratio is the ratio of net financial debt to adjusted EBITDA in the last twelve months (LTM adjusted EBITDA). As of December 31, 2021, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities according to IFRS 16 of EUR 220 million (December 31, 2020: EUR 228 million) and real estate liabilities of EUR 97 million (December 31, 2020: EUR 71 million).

ANALYSIS OF LIQUIDITY AND CAPITAL EXPENDITURE

ADJUSTED OPERATING FREE CASH FLOW

in EUR m

	2021	2020
Adjusted EBITDA	840	706
Consumption of programming assets incl. change in provision for onerous contracts	995	966
Change in provisions	27	25
Change in working capital	−18	−39
Investments	−1,278	−1,297
thereof program investments	−1,060	−1,063
thereof other investments	−218	−234
Other[1]	33	64
Adjusted operating free cash flow	**599**	**424**

1 Comprises adjustments from reconciling items within EBITDA, included in the cash flow positions consumption of programming assets incl. change in provision for onerous contracts, change in provisions, change in working capital and investments.

In the financial year 2021, the ProSiebenSat.1 Group's **adjusted operating free cash flow** increased significantly and amounted to EUR 599 million (previous year: EUR 424 million). This very positive development particularly reflects the Group's high earnings growth and underlines our effective cash flow management.

» **INFORMATION**

To further focus on operating cash flow management, the Group has introduced adjusted operating free cash flow as one of its most important financial performance indicators in the financial year 2021. The indicator is also used for internal controlling of the management in the Group.

CASH FLOW STATEMENT

in EUR m

	2021	2020
Cash flow from operating activities	**1,539**	**1,511**
Cash flow from investing activities	**−1,249**	**−1,391**
Free cash flow	**289**	**120**
Cash flow from financing activities	**−940**	**205**
Effect of foreign exchange rate changes on cash and cash equivalents	20	−50
Change in cash and cash equivalents	−630	274
Cash and cash equivalents at beginning of reporting period	1,224	950
Cash and cash equivalents at end of reporting period	**594**	**1,224**

In financial year 2021, ProSiebenSat.1 Group generated **a cash flow from operating activities** of EUR 1,539 million (previous year: EUR 1,511 million). The good operating performance was partly offset by significantly higher tax payments.

ProSiebenSat.1 Group reports **cash flow from investing activities** of minus EUR 1,249 million in the reporting period (previous year: EUR -1,391 million). Individual cash flows were as follows:

– The cash outflow for the acquisition of programming assets amounted to EUR 1,060 million in the past financial year (previous year: EUR 1,063 million).

– The cash outflow for additions to the scope of consolidation amounted to EUR 25 million (previous year: EUR 397 million). This particularly includes deferred purchase price payments for companies from the Entertainment segment. In the previous year cash outflows of EUR 368 million mainly related to the acquisition of The Meet Group.

– The proceeds from the disposal of consolidated entities totaled EUR 63 million, compared with EUR 305 million in the previous year. This mainly includes the sale of shares in Amorelie and Gravitas. In the previous year, proceeds were mainly impacted by the disposal of WindStar.
→ Significant Events and Changes in the Scope of Consolidation

– EUR 125 million were spent on other intangible assets (previous year: EUR 155 million). These primarily comprise development costs, licenses for sales of digital offerings, software, and industrial property rights. Investments in property, plant and equipment amounted to EUR 93 million (previous year: EUR 79 million). Besides technical facilities, they include the new campus building at the Unterföhring site.

– Proceeds from the disposal of non-current assets amounted to EUR 74 million in financial year 2021 (previous year: EUR 78 million) and resulted mainly from disposals of shares in ABOUT YOU and FRIDAY Insurance S.A., Berlin (“FRIDAY Insurance”).

The developments described above resulted in a sharp increase in **free cash flow** in the past financial year. This more than doubled to EUR 289 million (previous year: EUR 120 million).

Cash flow from financing activities amounted to minus EUR 940 million (previous year: EUR 205 million). Cash flow from financing activities in the reporting period was mainly impacted by the early repayment of the bond in the amount of EUR 600 million and EUR 111 million dividend payment (previous year: EUR 0 million). In addition, the pro-rata repayment of the term loan of EUR 900 million had an impact, which was offset by the raising of promissory note loans of EUR 700 million and an increase in other instruments of EUR 50 million. In the previous year, the development was characterized mainly by payments received from the minority shareholder General Atlantic in connection with the acquisition of The Meet Group in the amount of EUR 259 million.

The Group's liquidity remains good. The cash flows described above resulted in a decrease in **cash and cash equivalents** to EUR 594 million as of December 31, 2021 (December 31, 2020: EUR 1,224 million). However, the previous year's figure includes the funds from the bond repaid in the meantime with a volume of EUR 600 million.

→ Significant Events and Changes in the Scope of Consolidation

PRINCIPLES AND OBJECTIVES OF FINANCIAL MANAGEMENT

The Treasury department based in the Holding centrally controls financial management throughout the Group and pursues the following objectives:

– to secure financial flexibility and stability, i.e. to maintain and optimize the Group's funding ability,
– to ensure that the entire Group remains solvent by managing its liquidity efficiently across the organization,
– to manage financial risks by using derivative financial instruments.

The Group's financial management covers the capital structure management and Group-wide funding, cash and liquidity management, and the management of market price risks, counterparty risks and credit default risks. This includes the following tasks:

– Capital structure management: For capital structure management at ProSiebenSat.1 Group, managing the leverage ratio is given particular priority. The Group takes into account factors such as the level of market receptivity, funding terms and conditions, flexibility or restrictions, diversification of the investor base and maturity profiles in its choice of suitable financing instruments. The Group manages its funds on a centralized basis.

– Cash and liquidity management: As part of its cash and liquidity management, the Group optimizes and centralizes cash flows and secures liquidity across the Group. Cash pooling is an important tool here, which centralizes a large part of the Group's liquidity at ProSiebenSat.1 Media SE. Using a rolling, Group-wide liquidity planning, ProSiebenSat.1 Group captures and forecasts both operating cash flows and cash flows from non-operating activities, thus deriving liquidity surpluses or requirements. Liquidity requirements are covered either by existing cash positions or the revolving credit facility (RCF).

– Management of market price risks: The management of market price risks comprises centrally managed interest rate and currency management. In addition to cash instruments, derivatives in the form of conditional and unconditional forward transactions are deployed. These instruments are used for hedging purposes and serve to limit the effects of interest and currency volatility on net income and cash flow.

– Management of counterparty and credit default risks: The management of counterparty and credit default risks centers on trading relationships and creditor exposure to financial institutions. When entering into trading transactions, ProSiebenSat.1 Group pays attention to ensuring that business is widely diversified involving counterparties of sufficiently high credit quality. For this purpose, the Group draws on external ratings supplied by international agencies. The Group's risk with respect to financial institutions arises primarily from its investment of cash and cash equivalents and from its use of derivatives as part of its interest rate and currency management activities.

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

The digital development opens up new growth markets for all of our segments. Media usage, for example, is becoming more and more diverse, while video is being consumed increasingly independently of time and place. In order to actively shape this transformation and translate it into growth potential, we bundled our entire entertainment portfolio into one segment last year and integrated it even more closely. We can thus take full advantage of our synergies and produce and offer programming across all platforms and develop cross-media advertising concepts. At the same time, we want to differentiate ourselves more clearly from the global streaming providers with a greater focus on local and live programs. The trend toward digitalization will continue in the years to come and has gained momentum in many areas, such as e-commerce or video dating, in the wake of the COVID-19 pandemic. There are also risks here. Therefore, the identification and management of potential opportunities is just as important for our Company as the recognition and controlling of potential risks. However, we estimate that there are currently no identifiable risks that could have a material adverse effect on our business performance. The overall risk has not changed. This also applies to the opportunity situation, which is heavily dependent on further macroeconomic developments.

RISK REPORT

PROCESS MANAGEMENT

ProSiebenSat.1 Group has a comprehensive risk management system, which covers all activities, products, processes, departments, investments, and subsidiaries that could have an adverse impact on our Company’s business performance. The traditional risk management process is structured into four phases:

1. Identification: The basis is to identify material risks by means of a target/actual comparison. The decentralized risk managers are responsible for this. They use early warning indicators defined for relevant circumstances and key figures. For example, the development of audience shares is an important early warning indicator.

→ Intragroup Management System

2. Assessment: The relevant consolidated risks are assessed on the basis of a matrix. On the one hand, the circumstances are categorized on a five-level percentage scale in terms of the likelihood of their occurrence. On the other hand, their level of potential financial impact is estimated; the financial equivalents are likewise broken down into five levels. Using the matrix presentation, potential risks are classified as "high", "medium" or "low" depending on their relative significance (matrix presentation, page 154). In addition to classification, risk assessment also includes analyzing causes and interactions. Measures to counteract or minimize risks are included in the assessment (net assessment). In order to obtain the most precise view of the risk situation possible, however, opportunities are not taken into account.

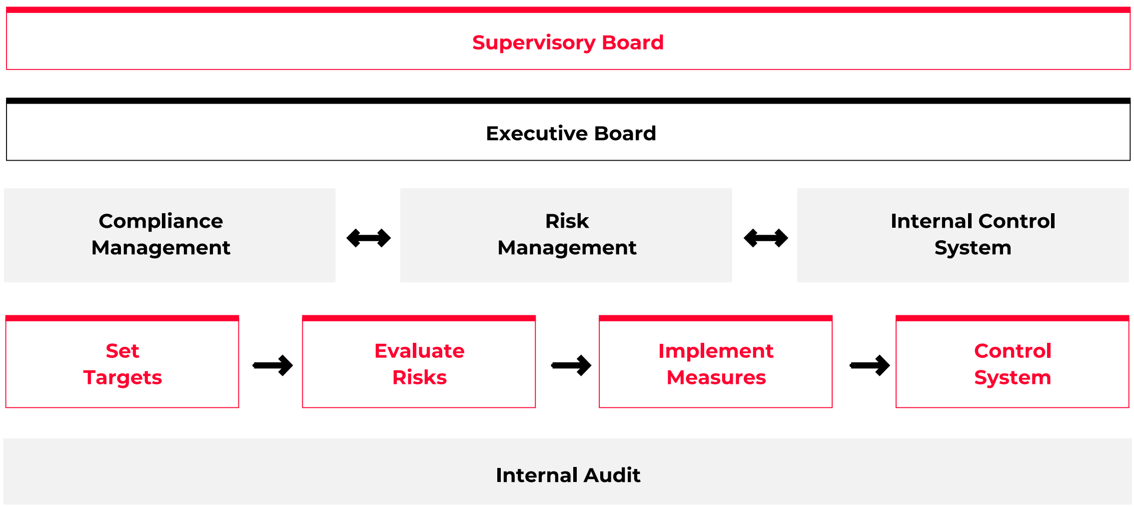
→ Opportunity Report

3. Management: Using appropriate measures, ProSiebenSat.1 Group can reduce the likelihood of occurrence of potential losses and limit or reduce possible damage. In order to handle risks safely, it is therefore very important to take adequate countermeasures as soon as an indicator exceeds a certain tolerance limit.

4. Monitoring: Risk monitoring and risk reporting round off the risk management process. The aim is to monitor changes and review the effectiveness of the management measures taken. Monitoring also includes documentation, which ensures that all hierarchy levels relevant to decision-making have adequate information on risks.

» **INFORMATION**
Risk is defined in this report as a potential future development or event that could significantly influence our business situation and result in a negative deviation from targets or forecasts. The risk indicators that we have already taken into account in our financial planning or in the Consolidated Financial Statements as of December 31, 2021 therefore do not come under this definition and are consequently not explained in this Risk Report.

RISK MANAGEMENT SYSTEM



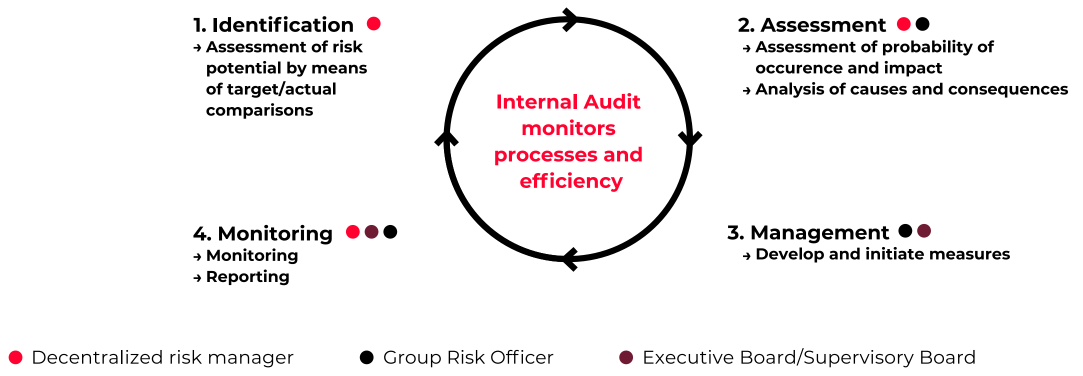
In addition to a structured process, the fundamental requirements for handling risks safely throughout the Group include clear decision-making structures, standardized guidelines, and a methodical approach by the responsible bodies. At the same time, processes and organizational structures must be flexible enough to allow ProSiebenSat.1 Group to respond appropriately to new situations at all times. For this reason, the regular classification of risks takes place on a decentralized basis and thus directly in the different corporate units, as described below:

- **Decentralized risk managers:** The decentralized risk managers identify the risks from their respective area of responsibility according to the standard Group system described. They document their results in an IT database every quarter.
- **Group Risk Officer:** The Group Risk Officer reports the risks identified in the database to the Executive Board and Supervisory Board on a quarterly basis. In addition, relevant risks arising at short notice are reported immediately. In this way, the Executive Board and Supervisory Board receive all analyses and data relevant to decision-making regularly and at an early stage so that they can respond appropriately.

– The **Risk Office** supports the various corporate units in identifying risk at an early stage. It ensures the efficacy and timeliness of the system by training the decentralized risk managers and continually monitoring the scope of risk consolidation. Moreover, the Internal Audit unit regularly reviews the quality and compliance of the risk management system. The results are reported directly to the Group CFO and then discussed in the Executive Board and presented to the Supervisory Board for its information.

The regular review of the risk management system by Internal Audit as well as by external experts generated a positive result. The basis for the audit is the so-called risk management handbook. This handbook summarizes company-specific principles and reflects the internationally recognized frameworks for enterprise risk management and internal control systems of COSO (Committee of Sponsoring Organizations of the Treadway Commission).

RISK MANAGEMENT PROCESS



DEVELOPMENT OF RISKS

ProSiebenSat.1 Group's overall risk situation is unchanged as of December 31, 2021 in comparison to the previous year. Private consumption in Germany particularly benefited from the ongoing normalization of the pandemic situation last year thanks to progress with vaccination and the decline in infection rates in summer 2021. In this context, demand for advertising also increased rapidly and noticeably over the year. Although the emergence and rapid spread of the highly infectious Omicron variant of the virus at the end of the year led to fresh uncertainty with regard to the pandemic, this variant causes less serious illness as far as we currently know and is leading to fewer restrictions in everyday life. At the same time, supply bottlenecks and inflationary trends are affecting the economic environment in Germany. Moreover, it is currently difficult to judge how the Russia/Ukraine war will develop.

We estimate that there are currently no risks that, either individually or in combination with other risks, could have a material or lasting adverse effect on earnings, financial position and performance. The identified risks pose no threat as a going concern, even looking into the future.

» **INFORMATION**

To assess the overall risk situation, ProSiebenSat.1 Group initially classifies all individual risks as part of the quarterly assessment process (based on an ongoing 12-month view), aggregates them and assigns them to general risks. When assessing the overall risk situation, ProSiebenSat.1 Group weights the risks according to their significance for the Group. The assessment of the overall risk situation is thus the result of an aggregate analysis of the main risk categories of the Group and its three segments Entertainment, Dating &

Video and Commerce & Ventures. To identify existential risks, this assessment is supplemented by the risks evaluated as part of long-term corporate planning. ProSiebenSat.1 Group divides the risks at segment and Group level into the categories of operating risks, finance risks, compliance risks, strategic risks and non-financial risks.

We monitor all risks covered by the risk management process continuously and systematically. These are not necessarily the only risks that the Group faces. However, we are not currently aware of any additional risks that could affect our business activities, or we do not consider them relevant in the context of this report. Risks with an overall risk assessment of low are not reported here; contingent liabilities from possible compliance risks are presented in the Notes to the Consolidated Financial Statements:

→ Notes to Consolidated Financial Statements, note 31 “Contingent liabilities”

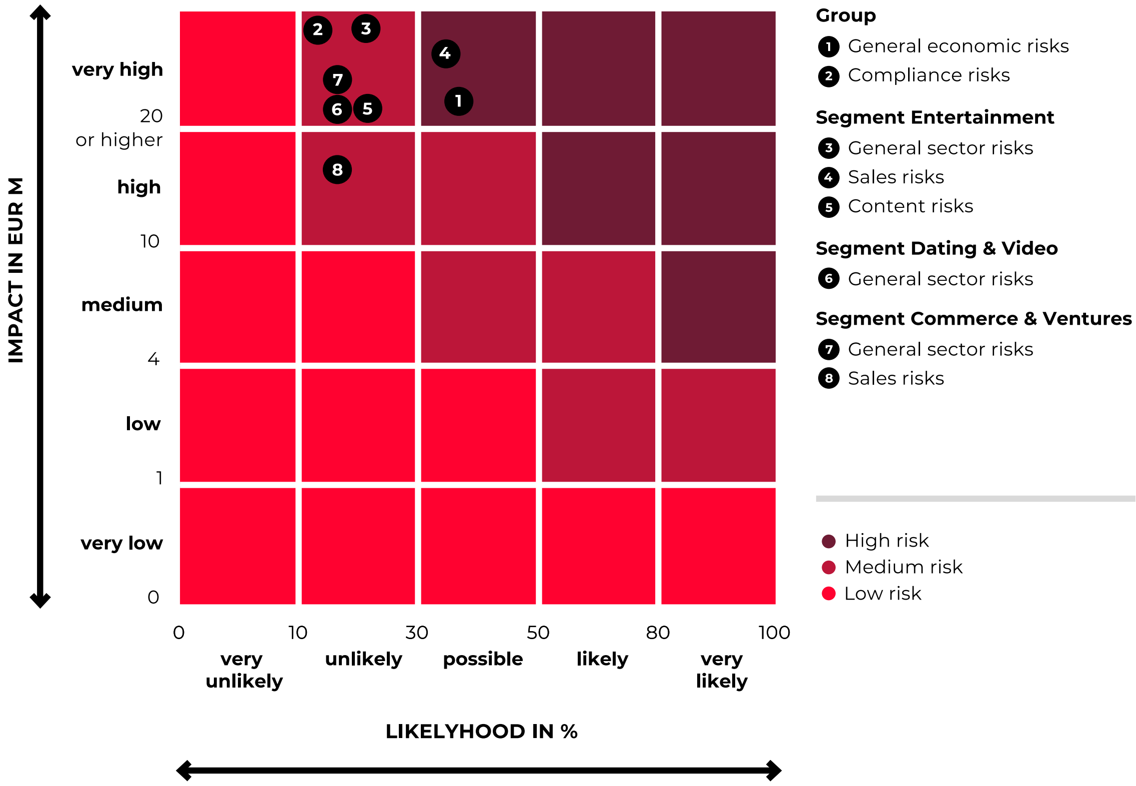
» **INFORMATION**

This Annual Report only presents relevant risks with a high or very high potential impact. We do not report on risks with a very low, low or medium potential impact here. We do not report on risks with an overall risk assessment of low here. However, if a risk that currently has a very low, low or medium potential impact changes into a risk with a high or very high potential impact, we will include this change in our future Risk Reports. Conversely, if risks which are currently rated as having a high or very high impact are downgraded to a very low, low or medium impact, such risks will not be described in detail in this report except for the change compared to the risk situation published in the Annual Report 2020 itself. Similarly, if a risk with an overall low assessment changes to a risk with an overall medium or overall high assessment, such a risk would be included in our future risk reports as soon as the potential impact of the risk is assessed as high or very high. If, on the other hand, if a risk with an overall high or medium assessment changes to a risk with an overall low assessment, this risk would not be described in detail, regardless of the potential impact level – with the exception of the change compared with the risk situation itself published in the Annual Report 2020. The evaluation of likelihood of occurrence and risk impact and the general Group thresholds are unchanged compared to the previous period.

OVERVIEW OF THE RELEVANT RISKS

	Category	Risk	Change as of December 31, 2021 over the previous year	Possible Impact	Probability	Overall Risk
Group	Operating risks	General economic risks	Unchanged	Very High	Possible	High
		Impairment risks	Decreased	High	Very unlikely	Low
	Compliance risks	Compliance risks	Unchanged	Very high	Unlikely	Medium
Segment Entertainment	Operating risks	General sector risks	Unchanged	Very high	Unlikely	Medium
		Sales risks	Unchanged	Very high	Possible	High
		Content risks	Unchanged	Very high	Unlikely	Medium
Segment Dating & Video	Operating risks	General sector risks	Unchanged	Very high	Unlikely	Medium
Segment Commerce & Ventures	Operating risks	General sector risks	Unchanged	Very high	Unlikely	Medium
		Sales risks	Unchanged	High	Unlikely	Medium

OVERVIEW OF THE TOP RISKS



Graphic is not to scale. This Annual Report only presents relevant risks with a high or very high potential impact; we do not report on risks with a very low, low or medium potential impact here.

GROUP LEVEL

Operating Risks

General economic risks: The spread of COVID-19 and its variants had a decisive influence on the global economy for the second year in a row in 2021. In total, however, the economy picked up noticeably around the world. The International Monetary Fund (IMF) calculates that the global economy grew by 5.9% in 2021, following a decline of 3.1% in real terms in 2020 owing to the COVID-19 pandemic.

The German economy was able to recover in 2021, but did not yet reach the pre-crisis level of 2019. Owing to its strong industrial sector, the German economy is particularly affected by supply problems and price increases caused by the rapid global economic recovery and resulting high demand for raw materials and intermediate products last year. Private consumption remained at previous year's level. Although it grew strongly in the two summer quarters, following a weak start to the year, a further rise in infection rates and resulting restrictions caused it to slow again in the fourth quarter. The rising inflation rate towards the end of the year also narrowed private households' scope for consumption.

Nevertheless, the German economy is expected to return to growth after winter 2021/22, given that the global economy remains dynamic, order backlogs in industry are still high and the financial situation of private households is solid, meaning that potential for consumption is correspondingly high. The German government currently anticipates overall economic growth of 3.6% in real terms for 2022. Forecasts are intrinsically subject to uncertainty, but they are currently particularly high, so the economic recovery could be slower, but it could also be much more dynamic. This will depend in particular on the further progression and intensity of the pandemic with its virus variants. In view of this, we consider general economic risks to be unchanged in comparison to the previous year. As in the previous year, we regard the probability of occurrence as possible; in the event of occurrence, a very high financial impact still cannot therefore be completely ruled out. We continue to rate this as a high risk overall.

→ Development of Economy and Advertising Market → Future Business and Industry Environment

Impairment risks: The risk of impairment of intangible assets has decreased in its assessment at a Group level due, among other things, to the improved pandemic situation during the course of 2021. We henceforth consider the probability of occurrence to be very unlikely (previous year: unlikely) and the impact to be high (previous year: very high). We therefore rate the risk as low overall (previous year: medium). Consequently, it is not discussed in any further detail in this report.

Compliance Risks

General compliance risks (including statutory reporting requirements, antitrust law, legal proceedings): Digital development is confronting legislators with new challenges, and companies are facing increasingly dense regulation, particularly in the areas of consumer and data protection. The resulting overall risk assessment has not changed for us compared to the previous year: We continue to rate compliance risks as a medium risk with a potentially very high impact and an unlikely likelihood of occurrence. To prevent possible legal violations, we closely monitor developments in the law in order to respond to changes appropriately. Together with policymakers and industry, the Group is aiming to promote the opportunities of digitalization in order to strengthen Germany as a location for business and innovation in the long-term. The following issues are currently top priorities:

The General Data Protection Regulation (GDPR) has harmonized the legal requirements for processing personal data in the European Union. However, the resulting rights and obligations in the area of online advertising still cannot be fully assessed yet. This applies in particular to the requirements for data processing for target group-specific online advertising. The online advertising industry has therefore founded a number of initiatives, such as the Transparency & Consent Framework, now in version 2.0 (TCF 2.0), to enable operators to request users' consent as required by data protection law. It has not yet been clarified whether and to what extent the responsible Belgian data protection authority will object to the TCF mechanism and what amendments it may insist on. The TCF's failure could harm ProSiebenSat.1 Group's advertising-financed business model, as it would make it much harder to obtain the permissions required for advertising feeds. We are also anticipating further legislative action on consent requirements for cookies and other online identifiers in Germany; in addition, a draft law on data protection in telecommunications and teleservices could further restrict central user recognition for the online advertising industry. Following the Schrems II judgment, the European Commission has adopted new standard contractual clauses (SCCs) for data transfers to non-secure third countries (particularly the USA); in order to agree to these clauses, the parties must define or implement additional protective measures. If adequate additional protective measures cannot be agreed on, it will be necessary to fall back on a less suitable provider within the European Economic Area. Notwithstanding the above, the respective operator of an online service and third parties that process data integrated into the online service are jointly responsible within the meaning of Article 26 GDPR. That means that the respective operator of the online service must conclude arrangements on joint data processing (joint controller arrangements, JCAs) with a large number of third parties in order to comply with the requirements of the GDPR.

The German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz), which was adopted in June 2021, will come into force on January 1, 2023. This will require ProSiebenSat.1 Group companies to implement certain appropriate measures to protect against specific risks relating to human rights and the environment, both within their own area of business and with respect to their direct and indirect business partners. Any breach of the resulting obligations may have significant negative consequences in terms of liability and may lead to legal action and fines.

Various legislative initiatives at European and national level are intended to give consumers more rights. The entry into force of the national transposition of the EU legislative package on digital content and services and the sale of goods on January 1, 2022 strengthens the rights of consumers, particularly in terms of providing remedies regarding digital content, digital services and the purchase of goods. In addition, as part of the "New Deal for Consumers," the EU Omnibus Directive provides for changes to withdrawal rights, new transparency regulations for online marketplaces and a revision of the Price Indication Regulation (Preisangabenverordnung), among other things. These provisions will come into force at a national level on May 28, 2022. In the event of certain violations, a provider could face fines of up to 4% of its annual revenues. Another component of the "New Deal for Consumers" package is the EU Collective Redress Directive adopted on December 24, 2020, which is to be transposed into national law within two years and will then come into effect six months after that. In the event of certain breaches of EU law, e.g. in the area of general consumer rights or data protection, "qualified entities" will, besides injunctive rights, in future be able to make claims for compensation, repair or contract termination, on behalf of consumers before the national courts. The "Fair Consumer Contracts Act" has also already been adopted, which, among other things, provides for more stringent regulation of long-term contracts, including making it easier for consumers to terminate contracts via an online cancellation button. These regulations will come into force on March 1, 2022 and July 1, 2022, respectively, and will affect parts of the Group's segments (Commerce & Ventures and Dating & Video).

The dynamics of digital markets mean that adjustments to national and European antitrust law are necessary. Companies that are in a dominant position on the market will face stricter supervision with regard to abuses with the introduction of the German Act against Restraints of Competition(GWB-Digitalisierungsgesetz). An ex ante regulation on digital platforms and centralized implementation of the new regulatory framework have been initiated at European level. These are crucial steps in ensuring equal competitive conditions in digital markets and enabling action to be taken promptly in future against distortions of competition in digital ecosystems.

Finally, the reform of the copyright contract law is also relevant. The new legal regulations contain undefined legal terms and some other vague wording, about which only court rulings and industry practice over the next few years will provide greater legal certainty. We cannot therefore currently foresee the ultimate impact on ProSiebenSat.1 Group.

ENTERTAINMENT SEGMENT

Operating Risks

General sector risks (including consumer trends and reach development): Television remains the most important mass medium, in terms of both reach and media usage time. However, the rising use of the internet has changed media usage behavior on a lasting basis. For a long time now, TV content, for example, has been consumed not only live on TV sets, but also on-demand and on mobile devices such as laptops and smartphones. In general, video services that are available online, such as streaming platforms, show an unbroken high level of acceptance among users. We have aligned our strategy on this basis and are steadily expanding our portfolio.

The Group serves additional media usage interests by disseminating its content through as many channels as possible and offering it in a platform-independent manner. In this way, ProSiebenSat.1 is expanding its digital reach and simultaneously strengthening the brand profile of our classic station portfolio. At the same time, our in-house productions primarily focus on the key advertising period of prime time. In light of this, we feel that the risks of a change in video usage are unchanged compared to the previous year and consider their likelihood of occurrence to be

unlikely. As in the previous year, however, we cannot completely rule out a very high financial impact in the event of a fundamental change. We rate this as a medium risk overall.
→ Group Environment

Sales risks: Competition with global platform providers is intense. This entails the risk for the ProSiebenSat.1 Group that advertising customers could become less willing to invest or that prices for TV advertising could fall. We cannot rule out a very high impact on our revenue development in the TV advertising market, although we are pursuing a digital and cross-platform entertainment strategy.

We took this development into account in our financial planning compared with the previous year, whereby our overall risk assessment has not changed. Due to ongoing uncertainty about how the economic environment will develop in the context of the COVID-19 pandemic, the probability of occurrence of sales risks remains possible, as in the previous year, while the impact remains very high, so that we continue to rate overall sales risk as high.
→ Future Business and Industry Environment

Content risks: The national and international production market recovered strongly in 2021 compared with the previous year and developed positively. We expect demand for high-quality content to remain high in future, resulting in a positive market environment for the production companies of the ProSiebenSat.1 Group.

However, the production business continues to be affected by the COVID-19 pandemic: Many productions have been confronted with obstacles such as the shutdown of filming locations, logistical challenges, extensive hygiene processes and social distancing. The production companies have nevertheless managed to adapt their processes quickly and efficiently to this situation and have thus largely brought production-related COVID-19 risks under control. These established processes put the companies in a good position as the pandemic progresses, although we cannot completely rule out the possibility that the pandemic may have a further impact on production business in 2022. Consequently, our assessment of content risks is unchanged compared with the end of 2020 (compared with the risk: risks of program production (national and international)): We continue to rate this as a medium risk with a potentially very high impact. We still consider the likelihood of occurrence to be unlikely.

» **INFORMATION**
Risks of national and international program production, risks relating to impairments of programming assets and, in general, any risks relating to content have since 2021 been combined under the new risk "content risks" on an ongoing basis.

DATING & VIDEO SEGMENT

Operating Risks

General sector risks: The market for dating and live video formats has achieved a high level of consumer acceptance in just a few years. However, regulatory changes and intervention at national and international level could lead to risks for the Dating & Video segment's established business models. In particular, this could result in restrictions on free product design and pricing, which could negatively influence the development of revenues and earnings on the grounds of liability risks in the medium- to long-term.

Moreover, competition is very intense. As a result, there is a risk that consumer demand will change very rapidly due to new market players and technologies. Furthermore, the segment's digital business models entail the risk of a dependence on third-party providers, e.g. for processing payments, providing video services or compliance with the rules on personalized advertising on mobile devices. Changes in these business relationships, as well as a rise in restrictive regulatory requirements for new and existing technologies, could have a similarly negative impact on revenues or costs.

We are monitoring these developments regularly in order to assess negative changes early on so that we can initiate countermeasures. If signs of regulatory changes emerge, work is done proactively on alternative services to counteract potentially negative impacts if the risks occur. By constantly refining the digital product offering, the Group is also aiming to secure a long-term competitive edge in the market. Against the backdrop of these measures, coupled with the development of the dating and live video market, we rate the general industry risks as a medium risk overall with an unlikely likelihood of occurrence, as in the previous year. If critical changes were to occur, the impact would still be very high.

COMMERCE & VENTURES SEGMENT

Operating Risks

General sector risks: Restraint in consumer demand has become apparent in the Commerce & Ventures segment since the fourth quarter of 2021. We believe that this development is the result of turbulence on international energy markets and a noticeable rise in inflation, as well as the ongoing pandemic.

In particular, the continual uncertainty about the further course of the pandemic and the exact point at which things will return to normal, and thus about when there will be a lasting recovery in the general economic situation, has a potentially negative impact on the economic situation of our business and cooperation partners in the Commerce & Ventures segment. The various sectors relevant to us are developing differently, but we nonetheless consider the general sector risks for the Commerce & Ventures segment to be a medium risk overall, as in the previous year, with a potentially very high impact and an unlikely likelihood of occurrence.

Sales risks: Increased competitor activity could cause selling expenses in connection with customer acquisition in the Commerce & Ventures segment to rise. To contain these risks, companies in this segment are working on even closer communication with customers and are expanding their portfolio, for example with apps or protected portals that offer added value for customers such as personalized additional information. We continue to rate the resulting sales risks as medium overall, with a potentially high impact and an unlikely likelihood of occurrence.

DISCLOSURES ON THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO THE (CONSOLIDATED) REPORTING PROCESS WITH EXPLANATORY NOTES

The internal control and risk management system in relation to the (consolidated) reporting process is intended to ensure that transactions are appropriately reflected in the Consolidated Financial Statements of ProSiebenSat.1 Media SE (in accordance with the International Financial Reporting Standards ("IFRS") effective at the end of the reporting period, as adopted by the European Union, and in accordance with the additional requirements of German commercial law pursuant to Sec. 315e (1) of the German Commercial Code ("HGB")) and that assets and liabilities are recognized, measured and disclosed appropriately. This presupposes Group compliance with legal and company requirements. The scope and focus of the implemented systems were defined by the Executive Board to meet the specific needs of ProSiebenSat.1 Group. They are regularly reviewed and updated as necessary. Nevertheless, even appropriate and properly functioning systems cannot offer any absolute assurance that all risks will be identified and controlled. The company-specific principles and procedures to ensure that the Group's single-entity and (consolidated) reporting is effective and correct are described below.

GOALS OF THE RISK MANAGEMENT SYSTEM IN REGARD TO FINANCIAL REPORTING PROCESSES

The Executive Board of ProSiebenSat.1 Media SE views the internal control system with regard to the financial reporting process as a component of the Group-wide risk management system. Controls are implemented in order to provide an adequate assurance that despite the identified risks inherent in recognition, measurement and presentation, the single-entity and (Consolidated) Financial Statements will be in full compliance with regulations. The principal goals of a risk management system in regard to single-entity and (consolidated) reporting processes:

- **To identify risks that might jeopardize the goal of ensuring that the (consolidated) Financial Statements and the (Group) Management Report comply with regulations.**
- **To limit risks that are already known by identifying and implementing appropriate countermeasures.**
- **To analyze known risks as to their potential influence on the (Consolidated) Financial Statements, and to take these risks duly into account.**

In addition, our process descriptions and our risk control matrices are subject to an annual review. This ensures that the descriptions are up-to-date and thus also brings about the establishment of continually effective control mechanisms. The results of these reviews and the findings of regular control tests become an integral part of the internal control and risk management system in relation to the (consolidated) reporting process as part of updates. On the basis of the test results there is an assessment of whether the controls are appropriate and effective. Any identified deficiencies in the controls are eliminated, taking into account their potential impact.

ORGANIZATIONAL STRUCTURE

– The single-entity financial statements that are incorporated into the Consolidated Financial Statements are prepared using standardized software.

– The input data is then consolidated to form the Consolidated Financial Statements using stable market-based standardized software.

– The financial statements of the individual entities are prepared in compliance with local financial reporting standards, the input data in compliance with the accounting and reporting manual based on IFRS, which is made available to all employees involved in the reporting process. The individual entities included in the Consolidated Financial Statements provide their input data to the "Group Accounting & Reporting" department in a pre-specified format.

– The financial systems employed are protected with appropriate access authorizations and controls (authorization concepts).

– For the purposes of the Consolidated Financial Statements, there is a standardized chart of accounts, which must be followed in recording the various relevant transactions.

– Certain matters relevant to reporting (e.g. expert opinions with regard to pension provisions) are determined with the assistance of external experts.

– The principal functions of the reporting process – accounting, taxes, controlling, and treasury – are clearly separated. Areas of responsibility are clearly assigned.

– The departments and other units involved in the reporting process are provided with adequate resources in terms of both quantity and quality. Regular professional training sessions are held to ensure that financial statements are prepared at a consistent and reliable level of quality.

– An appropriate system of guidelines (e.g. IFRS-based accounting and reporting manual, intercompany transfer pricing guideline, purchasing guideline, travel expense guideline, etc.) has been set up and is updated as necessary. The efficiency of the internal control system in regard to processes relevant to financial reporting is reviewed (on a sample basis) by the process-independent Internal Audit unit.

PROCESS ORGANIZATION

– For the planning, monitoring, and optimization of the process of preparing the Consolidated Financial Statements, the Company uses tools that include a detailed calendar and all important activities, milestones, and responsibilities. All activities and milestones are assigned specific deadlines. Compliance with reporting duties and deadlines is monitored centrally by Group Accounting.

– In all accounting-related processes, controls are implemented such as the separation of functions, the dual-control principle, approval and release procedures, and plausibility testing.

– Tasks for the preparation of the Consolidated Financial Statements are clearly assigned (e.g. reconciliation of intragroup balances, capital consolidation, monitoring of reporting deadlines and reporting quality with regard to the data of consolidated companies, etc.). The "Group Accounting & Reporting" department is the central point of contact for specific technical questions and complex accounting issues.

– All material information included in the Consolidated Financial Statements is subjected to extensive systematic validation to ensure the data is complete and reliable.

– Risks that relate to the (consolidated) reporting process are recorded and monitored continually as part of the risk management process described in the Risk Report.

OPPORTUNITY REPORT

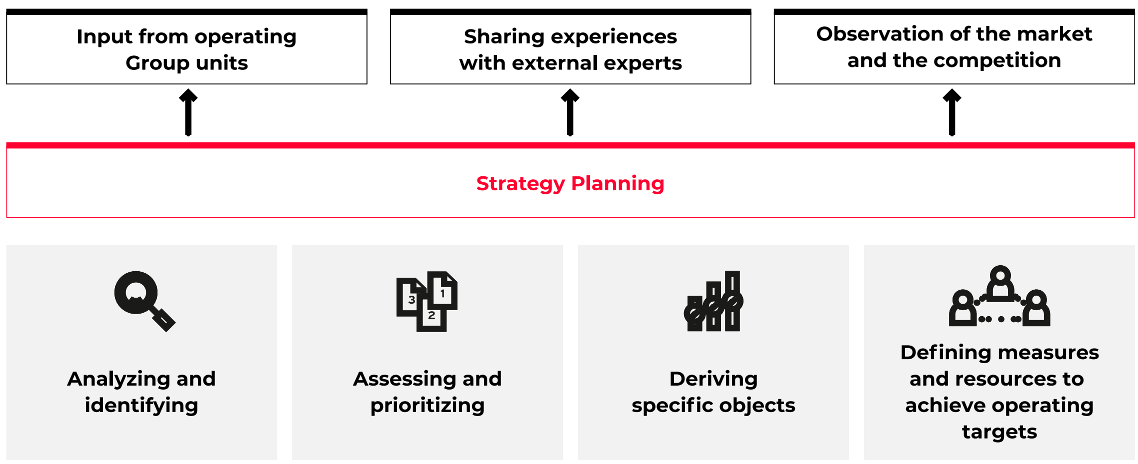
OPPORTUNITY MANAGEMENT

Our aim is to identify and seize opportunities as soon as possible using suitable measures. To this end, ProSiebenSat.1 records the growth opportunities defined as relevant as part of its strategic planning. Individual growth opportunities are prioritized, specific objectives are derived, and measures and resources for operational target attainment are determined.
→ Strategy and Management System

Our opportunity management is part of the intragroup management system. The management of opportunities is decentrally organized in the business units. This process is supported and coordinated by the Group Strategy department, which is in close contact with the individual operational units and thus gains detailed insights into the business situation. In addition, market and competition analyses in addition to experience exchanges with external experts are important sources to identify growth opportunities for ProSiebenSat.1 Group.

» **INFORMATION**
We have incorporated opportunities that we consider to be likely in our forecast for 2022 and in our medium-term planning until 2026. We report on these growth opportunities in the Company Outlook. In addition, there is potential that has not yet been or not fully been budgeted for; we describe these possible positive budget variances in the section below if they are material and important for the planning period until 2026.

OPPORTUNITY MANAGEMENT



Synergies from networking business areas. The connecting of our segments and business areas gives rise to diverse and mutual synergies. This is an important competitive advantage. ProSiebenSat.1 Group reports in the three segments Entertainment, Dating & Video (formerly: Dating) and Commerce & Ventures and thus continues its consistent focus on synergy and value creation. In this context, Red Arrow Studios' production and distribution business, as well as the digital media and entertainment company Studio71, was integrated into the Entertainment segment at the beginning of the financial year 2021. ProSiebenSat.1 thus recognizes the strategic proximity of the two businesses, as Red Arrow Studios is concentrating in particular on producing more content for the Group's entertainment platforms. The focus on local and live content distinguishes us from multinational streaming providers and is therefore an increasingly important competitive factor.

The Commerce & Ventures segment includes the investment arm SevenVentures, the portfolio of the investment vehicle SevenGrowth, and the companies of NuCom Group. The Group's minority and majority investment areas, which ProSiebenSat.1 establishes with media services and support and which thus contribute to the Group's growth strategy, are bundled in the segment. At the same time, synergies between the Entertainment and Commerce & Ventures segments and the resulting value creation can thus arise and be strengthened in a sustainable manner. For example, products and services from consumer internet areas are particularly suitable for video advertising on TV as well as our digital entertainment platforms. In addition, we can use our consumer-oriented digital platforms to build up extensive knowledge about consumption data and thus offer advertising customers added value.

The core of our strategy is the best possible use of synergies. This objective is also the basis for investment decisions, whereby media is an investment currency is of central importance. Thanks to its high TV reach and diversified entertainment portfolio, ProSiebenSat.1 Group can effectively and sustainably strengthen brands that add value to the existing portfolio. In addition, ProSiebenSat.1 can rapidly respond to free advertising space and offer its own portfolio companies. By using media services, ProSiebenSat.1 can therefore exploit potential beyond the cost and revenue synergies typical for the market. Once a company has successfully passed through the initial growth phases that can be followed by the next stages of development, ProSiebenSat.1 Group also makes larger acquisitions.

One example of this is the purchase of The Meet Group. Its portfolio synergizes with Parship Group and makes a significant contribution to the entire Group's revenue diversification. The initial investment in the area of matchmaking was made via a media-for-revenue participation in Parship in 2012. In the subsequent years, ProSiebenSat.1 acquired a majority stake and other online dating brands. ParshipMeet Group, which was created via this buy-and-build strategy, operates in a profitable and rapidly growing market. Thanks to extensive expertise, we aim to further optimize ParshipMeet Group's platforms together and to benefit from the closer integration of the businesses.
→ Segments and brand portfolio

The successful integration of eharmony has already demonstrated the value that operating and technical synergies within ParshipMeet Group can create: After the acquisition in 2018, we migrated the platform available in North America, the United Kingdom, and Australia to a shared technology infrastructure with Parship and ElitePartner. Synergies in the areas of platform development, marketing, and purchasing have helped to significantly improve the economic performance. The Company has since been benefiting from these efficiency measures and the increased attractiveness of its offerings. Today, eharmony is the central growth driver of the matchmaking portfolio. The current focus topics of ParshipMeet Group include the repositioning of the Parship brand, whose groundwork was laid in fiscal year 2021. Meanwhile, the business bundled in the Group's Dating & Video segment is directly benefiting from access to existing systems, such as in purchasing, and can thus efficiently develop its own corporate structures.

In addition, there is potential for further cross-selling initiatives within ProSiebenSat.1 Group. In particular, the live video streaming expertise of ParshipMeetGroup strengthens our position in the Dating business and secures us new potential. The demand for live-streaming is high – creators produce around 200,000 hours of streaming content every day. However, we are not only using the live video streaming expertise for these offerings, we also see potential synergies with the Entertainment portfolio here. The aim is therefore to bring the two segments even closer together in the future. At the same time, we also make our vPaaS solution available to third-party companies and thus generate additional revenue.

The potential is high. Over the past 20 years, ParshipMeet Group's offerings have played a key role in promoting the popularity of online dating and driving innovation through proprietary technologies such as vPaaS. Beneficial to continue to align our offerings as closely as possible to the needs of our customers, we have conducted intensive market research in recent weeks and identified six key needs that will guide the further development of our apps in the context of the pandemic: Authenticity, appreciation, commitment, safety, perspective, and fun. Meeting these needs will be essential in order to continue to participate in the growth of the market in the best possible way and to strengthen our high consumer acceptance.

Entry into new, fast-growing business areas and portfolio focusing. Raising brand awareness quickly is a decisive competitive factor, especially for young companies in an early stage of development. We therefore offer start-ups TV advertising as a special form of start-up financing and can acquire companies at attractive valuations.

ProSiebenSat.1 follows various M&A approaches and frequently uses the Group’s investment vehicles to first acquire a minority interest or invests in companies via media services. In accordance with the “reach meets business idea” principle, ProSiebenSat.1 can thus acquire knowledge of new market and business models, establish brands and accelerate companies’ growth without high business risks. One example of this is the investment in the fitness aggregator Urban Sports Club with the aim to increase the company’s brand awareness in the German-speaking region via advertising on the ProSiebenSat.1’s TV and online platforms and thus promote its growth. In the previous reporting period, ProSiebenSat.1 Group acquired a 15.6% stake in Urban Sports Club.

This is a key pillar of our M&A strategy and at the same time a central competitive advantage, especially over global platform providers. In the future, there will also be a particular focus on the Commerce & Ventures segment, unlocking additional potential for us.

ProSiebenSat.1 Group regularly evaluates the synergy potential of its portfolio. However, if certain businesses no longer have a sufficient affinity with the Entertainment business or are not a platform business, we sell these well-developed commerce brands to a more suitable owner. In this way, the Group is focusing its portfolio and giving itself financial freedom for future value-creating investments.

Data-based business models and digitalization of TV advertising. Global platform providers such as Alphabet/Google, Meta/Facebook and Netflix Inc. (“Netflix”) have great market power thanks to their databased business models. Because of their size, they can influence usage habits. This is particularly true with regard to young people’s media usage. However, ProSiebenSat.1 Group began very early to expand its TV offerings and to develop them cross-media. In doing so, our local content strategy sets us apart from the offerings of global platform providers and makes a central contribution to media and opinion diversity. We are successfully asserting ourselves in this competition with our strategy. Our goal is to offer the right service for every form of use and on all screens.

Today, our program is already available online at any time, regardless of device, time or location. With Joyn, for example, we operate a streaming service, through which we also make our TV programs available to our viewers on-demand. In terms of distribution partners, our strong station brands remain our beacons. But we are also breaking new ground in distribution and creating additional reach and offerings in video-on-demand and new marketing opportunities, for example in the areas of data and Addressable TV, through expanded cooperation with distribution platforms. In this way, we are vigorously driving forward the digital transformation of ProSiebenSat.1 Group. Because it is becoming increasingly important to establish and build upon data-based business models for the sales of TV advertising time as well.

A milestone in this context is the clarification in court that regionally tailored advertising may be broadcast on all linear distribution channels in the future. Data-based forms of advertising have high potential for growth. Television advertising will thus take on new dimensions, become more interesting to viewers and advertising customers and thus even more valuable in comparison to other media. After the ECJ decision of February 2021, the Stuttgart Regional Court's ruling of December 23, 2021, now underscores our political demand: Germany needs modern regulation and more equal opportunities in the advertising market – including to support rather than hinder domestic businesses in international competition. Global digital corporations like Google or Facebook, for example, have always been allowed contextual advertising such as the regional tailoring of advertising online. Now, we can also deliver advertising spots to targeted audiences on linear TV in a regionally selective manner. This gives us an opportunity to offer new products to additional customer groups.

Addressable TV spots are another example of targeted, contextual or even personalized adaptation of advertising on TV. ProSiebenSat.1 was the first TV group in Germany to broadcast them and is now promoting them via d-force, our joint venture with RTL Deutschland. In 2021, ProSiebenSat.1 implemented over 1,200 Addressable TV campaigns (around 20% more than in the previous year). ProSiebenSat.1's offerings are based on HbbTV technology, which enables online content to be displayed on Smart-TVs. This results in attractive advertising opportunities, as Addressable TV spots combine the benefits of digital advertising with linear television. The aim is to continually build on our leading position in the Addressable TV environment and meet the dynamically growing demand for innovative advertising technologies with new products.

Since December 2020, for example, the CrossDevice Bridge has enabled advertising customers to plan and adapt TV and digital advertising campaigns across devices. Customers no longer book the medium through which they want to broadcast their advertisement, but the quantity and frequency of contacts they want to generate. This makes cross-media advertising planning significantly easier and faster. The various screens can be connected and coordinated, so that certain target groups can be addressed more easily in overarching TV and digital campaigns. Seven.One Media already reaches a total of 38 million households via the CrossDevice Bridge, covering most digital media usage in Germany.

In order to enable the reach generated by combined TV and video campaigns to be measured and evaluated using unified criteria, ProSiebenSat.1 and the licensor Sky Media have jointly developed the CFlight concept for the German market. CFlight includes transparent, cross-media campaign reporting, which guarantees the comparability of TV and video advertising exposures. The results of this currency metric demonstrate once again that high-impact video campaigns work across media. This is the core of our sales strategy. In doing so, we consistently combine the advantages of traditional TV, such as its high reach, with the advantages of digital advertising, such as data-based targeting.

ADDITIONAL OPPORTUNITIES FROM THE DEVELOPMENT OF THE ECONOMIC CONDITIONS

The Group has based its full-year outlook for 2022 on the specific assumptions regarding to future economic conditions. Positive deviations from these key planning assumptions could additionally accelerate the growth of the entire Group. This applies in particular to a more favorable development of the advertising environment than described in the Company Outlook.
→ Company Outlook

OVERALL ASSESSMENT FROM THE MANAGEMENT'S VIEW: FORECAST FOR 2022

ProSiebenSat.1 Group is well positioned for the future. We have a solid financial basis and a clear corporate strategy that reflects the key trends in the various market environments in which we operate. We are focusing in particular on the synergies between our business areas, growth of our digital activities in the Entertainment and Commerce & Ventures businesses and the scalability of our Dating & Video platforms. This consistent alignment of our strategy is paying off. Over the course of 2021, we significantly improved in all of the most important financial performance indicators. Going forward, we will continue to concentrate on profitable growth as well as the medium-term improvement of our P7S1 ROCE (return on capital employed) to over 15%.

FUTURE BUSINESS AND INDUSTRY ENVIRONMENT

The IMF forecasts robust growth of 4.4% for the global economy in 2022. However, there are still considerable uncertainties because, firstly, the further course of the pandemic is unclear and the Omicron variant in particular is currently spreading rapidly. Secondly, shortages of raw materials and supply bottlenecks continue to influence business activity to a high degree. These developments are longer-lasting than most experts had anticipated during 2021.

It is nevertheless expected both that the fight against the pandemic will continue and that production processes will be ever better adapted to the prevailing conditions, at least in the developed economies. If necessary, further government support is likely to be deployed here, such as the US government's USD 550 billion infrastructure and investment program, which provides significant growth stimulus. Against this backdrop, the IMF expects strong growth of 4.0% for the US economy in 2022, despite the negative factors.

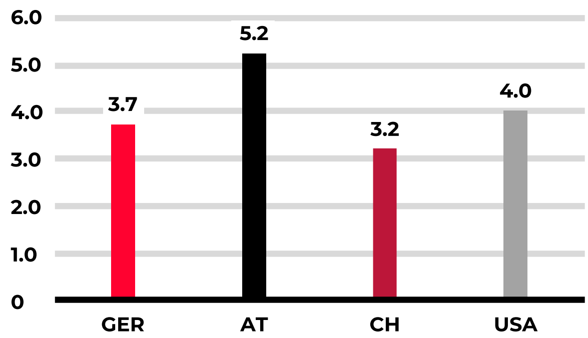
The recovery of the German economy largely came to a halt at the turn of 2021/22. As in the previous year, the number of COVID-19 infections rose sharply at the start of winter 2021, and contact-intensive services and brick-and-mortar retail were again restricted by protective measures. Unlike in previous peak phases of the pandemic, however, businesses and service providers were not completely closed, so the slowdown in private consumption ought to be less severe. However, the global supply bottlenecks that are weighing considerably on the German industrial sector – especially the important automotive and mechanical engineering industry – are having a negative impact on the economic situation.

It can therefore be assumed that pandemic restrictions and supply bottlenecks will shape the first quarter of 2022. Based on the institutes' assessment, however, the German economy – like in the previous year – is set to recover strongly at the start of summer. In particular, private consumer spending is likely to increase significantly. This is indicated by persistently favorable general conditions such as the robust labor market, stable incomes and high savings. In addition, the pressure on consumers due to inflation should lift somewhat over the course of the year. In parallel, industrial production is expected to gradually pick up speed again, especially given the high order backlogs. This ought to revive export growth accordingly. Against this backdrop, the economic experts expect an increase in real gross domestic product for the full-year 2022 of between 3.5%

(Halle Institute for Economic Research, IWH) and 4.1% (Deutsche Bundesbank). Private consumption is expected to be even more dynamic with forecast growth of between 6.5% (ifo Institute) and 7.6% (Leibniz Institute for Economic Research, RWI).

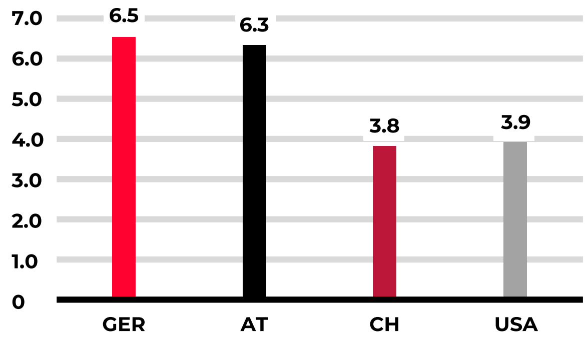
Forecasts are intrinsically subject to uncertainty, but they are currently particularly high, so the economic recovery could be slower, but it could also be much more dynamic. This will depend in particular on the further progression and intensity of the pandemic with its virus variants. In addition, the Russia/Ukraine war is causing further uncertainty.

FORECAST FOR GROSS DOMESTIC PRODUCT IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1



2022 e (Estimate).
Sources: GER: ifo Economic Forecast, winter 2021 from December 14, 2021.
AT: WIFO, Economic Outlook, December 15, 2021.
CH: SECO, Economic Forecast, December 09, 2021.
USA: IMF, World Economic Outlook, January 2022.

FORECAST FOR PRIVATE CONSUMPTION IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1

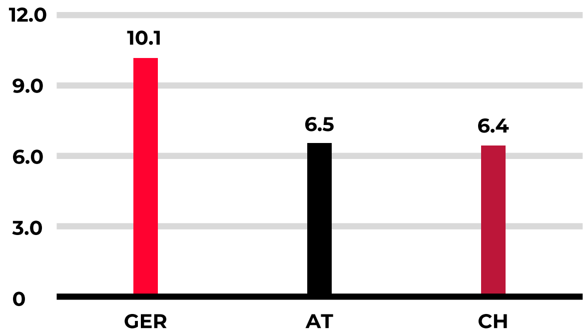


2022 e (Estimate).
Sources: GER: ifo Economic Forecast, winter 2021 from December 14, 2021.
AT: WIFO, Economic Outlook, December 15, 2021.
CH: SECO, Economic Forecast, December 09, 2021.
USA: IMF, World Economic Outlook, October 2021.

PricewaterhouseCoopers GmbH ("PricewaterhouseCoopers") expects the entertainment market to have a volume of EUR 40.5 billion overall in 2022, representing growth of 5.9% in consumer spending. Spending on digital entertainment services should then reach EUR 11.3 billion (2021: EUR 10.4 billion), with the streaming sector, among others, enjoying particularly dynamic growth. By 2025, the digital entertainment market looks set to generate annual growth of 6.5%, while the traditional entertainment market – including e.g. print, TV or concerts – will likely see average annual growth of 1.1% in this period. Nonetheless, the COVID-19 pandemic and high inflation rates mean that there is still a considerable degree of uncertainty when it comes to future consumer spending on entertainment products. This is also true of the advertising industry as a whole.

Media agencies Magna Global and ZenithOptimedia forecast, respectively, that total net advertising spending will increase by 10.1% and 3.7% in 2022. While forecasts in previous years had anticipated a negative trend in the German TV advertising market, the net TV advertising market grew significantly in 2021, and experts anticipate further growth in 2022 (Magna Global: +5.0%; ZenithOptimedia: +3.0%). This underlines the importance of TV as a medium – including when looking into the future. Likewise, on a net basis, in-stream video advertising is expected to continue its dynamic development and to drive growth of the online advertising market. Despite this, forecasting uncertainty is high, particularly as the further sharp rise in nationwide infection rates in Germany since the beginning of 2022, owing to the new Omicron variant of the virus, is not yet reflected in forecasts. It also remains to be seen whether and to what extent inflation affects advertising budgets and investment.

FORECAST FOR NET ADVERTISING MARKETS IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1



2022 e (Estimate).
Source: Magna Global, Global Advertising Forecast December 2021, figures adjusted on a net basis, nonetheless methodological differences between different countries and sources.

As well as private consumption, online retail is an important indicator of revenue development in the Commerce & Ventures segment. According to IFH Cologne, the German e-commerce market is expected to reach an average volume of EUR 139 billion by 2025. Average annual growth from 2021 to 2025 would thus be 10.4%, and the share of online retail is expected to rise to 18.3% by 2025 (2021: 14.8%). Online retail was one of the biggest beneficiaries of the COVID-19 pandemic in 2020 and 2021.

According to Statista, the volume of the car rental market in Europe is expected to come to USD 14.3 billion in 2022 and will thus still not have returned to the pre-crisis level of USD 16.9 billion reached in 2019. The market volume of online comparison portals in the fields of energy, telecommunications, insurance and consumer loans in Germany in 2022 is likely to depend heavily on how energy prices in particular develop.

The COVID-19 pandemic has strengthened the use of online services in many consumer markets. Digital channels are now a common means of communication and help to establish or deepen social interactions. This trend is also apparent in the Dating & Video segment. According to a recent study by a consulting form on behalf of ParshipMeet Group, the total volume of the market that is relevant to our Dating & Video segment could continue to grow each year and develop dynamically, especially in the USA. Lockdowns in 2020 led to a particular rise in the numbers of people meeting over video call, which has now become a firmly established usage habit.
→ Group Environment

COMPANY OUTLOOK

Forecast

ProSiebenSat.1 Group pursues a clear strategy aiming at sustainable and profitable growth. As the macroeconomic development in ProSiebenSat.1 Group's core markets remains uncertain also in financial year 2022 amongst others due to the ongoing COVID-19 pandemic, the Group has decided to provide a midpoint with a plus/minus variance for its revenue and adjusted EBITDA outlook respectively that take this environment into account. The Group has considered in its outlook adverse effects on the business that are foreseeable amongst others as a result of the current course of the COVID-19 pandemic up until the preparation of the 2021 Annual Report on March 1, 2022. Further impacts on ProSiebenSat.1 Group's business beyond that, for example also due to negative effects of the Russia/Ukraine war on the Group's core markets, are not reflected in this forecast[9].

→ Strategy and Management System → Future Business and Industry Environment

Overall, the Group targets further revenue growth for the full-year 2022 on this basis. Without further portfolio changes, the Group expects **revenues** in 2022 of around EUR 4.600 billion, with a variance of plus/minus EUR 100 million, compared with a previous-year figure adjusted for currency and portfolio effects of EUR 4.413 billion[10]. This translates into a Group revenue growth range in financial year 2022 of at least 2% to around 6%.

The range of the revenue target depends particularly on the development of advertising revenues in the German-speaking region (Germany, Austria, Switzerland). For the lower end of the variance, the Group assumes stable advertising revenues in the German-speaking region compared with the previous year as well as growth of 3% for the upper end of the variance.

Based on these revenue assumptions and excluding further portfolio changes, ProSiebenSat.1 expects Group **adjusted EBITDA** for the full-year 2022 – further mainly supported by the Entertainment segment – of around EUR 840 million with a variance of plus/minus EUR 25 million (previous-year figure adjusted for currency and portfolio effects: EUR 825 million[11]). The Entertainment programming costs will be in total at the previous year's level (previous year: EUR 1.054 billion), with the main part of total programming costs being attributed to local content and with a possibility of being varied in the amount of around EUR 50 million depending on the development of the advertising market. The Group is taking advantage of the success of its local programming strategy to expand its reach across all platforms. In the past financial year, the Group was thus ahead of its main competitor RTL Deutschland's stations marketed by Ad Alliance in prime time in every quarter (market shares target group 14-49 years) and further extended its market leadership, especially in the important fourth quarter.

The **adjusted net income** of the Group is mainly determined by the development of the adjusted EBITDA. Furthermore, this key figure is influenced by the financial result, which includes the at-equity investment in the streaming platform Joyn, and by income taxes. On this basis and without

9 For ProSiebenSat.1 Group, the main currency apart from the euro is the US dollar. The Group anticipates a US dollar share in Group revenues for 2022 of approximately 20% and for adjusted EBITDA of approximately 15%. An average strengthening or weakening of the US dollar in relation to the euro by 1 cent over the entire financial year impacts Group revenues by approximately EUR 8 million and adjusted EBITDA by approximately EUR 1 million. For the outlook regarding the following figures, the Group uses a EUR/USD exchange rate of USD 1.15 to the euro in financial year 2022.
10 Based on revenues in financial year 2021 translated at the exchange rates used for planning purposes in financial year 2022 less in particular revenues of the companies deconsolidated in 2021, Sonoma Internet GmbH (Amorelie), moebel.de Einrichten & Wohnen AG and Gravitas Ventures LLC, at in total EUR 101 million.
11 Based on adjusted EBITDA in financial year 2021 translated at the exchange rates used for planning purposes in financial year 2022 less in particular the adjusted EBITDA of the companies deconsolidated in 2021, Sonoma Internet GmbH (Amorelie), moebel.de Einrichten & Wohnen AG and Gravitas Ventures LLC, at in total EUR 17 million.

further portfolio changes, the Group expects that the adjusted net income for the full-year 2022 to be at or slightly above the previous year's level of EUR 362 million.

The **adjusted operating free cash flow** is the Group's relevant cash flow management indicator and is based on the development of adjusted EBITDA. Reaching a midpoint of the adjusted EBITDA target range, ProSiebenSat.1 assumes that the adjusted operating free cash flow for the full-year 2022 – for reasons of comparability adjusted for the change of investments in relation to the construction of the new campus at the premises in Unterföhring – should develop at or slightly above the previous year's figure of EUR 599 million.

ProSiebenSat.1 Group measures the medium-term financial success of the company on the basis of the key figure **P7S1 ROCE** (return on capital employed). In the financial year 2022, the Group expects P7S1 ROCE to be slightly above the level of the previous year of 14.1%.
→ Strategy and Management System

In general, ProSiebenSat.1 aims for a **leverage ratio** (the ratio of the Group's net financial debt to its LTM adjusted EBITDA) in a range between 1.5x and 2.5x. At the end of 2022, the Group anticipates – depending on business performance and excluding any portfolio changes – a leverage ratio at or slightly below the previous year's level (previous year: 2.2x).

The development of **audience shares** is ProSiebenSat.1 Group's most important non-financial performance indicator. For financial year 2022, the Group expects to maintain its leading position with regard to audience shares in the advertising-relevant target group of 14- to 49-year-olds at a high level.

Furthermore, ProSiebenSat.1 Group has set the following **medium- and long-term targets** for the entire Group:

- With its strong strategy based on three complementary segments, ProSiebenSat.1 Group intends to remain attractive for all stakeholders also in the medium- and long-term and to grow profitably in all three segments with a clear focus on earnings.
- In this context, ProSiebenSat.1 has set itself the target of further diversifying revenues and thus continually expanding the share of revenues outside TV advertising in the German-speaking region (Germany, Austria, Switzerland).
- The focus is on consistent value creation. In the medium-term, the Group intends to achieve a return on capital employed, i.e. P7S1 ROCE, of over 15%. Expansion and new investments will therefore pay back within three years and generate a return of at least 18%. Strategic projects are usually expected to pay off within five years.
- ProSiebenSat.1 Group also continues to aim for a leverage ratio in a range between 1.5x and 2.5x in the medium-term.
- All these targets reflect the strategy that ProSiebenSat.1 Group will be one of the leading digital first infotainment and entertainment providers in the German-speaking region (Germany, Austria, Switzerland) and will use this strength to establish and expand global synergistic digital consumer platforms.
- The Group also wants to maintain its dividend policy of distributing around 50% of adjusted net income as dividends in order to allow shareholders to participate in the sustainable success of the corporate strategy on an annual basis.

Dividend Proposal

For financial year 2021, the Executive Board recommends that the Supervisory Board proposes to the Annual General Meeting a dividend pay-out of EUR 0.80 per share (previous year: EUR 0.49) to the holders entitled to dividend. This corresponds to an expected total distribution of around EUR 181 million. Payment of the proposed dividend is subject to approval by the Annual General Meeting on May 5, 2022.

→ Financial Performance of the Group

DIVIDEND PROPOSAL

Adjusted net income in EUR m	362
Number of shares outstanding[1]	233,000,000
Number of treasury shares[1]	6,694,738
Number of eligible shares[1]	226,305,262
Proposed dividend in EUR	0.80
Distribution in EUR m	181
Pay-out ratio in %	50

1 As of December 31, 2021.

Predictive Statements

Forecasts are based on current assessments of future developments. In this context, we draw on our budget planning and comprehensive market and competitive analyses. The forecast values are calculated in accordance with the reporting principles used in the Group financial statements and are consistent with the adjustments described in the Group Management Report. However, forecasts naturally entail some uncertainties that could lead to positive or negative deviations from planning. If imponderables occur or if the assumptions on which the predictive statements are made no longer apply, actual results may deviate materially from the statements made or the results implicitly expressed. Developments that could negatively impact this forecast include, for example, lower economic momentum then expected at the time this report was prepared. These and other factors are explained in detail in the Risk and Opportunity Report. There we also report on additional growth potential; opportunities that we have not yet or not fully budgeted for could arise from corporate strategy decisions, for example. Potential risks are accounted for regularly and systematically as part of the Group-wide risk management process.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in EUR m		**2021**	2020
Revenues	[6]	4,494	4,047
Cost of sales	[7]	−2,746	−2,468
Gross profit		**1,748**	**1,579**
Selling expenses	[8]	−712	−646
Administrative expenses	[9]	−501	−538
Other operating expenses	[10]	−11	−12
Other operating income	[11]	30	169
Operating result		**553**	**553**
Interest and similar income		16	3
Interest and similar expenses		−56	−76
Interest result	[12]	−40	−73
Result from investments accounted for using the equity method	[13]	−41	−77
Other financial result	[13]	135	−32
Financial result		**54**	**−183**
Result before income taxes		**607**	**370**
Income taxes	[14]	−165	−118
Net income		**442**	**252**
Attributable to shareholders of ProSiebenSat.1 Media SE		449	267
Attributable to non-controlling interests		−7	−15
Earnings per share in EUR			
Basic earnings per share	[15]	1.99	1.18
Diluted earnings per share	[15]	1.98	1.18

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	2021	2020
Net income	**442**	**252**
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustment	72	−56
Measurement of cash flow hedges	47	−70
Income taxes	−13	20
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit obligations	0	−1
Other comprehensive income	**106**	**−108**
Total comprehensive income	**548**	**144**
Attributable to shareholders of ProSiebenSat.1 Media SE	538	167
Attributable to non-controlling interests	10	−23

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in EUR m		12/31/2021	12/31/2020
ASSETS			
Goodwill	[17]	2,163	2,177
Programming assets	[18]	973	1,072
Other intangible assets	[19]	867	943
Property, plant and equipment	[20]	495	443
Investments accounted for using the equity method	[22]	61	14
Other financial assets	[23]	353	271
Other receivables and non-current assets	[24]	3	2
Deferred tax assets	[14]	67	54
Non-current assets		**4,982**	**4,975**
Programming assets	[18]	172	141
Inventories	[6]	49	44
Other financial assets	[23]	139	50
Trade receivables	[23]	504	569
Current tax assets		55	31
Other receivables and current assets	[24]	91	47
Cash and cash equivalents	[25]	594	1,224
Current assets		**1,605**	**2,106**
Total assets		**6,587**	**7,081**

in EUR m		12/31/2021	12/31/2020
EQUITY AND LIABILITIES			
Subscribed capital		233	233
Capital reserves		1,046	1,045
Consolidated equity generated		629	290
Treasury shares		−62	−62
Accumulated other comprehensive income		45	−44
Other equity		−136	−129
Total equity attributable to shareholders of ProSiebenSat.1 Media SE		1,755	1,333
Non-controlling interests		343	354
Equity	**[26]**	**2,099**	**1,687**
Non-current financial debt	[29]	2,395	2,591
Other non-current financial liabilities	[29]	347	410
Trade payables	[29]	52	74
Other non-current liabilities	[30]	16	4
Provisions for pensions	[27]	31	32
Other non-current provisions	[28]	51	45
Deferred tax liabilities	[14]	248	260
Non-current liabilities		**3,138**	**3,417**
Current financial debt	[29]	51	601
Other current financial liabilities	[29]	80	109
Trade payables	[29]	555	618
Other current liabilities	[30]	397	374
Current tax liabilities		141	133
Other current provisions	[28]	126	142
Current liabilities		**1,350**	**1,977**
Total equity and liabilities		**6,587**	**7,081**

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	**2021**	2020
Net income	442	252
Income taxes	165	118
Financial result	−54	183
Depreciation, amortization and impairments of other intangible assets and property, plant and equipment	251	248
Consumption of programming assets incl. change in provisions for onerous contracts	995	966
Change in provisions	27	25
Gain/loss on the sale of assets	9	−143
Other non-cash income/expenses	−4	−4
Change in working capital	−18	−39
Dividends received	5	7
Income tax paid	−221	−41
Interest paid	−60	−67
Interest received	1	6
Cash flow from operating activities	**1,539**	**1,511**
Proceeds from disposal of non-current assets	74	78
Payments for the acquisition of other intangible assets and property, plant and equipment	−218	−234
Payments for investments including investments accounted for using the equity method	−83	−81
Payments for the acquisition of programming assets	−1,060	−1,063
Payments for the issuance of loan receivables	−1	—
Proceeds from the repayment of loan receivables	1	1
Payments for obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	−25	−397
Proceeds from losing control of subsidiaries or other businesses (net of cash and cash equivalents disposed of)	63	305
Cash flow from investing activities	**−1,249**	**−1,391**
Dividend paid	−111	—
Repayment of financial liabilities	−1,681	−386
Proceeds from issuance of financial liabilities	956	375
Repayment of lease liabilities	−42	−39
Payments for transactions with non-controlling interests	−37	−1
Proceeds from non-controlling interests	—	261
Payments in connection with refinancing measures	−1	—
Dividend payments to non-controlling interests	−23	−5
Cash flow from financing activities	**−940**	**205**
Effect of foreign exchange rate changes on cash and cash equivalents	20	−50
Change in cash and cash equivalents	**−630**	**274**
Cash and cash equivalents at beginning of reporting period	1,224	950
Cash and cash equivalents at end of reporting period	**594**	**1,224**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Accumulated other comprehensive income: Measurement of cash flow hedges	Accumulated other comprehensive income: Remeasurement of defined benefit obligations	Accumulated other comprehensive income: Deferred taxes	Other equity	Attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Equity
December 31, 2019	233	1,045	25	−63	15	70	−14	−16	−236	1,059	229	1,288
Net income	—	—	267	—	—	—	—	—	—	267	−15	252
Other comprehensive income	—	—	—	—	−48	−70	−1	20	—	−99	−8	−108
Total comprehensive income	**—**	**—**	**267**	**—**	**−48**	**−70**	**−1**	**20**	**—**	**167**	**−23**	**144**
Dividends	—	—	—	—	—	—	—	—	—	—	−5	−5
Other changes	—	0	−1	1	—	—	—	—	107	107	152	259
December 31, 2020	**233**	**1,045**	**290**	**−62**	**−33**	**0**	**−15**	**4**	**−129**	**1,333**	**354**	**1,687**

in EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Accumulated other comprehensive income: Measurement of cash flow hedges	Accumulated other comprehensive income: Remeasurement of defined benefit obligations	Accumulated other comprehensive income: Deferred taxes	Other equity	Attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Equity
December 31, 2020	233	1,045	290	−62	−33	0	−15	4	−129	1,333	354	1,687
Net income	—	—	449	—	—	—	—	—	—	449	−7	442
Other comprehensive income	—	—	—	—	55	47	0	−13	—	89	17	106
Total comprehensive income	**—**	**—**	**449**	**—**	**55**	**47**	**0**	**−13**	**—**	**538**	**10**	**548**
Dividends	—	—	−111	—	—	—	—	—	—	−111	−23	−134
Other changes	—	0	0	1	—	—	—	—	−7	−6	3	−3
December 31, 2021	**233**	**1,046**	**629**	**−62**	**22**	**47**	**−15**	**−9**	**−136**	**1,755**	**343**	**2,099**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

1 / General information

The Consolidated Financial Statements as of December 31, 2021, present the assets, liabilities, financial position, profit or loss and the cash flows of ProSiebenSat.1 Media SE and its subsidiaries (together "the Company", "the Group" or "ProSiebenSat.1 Group").

ProSiebenSat.1 Media SE is based in Unterföhring and is a listed stock corporation under European law. It is registered under the name ProSiebenSat.1 Media SE with the Munich District Court in Germany (HRB 219 439). It is the parent company of ProSiebenSat.1 Group and, with its subsidiaries, combines entertainment brands with a Dating & Video and Commerce & Ventures portfolio under one roof as an innovative digital group.

The Consolidated Financial Statements of ProSiebenSat.1 Group for the financial year ending December 31, 2021, were prepared in accordance with the International Financial Reporting Standards (IFRS) in force at the reporting date, as adopted by the European Union, and in accordance with the additional requirements of German commercial law pursuant to section 315e (1) of the German Commercial Code (HGB) and were authorized for issue by the Executive Board on March 1, 2022.

ProSiebenSat.1 Media SE prepares and reports its Consolidated Financial Statements in euro. Due to rounding, figures may not add up exactly to the totals shown.

2 / Accounting principles

A) ASSUMPTIONS, ESTIMATES AND JUDGMENTS

Preparing the Consolidated Financial Statements requires assumptions, estimates and judgments, which are subject to continuing review and may affect the measurement of assets and liabilities as well as the amounts of expenses and income. They take into account the circumstances at the reporting date, the knowledge acquired before the financial statements are authorized for issue, and expectations regarding the development of the company-specific as well as the global and macroeconomic industry-specific environment. If the actual development deviates from the forecasts, the carrying amounts of assets and liabilities may have to be adjusted and additional expenses and income recognized. ProSiebenSat.1 Group recognizes such changes in estimates directly in profit or loss without adjusting the previous year's figures.

In the financial year 2021, the business and economic environment of ProSiebenSat.1 Group continued to be impacted in part by the effects of the COVID-19 pandemic. As of the reporting date, there are uncertainties about the economic development in the coming financial years, as this is heavily dependent on the further course of the pandemic and its effects on the economy. Significant progress has been made with the availability of various vaccines, increasing vaccination rates, and the development of therapeutic medicines. However, this is offset by the emergence of new virus variants with uncertain consequences for disease outbreaks and courses. Therefore, it remains difficult to predict the medium- or long-term duration and extent of the impact of the pandemic on the Group's assets, liabilities, earnings and cash flows.

In the preparation of the Consolidated Financial Statements as of December 31, 2021, the COVID-19 pandemic and the material associated uncertainties, if relevant, were taken into account in assumptions, estimates and judgments. The assumptions, estimates and judgments are based on the knowledge and information available at the reporting date, taking into account any additional information up to the date the Consolidated Financial Statements were authorized for issue (March 1, 2022).

In the financial year 2021, as in the previous year, the COVID-19 pandemic did not result in material adjustments of the carrying amounts of the reported assets and liabilities. Particularly when making impairment assessments for assets (especially goodwill, other intangible assets, programming assets, other equity instruments and trade receivables) and in measuring put option liabilities, possible effects of the COVID-19 pandemic have been taken into consideration. Additional disclosures on the impact of the COVID-19 pandemic and the accompanying assumptions made by management can be found in the
→ Group Management Report

As a digital group, ProSiebenSat.1 Group does not operate in an industry sector with high resource consumption and energy intensity. As a result, the effects of climate change on the Group tend to be indirect; they are felt, for example, in the form of changes in overall economic conditions. Potential effects on assets, liabilities, earnings or cash flows are assessed for materiality and taken into account appropriately in the assumptions, estimates and judgments used in the preparation of the Consolidated Financial Statements. However, as in the previous year, climate-related issues had no impact on the Consolidated Financial Statements in the reporting period.

Material assumptions, estimates and judgments are specifically required for the following accounting issues and are explained in more detail below and in the relevant individual notes:

- Recognition and measurement of assets, particularly goodwill and other intangible assets, as well as liabilities in the context of business combinations,
  → note 17 “Goodwill” → note 19 “Other intangible assets” → note 33 “Notes on financial risk management and financial instruments”
- Impairment testing of goodwill and other intangible assets with indefinite useful lives, in particular trademarks,
  → note 17 “Goodwill” → note 19 “Other intangible assets”
- Assessment of the existence of control of other entities in determining the scope of consolidation,
  → note 4 “Scope of consolidation”
- Revenue recognition,
  → note 6 “Revenues”
- Recognition and measurement of programming assets,
  → note 18 “Programming assets”
- Measurement of financial instruments and lease liabilities,
  → note 23 “Receivables and other financial assets” → note 29 “Financial liabilities” → note 33 “Notes on financial risk management and financial instruments”
- Recognition and measurement of provisions, including provisions for share- and performance-based payments,
  → note 28 “Other provisions” → note 35 “Share- and performance-based payment”
- Assessment of future tax reliefs and uncertain tax positions.
  → note 14 “Income taxes”

B) GENERAL PRINCIPLES

With the exception of the adjustments described in note 3 “Changes in reporting standards”, the accounting policies applied in the Consolidated Financial Statements for the financial year 2021 are the same as those of the previous year.

The consolidated income statement is prepared using the cost-of-sales method.

ProSiebenSat.1 Group’s consolidated statement of financial position is structured according to the maturity of the recognized assets and liabilities. Assets are generally presented as current if they are realized within one year or within the normal operating cycle. Liabilities are generally presented as current if they fall due within one year or within the normal operating cycle or can fall due as a result of circumstances beyond the Group’s control or the actions of third parties.

Deferred tax assets and liabilities, as well as pension provisions, are always classified as non-current.

The Consolidated Financial Statements are based on the principle of historical cost, with the exception of items that are reported at fair value, in particular certain financial instruments.

C) FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are translated into the functional currency of the relevant Group entity at the exchange rates in effect at the transaction date or using average exchange rates.

In the case of fully consolidated subsidiaries whose functional currency is not the euro, assets and liabilities are translated at the exchange rates on the reporting date, equity is translated at historical rates, and expenses and income are translated at the annual average rate. Initially, the Group recognizes the resulting differences directly in equity. In the event of a later loss of control, they are reclassified to profit or loss and recognized as part of the gain or loss on disposal.

The following exchange rates were applied in the translation of the most significant currencies into the reporting currency:

EXCHANGE RATES

		Spot rate		Average rate	
1 EUR	Currency	**12/31/2021**	12/31/2020	**2021**	2020
United Kingdom	GBP	0.8400	0.8996	0.8596	0.8895
Switzerland	CHF	1.0333	1.0811	1.0812	1.0704
United States of America	USD	1.1320	1.2275	1.1827	1.1418

D) CONSOLIDATION

The Consolidated Financial Statements include ProSiebenSat.1 Media SE and all material subsidiaries it controls. The Group controls an entity if it has existing rights that give it the current ability to direct the relevant activities of that entity, is exposed or has rights to the variable returns from its involvement with the entity and is able to influence the amount of the entity’s returns on the basis of its power over the entity. In individual cases, judgments are required to identify control-related activities at project entities involving third parties in connection with film and series co-productions.

Intragroup balances, expenses and income are eliminated, taking into account deferred taxes where necessary.

Subsidiaries are initially consolidated using the acquisition method, under which the assets acquired and liabilities assumed are recognized at their fair values at the acquisition date. The Group engages external, independent appraisers to determine these fair values. If the sum of consideration paid, fair value of any shares already held and non-controlling interests exceeds the fair value of the net assets acquired, the difference is recognized as goodwill. Non-controlling interests are measured at the acquisition date at their share in the acquired entity's identifiable net assets.

If the Group grants non-controlling shareholders put options for their remaining shares in the context of a business combination, this is accounted for as an immediate acquisition of these shares (anticipated acquisition method). In this case, no non-controlling interests are recognized within equity. Instead, the present value of the consideration payable for the shares on exercise of the option is recognized as a liability and subsequently remeasured through profit or loss.

The Group recognizes share transactions with non-controlling shareholders that do not result in a loss of control in other comprehensive income as equity transactions.

Investments in entities over whose business policies the Group exercises or is able to exercise no control but only significant influence ("associates") or which are jointly controlled with other investors ("joint ventures") are accounted for using the equity method.

If ProSiebenSat.1 Media SE obtains control over such entities through the acquisition of further shares in associates or joint ventures, they are fully consolidated as subsidiaries from that date. The fair value of shares previously held are treated as part of the consideration paid for the shares in the subsidiary. If the fair value differs from the carrying amount of the investment, the Group recognizes the difference in profit or loss.

The financial year of ProSiebenSat.1 Media SE and all subsidiaries included in the Consolidated Financial Statements corresponds to the calendar year.

E) RECOGNITION AND MEASUREMENT

SUMMARY OF SIGNIFICANT MEASUREMENT METHODS

Item	Measurement method
ASSETS	
Goodwill	At cost (subsequent measurement: impairment test)
Other intangible assets with indefinite useful lives	At cost (subsequent measurement: impairment test)
Other intangible assets with finite useful lives	At (amortized) cost
Property, plant and equipment	At (amortized) cost
Programming assets	At (amortized) cost
Investments accounted for using the equity method	Equity method
Financial assets	
Loans and receivables	At (amortized) cost
Securities and other equity investments	At fair value through profit and loss
Derivatives	At fair value through profit and loss
Cash and cash equivalents	At cost
LIABILITIES AND PROVISIONS	
Loans and borrowings	At (amortized) cost
Provision for pensions	Projected unit credit method
Other provisions	At settlement value (discounted if non-current)
Financial liabilities	At (amortized) cost or fair value
Other liabilities	At settlement value (discounted if non-current)

Revenues

The table below provides information about the main revenue categories or business models of ProSiebenSat.1 Group and about the way revenues are recognized:

REVENUE RECOGNITION

Revenue category	Business model	Recognition of revenues
Advertising revenues	Sale of classic advertising spots, sponsoring, special creations and audience-tailored advertising offerings on free TV as well as the distribution and sale of online advertising (revenues from the sale of advertising time)	Broadcasting of advertising spot (point in time)
	Broadcasting of advertising spots on residual time slots on free TV or placement of online advertising in exchange for fixed consideration plus variable component based on the contract partners' revenues (media-for-revenue)	Broadcasting of advertising spot; variable component recognized when target achievement documentation is received from customer (point in time)
	Broadcasting of advertising spots on residual time slots on free TV or placement of online advertising in exchange for equity or equity-like interests in the contract partners' business (media-for-equity)	Broadcasting of advertising spot (point in time)
	Multi-channel network marketing of web videos and/or social media artists (Studio71)	Provision of marketing service (point in time)
Distribution	Distribution of free and pay TV content via cable, satellite, IPTV and DVBT	Provision of the TV signal (over time)
Content	Production of programming content such as TV formats and serial programs (production)	In accordance with stage of completion of the service (over time)
	Sale/licensing of programming assets within license territories (global sales and other program sales)	Start of license and delivery of material ready for broadcast (point in time)
Dating	Sale of subscription and in-app offers on own dating platforms to end customers (B2C); Sale of in-app marketing services to advertising partners (B2B)	One-time services when service is performed (point in time), ongoing services (subscriptions/consumption of credits) over the term/period of use (over time)
Video	Monetization of video and live entertainment offerings on owned-and-operated-online platform businesses (B2C) as well as their monetization on third-party platforms via video-Platform-as-a-Service agreements (B2B); sale of in-app marketing services to advertising partners (B2B)	Ongoing services (use of credits) over the term/useful life (over time)
Consumer Advice	Brokerage of contracts between primary service providers and end customers in household, real estate sales, car rentals, insurance, energy supply, mobile communication and financial services via online portals	Transmission of customer data or start of service being provided by partner (point in time)
Experiences	Sale of event vouchers	Agency commission: On activation and delivery of the voucher (point in time) Payments for vouchers not being redeemed based on historic experience: On sale of the voucher (point in time)
Beauty & Lifestyle	Sale of fashion and interior design products via online portals and stationary trading as well as the operation of ad-financed search engines for those products	Handover of goods to the end customer taking account of return rights (point in time) and access-based using the “cost-per-click” method (point in time)

In the Group’s free TV and online business, revenues are generated in particular in the form of advertising revenues, i.e. from the sale of advertising time. Advertising revenues are generated in the form of classic commercials, but also via advertising formats that allow a closer link between advertising and the underlying program, such as sponsorships and special creations (customized advertising campaigns in line with individual customer requirements) as well as target-audience-specific TV advertising tailored to the relevant viewers. Advertising revenues are net revenues after the deduction of discounts, agency commissions and cash rebates, and of value-added tax. The Group recognizes television advertising revenues when the underlying commercials are broadcast by the Group’s own stations. Advertising services provided free of charge are treated as separate performance obligations. Their pro-rata share of the total transaction price is recognized as revenues when the performance obligation is satisfied. Moreover, the Group generates online advertising revenues. These comprise revenues from the sale of digital offerings of the Group or external third parties. Online revenues are recognized when the advertising service is rendered, or when the ad impressions are delivered on the digital channels.

If the consideration agreed for advertising services takes the form of a revenue share (“media-for-revenue”), variable consideration components based on the contract partners’ achievement or overachievement of contractual revenue or earnings targets are recognized as revenues by the Group if the amount can be reliably estimated and a future reversal of revenues to be recognized is unlikely. This is the case if the required target achievement documentation is received from the contract partner.

If the Group and the contract partners agree the rendering of advertising services in exchange for equity or equity-like interests (“media-for-equity”), the related obligation to broadcast the promised advertising spots is recognized as a liability upon initial recognition of the instruments and recognized as revenues when the contracted advertising spots are broadcast. Online advertising is treated similarly. The financial instruments received constitute financial assets, which are accounted for at fair value through profit or loss. Because media-for-equity transactions are non-cash barter transactions, they do not affect the statement of cash flows.

In addition, advertising revenues also include revenues from the digital media and entertainment company Studio71. Here, online video concepts are developed for content creators and their digital presences are marketed and distributed on platforms such as YouTube, Facebook and Instagram. Revenues are mainly recognized at the point in time the service is rendered.

In the revenue category Distribution, the Group transmits TV signals (free TV and pay TV) to satellite, cable and internet providers, who in turn make them available to their end customers, generally for monthly fees. The Group recognizes related revenues based on the number of end customers reached by the providers in each billing month. As the signals are broadcast to the contract partners who re-transmit them to their customers at the same time, the Group recognizes the revenues over time.

In the Production business model of the Content revenue category, revenues are recognized over time because contractual provisions are such that the content produced over a longer period of time does not have an alternative use to ProSiebenSat.1 Group and the Group has enforceable rights to payment for production services rendered to date. Revenues for commissioned productions are recognized using the percentage-of-completion method if the expected contract revenues and related contract costs can be reliably estimated. The percentage of completion is calculated as the ratio of the contract costs incurred to date to the estimated total contract costs. Revenues to be recognized in the period are determined by applying this ratio to the respective estimated total revenues. If the expected total contract revenues or total costs cannot be reliably estimated, revenues are only recognized in the amount of the contract costs incurred. Contract costs are recognized as expenses in the period in which they are incurred. If it is foreseeable that the total contract costs will exceed the expected revenues, the Group recognizes the expected loss immediately as an expense. In the global sales and other program sales business model of the Content revenue category, program broadcasting rights are sold for specific license territories and periods. Revenues are recognized at a point in time, when the license term commences, and the material is delivered and ready for broadcast.

In the revenue category Dating, performance obligations of a delivery nature (personality assessments and profile reports) in the matchmaking area are recognized at a point in time and performance obligations of a subscription nature (access to the online platform) are recognized over the term of the contract. The total transaction price is allocated to the individual performance obligations on the basis of relative stand-alone selling prices.

In the Video category, the technical infrastructure is made available to users on certain third-party platforms as part of video-Platform-as-a-Service agreements. Revenue recognition is based on the consumption of credits on the respective third-party platform.

In both revenue categories, Dating and Video, customers also have the option of purchasing value units on the company's own online portals. These are so-called "credits," "points," "gold," or "icebreakers" (generally referred to simply as "credits" below), which can be used to gain access to premium features or to acquire virtual gifts to give away to other users via the platform. In each case revenue recognition is based on the average consumption of purchased credits over time. Furthermore, revenues from in-app marketing services are recognized in both the Dating and the Video category.

Revenues in the Consumer Advice category, specifically concerning household goods or services, real estate sales, car rentals, events, insurance, energy supply, mobile communications and financial services, are recognized in the amount of the fee agreed with the contract partners, i.e. the providers of the primary services to the end customers. Cancellation rates are taken into account provided they can be determined reliably. Depending on the contract terms, revenue is recognized when the customer data is transferred to the providers of the primary services, otherwise on receipt of proof of the conclusion of the contract or the start of the provision of services by the contract partners.

As a special feature of the sale of event vouchers (Experiences), the payments received from the end customers include both the agency commission and the event price. The payment received is initially recorded in full as a liability. When the voucher is activated and delivered, revenues are recognized in the amount of the agency commission agreed with the provider. Payments for vouchers that historical experience shows will not be redeemed are recognized as revenues in full. The remaining part of payments from the end customer is passed on to the event provider at the time of the event.

In the Beauty & Lifestyle category, ProSiebenSat.1 Group primarily sells goods via online portals and stationary retailers. The Group recognizes the resulting revenues at the time the goods are handed over to the customers, taking into account return rates if these can be reliably determined. The Group recognizes a refund liability as a reduction of revenues, measured on the basis of historic experience, for the expected refund payments to be made as a result of customers exercising their legal or voluntarily granted return rights. Simultaneously, an asset for the right to receive back the goods returned is recognized in the amount of their previous carrying amounts less any expected loss in value and less the expected cost of returning the goods. The asset is recognized as a reduction to cost of sales and is reported under inventories.

In the business model ad-financed search engines, revenues are recognized access-based at a point in time using the “cost-per-click”-method.

In all revenue categories, the transaction price is derived from the contractually agreed terms. In some cases, variable consideration is agreed in addition to fixed payments. This is recognized as revenues only at an amount that makes a later reversal seem unlikely.

The payment terms of the business models are largely short-term (generally up to 30 days). In the case of the sale of programming rights, Studio71 revenues and in the Dating & Video segment, longer payment terms of up to 90 days are agreed in some cases. In the case of commissioned productions and the licensing of programming rights, payments are generally due shortly after contractually agreed milestones are reached, the number of agreed installments varies depending on the individual contract. In the Dating & Video segment, monthly installments are also agreed. There are no significant financing components as defined by IFRS 15.

Operating expenses

The Group recognizes operating expenses by function. Amortization, depreciation and impairment losses on intangible assets and property, plant and equipment are included in functional costs according to the use of the assets. Impairment losses on trademarks with indefinite useful lives and on goodwill are recognized in other operating expenses.

Income taxes

Income taxes include the taxes levied in the individual countries on taxable income and changes in deferred taxes. They are recognized based on tax laws enacted or substantively enacted as of the reporting date. Deferred taxes are recognized for deductible or taxable temporary differences between the carrying amounts of assets and liabilities under IFRS and their tax bases. In addition, the Group recognizes deferred tax assets for tax benefits from tax loss carryforwards that are likely to be usable.

Deferred taxes arising from temporary differences are recognized in the nominal amount of the expected tax charge or benefit that will arise when the temporary difference reverses. Deferred tax assets are only recognized to the extent that sufficient taxable income will be available in the future to utilize them.

When assessing the recoverability of deferred tax assets, the effects on earnings of the reversal of taxable temporary differences, the planned results from operations and intended tax structuring measures are taken into account. The planned results are based on internal forecasts regarding the future earnings situation of the respective Group entity, with a planning horizon generally of five years. The Group reviews the assumptions underlying tax deferral on an ongoing basis. Changed assumptions or circumstances may require adjustments that can affect the amount of the deferred tax assets and liabilities as well as deferred tax expenses. Deferred tax assets and liabilities are offset to the extent that they relate to the same tax authority and the right to offset is legally enforceable.

The Group recognizes current and deferred taxes in profit or loss unless the matters triggering the tax effects were recognized outside profit or loss.

Uncertain tax positions are analyzed on an ongoing basis. If it is probable that the fiscal authorities will not accept an uncertain tax treatment, the Group reflects this generally by using either the most likely amount or the expected amount in the financial statements. If the estimates change over time, for example as a result of tax audit findings or current court rulings, such changes may affect the level of risk provisioning considered necessary. Uncertainties arise, inter alia, in connection with matters that are the subject of ongoing tax audits but have not yet led to final findings or are under discussion due to controversial legal positions or new court rulings.

Due to the decision by the Federal Constitutional Court of July 8, 2021 (1 BvR 2237/14, 1 BvR 2422/17), which declared per annum interest of 6% on back taxes and tax refunds to be unconstitutional from 2014 onwards, the Group has measured the corresponding tax provisions for interest periods from 2019 onwards at an appropriate amount below the interest rate previously stipulated by law.

Earnings per share

Earnings per share correspond to the ratio of net income attributable to the shareholders of ProSiebenSat.1 Media SE and the weighted average number of shares outstanding during the financial year.

For purposes of calculating diluted earnings per share, the average number of shares outstanding is adjusted by the number of all potentially dilutive shares. At ProSiebenSat.1 Group, these dilutive effects result from issues of Performance Share Units under share-based payment plans.

Goodwill and other intangible assets

Goodwill is recognized at cost less accumulated impairment losses. At the acquisition date, it is allocated to the cash-generating unit or group of cash-generating units that is expected to benefit from the synergies of the business combination, which in each case represents the lowest level at which goodwill is monitored. The ProSiebenSat.1 Group's cash-generating units are structured by business areas.

When disposing cash-generating units or parts thereof or in the event of an internal reorganization, any goodwill existing at the time of sale or transfer is allocated to the disposed and those remaining according to their relative values. Goodwill is reported in the functional currency of the acquired entity.

Intangible assets not acquired in the context of business combinations are initially recognized at cost.

The Group recognizes intangible assets identified in the context of business combinations at their fair values as of the acquisition date. The fair values are mainly measured using the following methods:

FAIR VALUE MEASUREMENTS IN THE CONTEXT OF THE PURCHASE PRICE ALLOCATION

Intangible asset	Measurement method
Trademarks	Relief from royalty method
Customer and other contractual relationships	Multi-period excess earnings method
Technologies	Reproduction cost method and relief from royalty method

For purposes of subsequent measurement, a distinction is made between intangible assets with definite and those with indefinite useful lives. Intangible assets with indefinite useful lives at ProSiebenSat.1 Group exclusively comprise established trademarks that have consistently been market leaders or held similar positions. They are not amortized and are subject to an annual impairment test.

In addition to trademarks, software and customer relationships, intangible assets with finite useful lives primarily include temporarily acquired rights to use advertising licenses for sales of digital offerings of external providers.

After initial recognition, the cost of intangible assets with definite useful lives not acquired in a business combination is adjusted for amortization and any necessary impairment losses.

Furthermore, ProSiebenSat.1 Group holds acquired intangible assets with an essentially indefinite useful life, the use of which is not currently subject to economic or legal restrictions. If their useful life can be reliably determined, they are amortized over the expected useful life as intangible assets with a finite useful life or impaired, if necessary.

Identifiable internally generated intangible assets are capitalized if they are expected to generate future economic benefits and their cost can be measured reliably. In determining the cost of production, a distinction is made between research and development expenses, the former always being recognized as an expense when incurred. Development costs are only capitalized as cost if the product or process is technically and commercially feasible. For this to be the case, the completion of development and subsequent use or sale must be both technically and financially assured and intended. The marketability of the product or process must also be demonstrated.

In the case of program formats developed in-house, this is only the case at a very late stage in the process, when the format can be placed successfully with a buyer. Expenditure on format development therefore generally does not qualify for capitalization.

Amortization reflects the pattern of usage and is recognized on a straight-line basis, predominantly based on the following economic useful lives:

USEFUL LIVES OF INTANGIBLE ASSETS

	Years
Trademarks with finite useful lives	8-17
Customer relationships	1-15
Software	2-10
Licenses and other property rights	10 or term of the license agreements

The useful lives and amortization methods of intangible assets are reviewed annually and adjusted if expectations have changed.

Property, plant and equipment

Property, plant and equipment are measured at cost less depreciation and impairments. The Group recognizes depreciation using the straight-line method. Depreciation is based on the following expected useful lives:

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

	Years
Real estate	3-50
Technical facilities	2-10
Office furniture and equipment	3-20

The useful lives and depreciation methods of property, plant and equipment are reviewed annually and adjusted if expectations have changed.

Leases

The Group measures right-of-use assets from leases at cost less depreciation and impairments. Lease liabilities in the amount of the present value of the expected lease payments are recognized at the lease commencement date together with the right-of-use asset and subsequently measured according to the effective interest method and using the incremental borrowing rate.

Expenses for leases with a term of not more than one year or for a leased asset that, when new, is worth not more than EUR 5,000 or the equivalent in foreign currency are recognized as incurred by the Group as current expenses in functional costs. The same applies to sales- or usage-based lease payments.

Investments accounted for using the equity method

These include investments in associates and joint ventures. Associates are investments in which ProSiebenSat.1 Group has the ability to exercise significant influence over the operating and financial policies of the investee. In joint ventures, the Group exercises joint control together with other investors. Investments accounted for using the equity method are initially recognized at cost, except for investments in subsidiaries that were originally fully consolidated but over which the Group loses control but retains significant influence or joint control. In this case, the investment is recognized at fair value at the date when control is lost. Any goodwill identified on initial recognition is included in the carrying amount of the investment and is neither amortized nor separately tested for impairment.

Under the equity method, the Group recognizes its share of the net profit or loss of the investee in the result from investments accounted for using the equity method after initial recognition of the investment. This includes effects attributable to the Group from the amortization of hidden reserves identified on acquisition of the investment. Earnings components recognized directly in equity by the investee are also recognized directly in equity at the level of ProSiebenSat.1 Group. Earnings effects from the contribution or sale of shares in subsidiaries to existing investments accounted for using the equity method are included in the elimination of intercompany profits or losses.

Losses of an investee accounted for using the equity method that exceed the Group's interest in the investee are recognized only when the Group has a legal or constructive obligation to absorb or fund the losses. Distributions received reduce the carrying amount of the investment without affecting profit or loss.

If relevant indicators exist, the entire carrying amount of the investment is tested for impairment and, if necessary, written down to the lower recoverable amount.

Programming assets

Programming content is recognized at acquisition and production cost, less amortization and impairment losses. Feature films and series are capitalized at the beginning of the contractual license period, while commissioned productions are capitalized upon acceptance. Live content, such as sports rights in particular, as well as news formats and some shows, are included in advance payments until broadcast. They are reported as current programming assets and are immediately expensed as consumption in cost of sales when broadcast.

The Group recognizes amortization using a declining-balance method over the number of contractual or planned broadcasts based on the expected audience reach potential relating to the respective broadcast. Commissioned productions intended for only one run and sports rights are expensed in full on broadcast.

Impairment losses on programming assets are recognized when the carrying amount of the assets is not covered by the expected proceeds from their exploitation. Indications for this can be, among other things, poorer exploitation opportunities, changed requirements from the advertising environment, adaptation of programs to the preferences of the target groups, media law restrictions on the usability of films, expiry of the license period before broadcasting or the discontinuation of commissioned productions. Programming assets that no longer meet the criteria for capitalization are thus fully impaired.

The remaining programming assets are assessed for impairment at the level of program groups. Due to the significantly changed market for video offerings, viewers have adjusted their behavior over time and prefer different offerings on free TV than in the past. The ProSiebenSat.1 Group's stations take the adjusted usage behavior into account in their strategy and program planning. This in turn influences the planning and buying behavior of advertising customers, and thus the revenue structure. To reflect these adjustments, the Group changed the structure of the program groups for impairment testing of programming assets at the end of the reporting year.

Impairments of other non-financial assets

In addition to programming assets, goodwill, other intangible assets, property, plant and equipment, and other non-financial assets are tested for impairment if there are indications that the carrying amount does not at least equal the recoverable amount. The recoverable amount is the higher of value in use and fair value less costs to sell. The value in use is the present value of future cash flows expected to arise from the continuing use of the asset. In addition, intangible assets with an indefinite useful life, other intangible assets that are not yet ready for use or relevant advance payments, and acquired goodwill have to undergo an impairment test at least once a year.

In the event of impairment, the Group recognizes the difference between the carrying amount and the lower recoverable amount in profit or loss. Impairment losses are allocated to the relevant functional costs. In contrast, the Group recognizes impairment losses on goodwill and trademarks with indefinite useful lives in other operating expenses. The recoverable amount is determined for each individual asset, unless an asset generates cash inflows that are not largely independent of those from other assets or cash-generating units. In these cases, the impairment test is performed at the smallest level of the cash-generating unit to which an asset is attributable.

The Group generally determines the recoverable amount using valuation methods based on discounted cash flows. For cash-generating units, ProSiebenSat.1 Group initially determines the respective recoverable amount as the value in use and compares this with the carrying amount of the measurement object, including any attributable goodwill. ProSiebenSat.1 Group derives the discounted cash flows from the financial budgets approved by management, which have a planning horizon of five years. Cash flows beyond the planning period are extrapolated using individual growth rates, but not exceeding inflation expectations for the respective sector. The main assumptions on which the derivation of the value in use is based relate to future cash flows, estimated growth rates, tax rates and weighted average cost of capital.

If the reasons for impairment no longer apply, the Group recognizes a reversal of the impairment loss for the assets concerned which, however, may not exceed amortized cost. As an exception, impairment losses recognized on goodwill may not be reversed.

Financial instruments

Financial instruments are contracts that give rise to financial assets for one party and financial liabilities or equity instruments for the other party. The Group recognizes regular way purchases and sales of non-derivative financial assets on the settlement date, and derivative transactions on the trade date.

Financial assets are derecognized once the contractual rights to the cash flows from the asset expire or the Group transfers the rights to receipt of the cash flows in a transaction where substantially all the risks and rewards associated with ownership of such financial assets are transferred as well. Any differences arising on derecognition are recognized in profit or loss.

Financial liabilities are derecognized once the obligations specified in the contract are discharged, canceled or expired. When contract terms are changed or when maturities are extended, the Group examines whether these are substantial modifications to the contract terms. If this is the case, the adjustments or maturity extensions result in the original liability being derecognized and a new liability being recognized. Any difference between the carrying amount of the original liability and the fair value of the new liability as well as any processing and other transaction costs are recognized immediately in profit or loss.

If amendments to the terms of the contract do not result in the derecognition of a financial instrument measured at amortized cost (whether a financial asset or financial liability), the new carrying amount is determined as the present value of the renegotiated or modified cash flows discounted at the original effective interest rate, and any difference to the original carrying amount is recognized in profit or loss. Processing or other transaction costs result in an adjustment to the carrying amount and are amortized using the effective interest method.

Measurement of financial instruments

Financial assets are initially recognized at fair value, with the exception of trade receivables and contract assets (hereafter summarized as assets from contracts with customers), which are recognized at the transaction price in accordance with IFRS 15.

ProSiebenSat.1 Group subsequently measures financial assets and liabilities either at fair value through profit or loss or at amortized cost.

Instruments accounted for at fair value through profit or loss after initial recognition mainly include (i) investments in entities over which the Group does not exercise control, joint control or significant influence, (ii) fund investments, (iii) derivative financial instruments that do not qualify for hedge accounting and (iv) contingent considerations arising from business combinations, in particular payment obligations assumed under put option agreements or earn-out clauses.

The fair value corresponds to the market or stock exchange value, provided there is an active market for the respective instrument. Otherwise, the fair value is determined using valuation techniques (for example, by discounting the future cash flows at the market interest rate). On initial recognition, the fair value usually corresponds to the transaction price.

The fair values are determined depending on the type of instrument and on its marketability based on a three-level measurement hierarchy.
→ note 33 "Notes on financial risk management and financial instruments"

Loss allowances for loans and receivables

For financial assets measured at amortized cost, ProSiebenSat.1 Group recognizes loss allowances in the amount of the expected credit losses. This primarily relates to assets from contracts with customers.

The loss allowances for these assets cover the lifetime expected credit losses and are recognized on the basis of historical and forward-looking information using provision matrices ("simplified approach").

Expected credit losses on assets from contracts with customers are recognized in separate allowance accounts.

For all other financial assets falling within the scope of the impairment requirements for financial assets – i.e. cash and cash equivalents mainly – an impairment loss in the amount of the twelve-month expected credit losses is generally recognized when the assets are initially recognized. Due to the high liquidity and low default probability, however, the expected credit losses for cash and cash equivalents are usually negligible.

If there is a significant deterioration in credit quality after initial recognition, the impairment loss is adjusted and the credit losses expected over the entire contractual term are recognized. To the extent that financial assets exist with counterparties that have an external credit rating in the investment grade range, the Group makes use of the practical expedient of assuming that the credit risk has not increased significantly if the financial asset has a low risk of default at the reporting date.

Otherwise, an increased default risk is assumed if any amount is past due by more than 30 days or if ProSiebenSat.1 Group has any other indications that creditworthiness has declined significantly. This includes information about a significant downgrade of the credit rating or signs of a significant increase in debt or a sharp decline in operating results.

If relevant market prices are currently available for the respective counterparty, maturity-matched credit default swap spreads are used to assess creditworthiness.

If a default event occurs, individual receivables are impaired. ProSiebenSat.1 Group assumes that a default event has occurred if receipt of full payment becomes unlikely due to the contracting party's limited ability to pay, or if a receivable is more than 90 days overdue. The principle of considering a default to have occurred if a receivable is more than 90 days overdue may be deviated from in justified individual cases. In these cases, no individual credit loss is recognized.

The Group recognizes impairment losses in profit or loss and reviews them on a regular basis. If the reasons for impairments no longer apply, credit losses are reversed accordingly. If there are indications of a final non-recoverability, the receivable is derecognized, possibly against previously recognized loss allowances.

Derivative financial instruments and hedge accounting

ProSiebenSat.1 Group uses derivative financial instruments in the form of interest rate swaps and interest rate options, as well as forward exchange transactions, currency swaps and currency options, to hedge against interest rate and currency risks. Derivative financial instruments are recognized as financial assets or financial liabilities in the statement of financial position at their fair values, irrespective of the purpose or intention for which they were entered into. The fair values of interest rate swaps and forward exchange contracts are generally zero on initial recognition, while for interest rate and currency options they correspond to the option premiums paid or to be paid.

The valuation of derivative financial instruments also takes into account counterparty-specific credit risks.

If a hedging relationship meets the relevant criteria, the Group accounts for it using the hedge accounting requirements of IAS 39 "Financial Instruments: Recognition and Measurement".

ProSiebenSat.1 Group currently uses hedging derivatives exclusively as part of cash flow hedges for hedging future cash flows. Accordingly, changes in the fair value of the effective portion of the derivative are initially recognized separately in other comprehensive income in equity and only in profit or loss when the hedged item affects profit or loss. Any ineffective part is recognized immediately in profit or loss.

In the case of hedges of future license payments against currency risks, the gains or losses on the hedging instrument recognized in equity increase or decrease the cost of the license at the commencement of the license, i.e., when the hedged item is capitalized, with a corresponding effect on amortization.

Identified hedged items and hedging transactions are combined and managed in so-called hedge books. The effectiveness of the hedging relationship is measured at regular intervals, and the hedging relationship is adjusted if necessary. If a hedging relationship does not meet or no longer meets the requirements of the standard, hedge accounting is terminated. After termination of a hedging relationship, the amounts still recognized in other comprehensive income or as an adjustment to cost are recognized in profit or loss when the hedged item affects profit or loss. If a hedging relationship is terminated because it is no longer probable that the hedged item will occur, the amounts recognized in other comprehensive income are recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are measured at cost; foreign currency balances are translated at the respective closing rate. These are cash and cash equivalents and short-term, highly liquid financial investments with a remaining term of up to three months at the time of acquisition, provided they are subject to only insignificant risks of fluctuation in value. They are not subject to any restrictions on disposal.

Provisions for pensions

Provisions for pensions are measured using the actuarial projected unit credit method. Deviations between assumptions made and actual developments as well as changes in actuarial assumptions regarding the measurement of defined benefit pension plans must be accounted for via remeasurement of the obligations as of the reporting date. ProSiebenSat.1 Group recognizes actuarial gains and losses resulting from this remeasurement in other comprehensive income. The statement of financial position therefore shows the full extent of the obligations while avoiding fluctuations in profit or loss that may arise in particular from changes in the calculation parameters.

The actuarial gains and losses recognized in the respective reporting period are presented separately in the statement of comprehensive income. In subsequent periods, such amounts are not reclassified to profit or loss.

Assets available to cover pension entitlements that meet the criteria for recognition as plan assets are measured at fair value and offset against the corresponding obligations. Otherwise, they are recognized separately as assets and measured at fair value through profit or loss.

Share- and performance-based payments

The share-based payments of ProSiebenSat.1 Group (primarily rights to shares or to future disbursements based on share values) partly relate to compensation plans which the Group can settle either in shares or cash. The applicable accounting depends on whether the Group has a present legal or constructive obligation to settle in cash. Where plans are settled in shares or do not contain such a cash settlement obligation, they are measured once at the grant-date fair value. The Group recognizes personnel expenses for these plans in functional costs over the vesting period. The counter-entry is to capital reserves.

In the case of plans with settlement options giving rise to a legal or constructive obligation for the Group to cash-settle, ProSiebenSat.1 Group recognizes such plans under the requirements for cash-settled plans. The corresponding personnel expense is recognized against liabilities, which are remeasured through profit or loss in personnel expenses at each reporting date as well as on the settlement date. In addition, there are compensation plans under which settlement is agreed solely in cash; these are also recognized in accordance with the aforementioned rules for cash-settled plans.

Other provisions

Provisions are recognized if a present legal or constructive obligation to third parties exists as a result of a past event, if outflows of economic resources are expected, and if the amount can be determined reliably. They are recognized at full cost, in the amount of the most probable outcome of the obligation, taking into account experiential values. Non-current provisions are recognized at the present value of expected settlement amounts as of the reporting date, taking estimated increases in prices or costs into account. The discount rates used are regularly adjusted to current market interest rates.

The Company measures net obligations under onerous contracts at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract, less any revenue expected from the contract. When recognizing and measuring provisions for onerous procurement transactions of programming assets, contracts are aggregated by program groups.

Recognition and measurement of provisions require estimates of the amount and probability of the future outflow of resources, which are based on experiential values and the circumstances known as of the reporting date. To assess the amount of the provisions, in addition to the evaluation of the facts and of the asserted claims, the results of comparable fact patterns are also considered on a case-by-case basis, as are assumptions regarding probabilities of occurrence and the range of possible utilizations.

Statement of cash flows

The statement of cash flows shows the origin and use of the cash flows. It distinguishes between cash flows from operating activities, from investing activities and from financing activities.

The funds covered by the statement of cash flows correspond to the cash and cash equivalents presented in the statement of financial position.

Cash flows from investing and financing activities are determined on the basis of actual payments. Cash flows from operating activities, on the other hand, are derived indirectly from net income. The changes in balance sheet items taken into account in the indirect derivation are adjusted for the effects of currency translation and changes in the scope of consolidation. As a result, the changes in balance sheet items reported in the statement of cash flows cannot be reconciled with the corresponding figures in the consolidated statement of financial position and the segment indicators.

Interest paid and received, dividends received and all cash flows arising from taxes are reported as cash flows from operating activities.

Prior-year information

On January 1, 2021, the segment structure of the Group was modified. The relevant prior-year disclosures have been adjusted to reflect the current presentation.

3 / Changes in reporting standards

The following amendments to existing standards published by the International Accounting Standards Board ("IASB") and transposed into European law were applicable for the first time in the financial year 2021:

- Amendments to IFRS 16 "COVID-19-Related Rent Concessions"
- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform – Phase 2"

The first-time application had no material effect on ProSiebenSat.1 Group's assets, liabilities, financial position and profit or loss.

The IASB also published the following pronouncements as of the reporting date, which are not yet mandatory or have not yet been transposed into European law in some cases, and which have therefore not been applied by the Group:

PUBLISHED FINANCIAL REPORTING PRONOUNCEMENTS NOT YET APPLIED

Standard	Pronouncement	Mandatory application for financial years commencing on	Anticipated effect
IFRS 16	Covid-19-Related Rent Concessions beyond June 30, 2021	April 1, 2021	immaterial
IAS 16	Property, Plant & Equipment: Proceeds before Intended Use	January 1, 2022	immaterial
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract	January 1, 2022	immaterial
IFRS 3	Reference to the Conceptual Framework	January 1, 2022	immaterial
IFRS 1, IFRS 9, IAS 16, IAS 41	Annual Improvements 2018–2020	January 1, 2022	immaterial
IAS 1	Disclosure of Accounting Policies	January 1, 2023	immaterial
IAS 8	Definition of Accounting Estimates	January 1, 2023	immaterial
IAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023	immaterial
IAS 1	Classifications of Liabilities as Current or Non-Current	January 1, 2023	immaterial
IFRS 17	Insurance Contracts (including amendments)	January 1, 2023	none

4 / Scope of consolidation

The number of subsidiaries included in the Consolidated Financial Statements changed as follows in the financial year 2021:

SUBSIDIARIES

	Germany	Other countries	**Total**
Included as of December 31, 2020	91	130	221
Additions	3	5	8
Disposals	–16	–8	–24
Included as of December 31, 2021	**78**	**127**	**205**

The additions include only newly established companies. The disposals include 14 mergers, 6 sales and 4 liquidations.

In addition to the controlled entities, 13 (previous year: 14) associates and 4 (previous year: 5) joint ventures accounted for using the equity method are included in the Consolidated Financial Statements.

5 / Acquisitions and disposals affecting the scope of consolidation

A) ACQUISITIONS

In the financial year 2021, ProSiebenSat.1 Group did not acquire any material subsidiaries. The Group obtained significant influence over an entity as part of the following transaction:

Acquisition of a 15.6% stake in Urban Sports GmbH

By agreement dated June 25, 2021, and effective as of July 20/23, 2021, ProSiebenSat.1 Group acquired 15.6% of the shares in the sports and fitness platform Urban Sports GmbH, Berlin ("Urban Sports Club") for a purchase price of EUR 53 million. The purchase price was paid in cash in the amount of EUR 30 million, with the remaining portion in the form of advertising services to be provided over the next 2.5 years after acquisition. Urban Sports Club provides members in numerous European cities with a flexible sports and wellness offering including extensive online courses. As ProSiebenSat.1 Group has significant influence over the company through its seat on the Advisory Board, the investment is accounted for as an associate using the equity method. Urban Sports Club is part of the Commerce & Ventures segment.

OVERVIEW OF ACQUISITIONS IN 2020

Company	Purpose of the company	Voting equity interest acquired	Acquisition of control
The Meet Group, Inc.	Provide online dating and social entertainment services	100.0%	09/04/2020

For further information on the acquisition of The Meet Group, please refer to the published Annual Report as of December 31, 2020.

B) DISPOSALS OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

ProSiebenSat.1 Group concluded the following material disposals of investments in subsidiaries in the financial year 2021:

Disposal of Sonoma Internet GmbH (“Amorelie”)

By agreement dated October 1, 2021, and effective as of December 30, 2021, ProSiebenSat.1 Group sold its 97.8% stake in Sonoma Internet GmbH, Berlin, which operates an online store for sensual lifestyle and erotic products under the Amorelie brand, to a subsidiary of EQOM Group, Veendam, Netherlands. Part of the purchase price was deferred. As an indirect subsidiary of NCG - NUCOM GROUP SE, Unterföhring ("NuCom", together with its subsidiaries "NuCom Group"), Amorelie was part of the Commerce & Ventures segment.

Disposal of Gravitas Ventures LLC

By agreement dated November 15, 2021, and effective as of the same day, ProSiebenSat.1 Group sold its 62.5% share in the film distribution company Gravitas Ventures LLC, Wilmington, Delaware, USA ("Gravitas"), to a subsidiary of Anthem Sports & Entertainment Inc., Toronto, Canada ("Anthem"). At the same time, Gravitas’ management transferred its non-controlling interest of 37.5% to Anthem. The non-controlling interests were accounted for as liabilities under put option agreements prior to the closing of the transaction using the anticipated acquisition method. Of the purchase price, 10% were settled in shares in the acquiring company. The shares grant minority rights without the possibility to exercise significant influence and are subject to a put agreement. As a subsidiary of Red Arrow Studios International, Inc., Wilmington, Delaware, USA, Gravitas was part of the Entertainment segment.

Disposal of moebel.de Einrichten & Wohnen AG

By agreement of October 29, 2021, and effective as of November 30, 2021, ProSiebenSat.1 Group sold its 50.1% investment in moebel.de Einrichten & Wohnen AG, Hamburg (“moebel.de”), an online portal for furniture and furnishings, to the furniture retail chain BDSK Handels GmbH & Co. KG, Würzburg. As an indirect subsidiary of NuCom, moebel.de was part of the Commerce & Ventures segment.

The table below shows the carrying amounts disposed of including goodwill, the disposal proceeds, the calculation of the gains and losses on disposal and the net cash inflows from the disposals of subsidiaries:

DISPOSAL OF CARRYING AMOUNTS AND RESULTS ON DISPOSALS OF SUBSIDIARIES IN 2021
in EUR m

	Amorelie	Gravitas	moebel.de	**Total**
Goodwill	−11	−43	−6	−60
Other intangible assets	−17	−19	−6	−43
Property, plant and equipment	0	0	0	−1
Inventories	−8	—	—	−8
Trade receivables	−2	−21	−1	−24
Other receivables and other assets	−1	−4	0	−6
Cash and cash equivalents	−3	−2	−3	−8
Trade payables	4	4	2	10
Provisions and other liabilities	6	40	1	48
Disposal net assets	**−33**	**−45**	**−14**	**−91**
Disposal of non-controlling interests and reclassification of foreign currency translation gains and losses to profit or loss	0	−1	4	3
Purchase price	33	35	10	79
Gain/loss on disposal	**1**	**−10**	**0**	**−9**
Cash purchase price	26	32	10	68
Net of cash and cash equivalents disposed	−3	−2	−3	−8
Net cash inflow	**23**	**30**	**8**	**61**

The gains or losses on disposal were recognized as other operating income or other operating expenses. The disposal costs incurred of EUR 4 million were recognized as part of functional costs.

The following table provides an overview of the investments in subsidiaries and associates disposed of in the previous year:

OVERVIEW OF DISPOSALS OF INVESTMENTS IN SUSIDIARIES AND ASSOCIATES IN 2020

Company	Purpose of the company	Voting equity interest sold	Disposal effective date
gamigo AG	Operation of a game publishing platform	33.0%	03/05/2020
myLoc managed IT AG ("myLoc")	Provision of hosting services	100.0%	09/30/2020
WSM Holding GmbH ("WindStar")	Sale of OTC pharmaceutical products	92.0%	12/01/2020

For further information on these disposal transactions, please refer to the published Annual Report as of December 31, 2020.

C) OTHER TRANSACTIONS

Acquisition of additional shares in Studio71 Group and disposal of French and Italian activities

In February and March 2021, ProSiebenSat.1 Group acquired the non-controlling interests that the French TF1 Group and the Italian Mediaset S.p.A. held in the Studio71 Group. ProSiebenSat.1 Group now holds all voting shares in the Studio71 Group. The purchase price payment of EUR 9 million is presented within payments from transactions with non-controlling interests in the cash flow from financing activities. At the same time, the Studio71 Group sold its French entity, which was accounted for using the equity method, and its fully consolidated Italian subsidiary with economic effect as of March 31, 2021, and July 7, 2021, respectively, as Europe-wide synergies were not realized as originally expected at the time of foundation due to the predominantly local focus. The transactions did not result in any significant cash inflows or disposal gains or losses.

Acquisition of a 30.3% stake in PEG Management GmbH & Co. KG

By agreement dated September 3, 2021, and effective as of the same day ProSiebenSat.1 Group, through its subsidiary ParshipMeet Holding GmbH, Hamburg ("ParshipMeet Holding"), acquired 30.3% of the partnership interest in PEG Management GmbH & Co. KG ("PEG KG ") for a total purchase price of EUR 26.0 million. The partnership interest is subject to a put option agreement accounted for under the anticipated acquisition method. Accordingly, a financial liability was recognized for the put option payment obligation, which decreased following the payment of the purchase price. As ParshipMeet Holding controls the partnership, PEG KG is included, as in the previous year, as a fully consolidated subsidiary in the Group's Consolidated Financial Statements. PEG KG is part of the Dating & Video segment.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

6 / Revenues

in EUR m

	Entertainment		Dating & Video		Commerce & Ventures		Total Group	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
Advertising revenues	**2,323**	**2,090**	**—**	**—**	**150**	**135**	**2,473**	**2,225**
DACH	2,083	1,873	—	—	150	135	2,233	2,007
Rest of the world	240	217	—	—	—	—	240	217
Distribution	**179**	**169**	**—**	**—**	**—**	**—**	**179**	**169**
Content	**491**	**394**	**—**	**—**	**—**	**—**	**491**	**394**
Europe	198	144	—	—	—	—	198	144
Rest of the world	293	250	—	—	—	—	293	250
Dating & Video	**—**	**—**	**542**	**333**	**—**	**—**	**542**	**333**
Dating	—	—	278	249	—	—	278	249
Video	—	—	263	84	—	—	263	84
Digital Platform & Commerce	**—**	**—**	**—**	**—**	**701**	**807**	**701**	**807**
Consumer Advice	—	—	—	—	192	211	192	211
Experiences	—	—	—	—	77	87	77	87
Beauty & Lifestyle	—	—	—	—	433	509	433	509
Other revenues	**105**	**116**	**—**	**—**	**3**	**4**	**108**	**119**
Total	**3,098**	**2,768**	**542**	**333**	**854**	**945**	**4,494**	**4,047**

The Group's revenues increased by EUR 447 million year-on-year to EUR 4,494 million. The biggest growth driver was the momentum of the advertising business, which recovered significantly from the impact of pandemic restrictions. Revenues from program production and program sales (Content) also recovered from the effects of pandemic restrictions in the financial year 2021 and increased significantly year-on-year. The material increase in Dating & Video revenues reflects the acquisition of The Meet Group in September 2020. The development of Digital Platform & Commerce revenues primarily reflects the disposal of the OTC provider WindStar (Beauty & Lifestyle) in December 2020. For more detailed information, please refer to the
→ "Group Earnings" section in the Group Management Report

The table shows the breakdown of revenues by category in the segment structure valid since January 1, 2021. The prior-year figures have been adjusted to the current presentation. The categories Advertising revenues and Content (until December 31, 2020: Production as well as Global

Sales and Other Program Sales) are presented by geographical regions. The allocation is based on the country of domicile of the subsidiary that recognizes the revenues. The regions presented are either Germany (D), Austria (A) and Switzerland (CH) (together DACH), Europe and Rest of the world.

The DACH Advertising revenues category in the Entertainment segment includes advertising revenues from the sale of advertising time, including the advertising revenues of the German Studio71 entity. The same category in the Commerce & Ventures segment includes revenues from media-for-equity and media-for-revenue transactions amounting to EUR 108 million (previous year: EUR 97 million). The category Advertising revenues Rest of the world mainly includes revenues from the Studio71 entities in the United States (USA).

CONTRACT ASSETS AND LIABILITIES

in EUR m

	12/31/2021	12/31/2020
Contract assets	34	29
Contract liabilities	131	110

Contract assets, i.e. positive balances from contracts with customers, primarily relate to claims for consideration resulting from work completed under commissioned productions still to be invoiced as of the reporting date. These contract assets will be reclassified as trade receivables upon invoicing. Furthermore, the contract assets mainly include services already rendered but not yet billable in the Dating & Video segment.

Contract liabilities mainly relate to advance payments received for commissioned productions, the sale of programming rights and media services not yet provided, as well as advance payments from customers in the Dating & Video segment.

Of the contract liabilities existing as of January 1, 2021, EUR 96 million were recognized as revenues in the financial year 2021 (previous year: EUR 113 million).

As permitted under IFRS 15, no disclosures are made for the remaining performance obligations at December 31, 2021, that have an original expected duration of one year or less. Performance obligations with an original expected duration of more than one year only exist to an insignificant extent as of December 31, 2021.

Inventories are recognized in the amount of EUR 49 million (previous year: EUR 44 million). Impairment losses on inventories amounting to EUR 10 million (previous year: EUR 4 million) were recognized in the financial year 2021. The Beauty & Lifestyle revenue category includes revenues from the sale of goods of EUR 354 million (previous year: EUR 440 million).

KEY ASSUMPTIONS AND ESTIMATES

The assumptions on which the revenue recognition is based can have a significant impact on the amount and timing of revenues recognized. In particular, the calculation of cancellation and return rates is based on historical rates, which may change over time. The determination of relative stand-alone selling prices is subject to significant judgement.

7 / Cost of sales

in EUR m

	2021	2020
Operating expenses	1,040	876
Consumption of programming assets	995	966
Personnel expenses	394	318
Depreciation of property, plant and equipment and amortization of other intangible assets (incl. impairments)	133	127
IT operations	73	53
Expenses from the disposal of programming assets	25	17
Other	86	111
Total	**2,746**	**2,468**

Operating expenses mainly include production-related third-party services, cost of materials, copyright fees, license expenses and commissions in connection with in-app revenues.

The consumption of programming assets comprises amortization and impairments in the amount of EUR 1,026 million (previous year: EUR 999 million), countered by the change in provisions for onerous contracts in the amount of EUR 31 million (previous year: EUR 33 million). As expected, the consumption of programming assets in the past financial year was above the previous year's level, because ProSiebenSat.1 Group took advantage of the positive advertising market environment to invest more in its local programming, in order to expand its reach across all platforms and thus also to create the conditions for further advertising revenue growth in the future.

Personnel expenses include wages and salaries of employees in production, including performance-based bonus entitlements, severance payments and social security contributions.

Depreciation of property, plant and equipment and amortization of other intangible assets mainly relate to amortization of assets identified in the context of purchase price allocations, internally generated intangible assets, licenses and depreciation of technical equipment.

For further information please refer to the
→ “Group Earnings” section in the Group Management Report

8 / Selling expenses

in EUR m

	2021	2020
Marketing and marketing-related expenses	382	345
Personnel expenses	153	131
Distribution	61	59
thereof satellite usage fees	35	36
thereof distribution fees	26	24
Operating expenses	35	32
Sales commissions	31	28
Depreciation of property, plant and equipment and amortization of other intangible assets (incl. impairments)	21	21
IT operations	14	13
Other	14	17
Total	**712**	**646**

Marketing and marketing-related expenses are primarily attributable to costs for advertising, market research and public relations. Personnel expenses include wages and salaries of employees in the sales area, including performance-related bonus entitlements, severance payments, and social security contributions. Operating expenses mainly include packaging and shipping expenses. Sales commissions largely comprise costs and commissions for marketing services. Depreciation, amortization and impairments relate mainly to other intangible assets in the sales area.

For further information please refer to the
→ “Group Earnings” section in the Group Management Report

9 / Administrative expenses

in EUR m

	2021	2020
Personnel expenses	267	268
Depreciation of property, plant and equipment and amortization of other intangible assets (incl. impairments)	96	101
Consultancy fees	31	41
IT operations	26	27
Infrastructure expenses	20	24
Marketing and marketing-related expenses	15	12
Other	46	65
Total	**501**	**538**

Personnel expenses include wages and salaries of employees in administration, including performance-based bonus entitlements, severance payments, and social security contributions.

Depreciation of property, plant and equipment and amortization of other intangible assets, including impairments mainly relate to administrative buildings, operating and office equipment, as well as other intangibles assets in the administrative area. The consulting fees primarily relate to management, legal and M&A consulting services.

For further information please refer to the
→ “Group Earnings” section in the Group Management Report

10 / Other operating expenses

In the financial year 2021, other operating expenses in the amount of EUR 11 million (previous year: EUR 12 million) mainly include disposal losses of EUR 10 million from the sale of the subsidiary Gravitas.

11 / Other operating income

Other operating income amounts to EUR 30 million (previous year: EUR 169 million). This amount includes the gain from the sale of Amorelie of EUR 1 million and multiple other small amounts that are immaterial in themselves. The prior-year figure includes income of EUR 140 million from the sale of WindStar (EUR 106 million) and myLoc (EUR 35 million).

12 / Interest result

in EUR m

	2021	2020
Interest and similar income	16	3
Interest and similar expenses	−56	−76
thereof from financial liabilities at amortized cost	−40	−60
thereof from interest rate hedging instruments	−5	−5
thereof other interest and similar expenses	−11	−10
Interest result	**−40**	**−73**

Interest and similar income of EUR 16 million derives from tax-related matters (previous year: EUR 1 million). The increase is mainly due to the implementation of favorable court rulings.

→ section "Income taxes" in note 2 "Accounting principles"

Interest from financial liabilities at amortized cost mainly includes interest on loans drawn. The significant year-on-year decrease is mainly due to the early repayment in January 2021 of a bond issued in 2014. In addition, this item includes EUR 4 million (previous year: EUR 4 million) in interest expense from lease liabilities.

Interest and similar expenses from interest rate hedging instruments relate to expenses for interest rate swaps used as hedging instruments.

→ note 33 "Notes on financial risk management and financial instruments"

The other interest and similar expenses mainly include interest expenses from tax matters and compounding effects for put options and earn-out liabilities.

13 / Result from investments accounted for using the equity method and other financial result

in EUR m

	2021	2020
Share of profit or loss of joint ventures	−45	−82
Share of profit or loss of associates	3	4
Result from investments accounted for using the equity method	**−41**	**−77**
Changes in put options and earn-out liabilities	15	−30
Measurement and disposal result from other financial instruments	130	12
thereof from financial assets at fair value through profit or loss	133	16
thereof from financial assets accounted for using the equity method	−3	−4
thereof from financial assets at amortized cost	−1	0
Foreign currency translation gains/losses	1	−6
thereof from cash and cash equivalents	9	−41
thereof from other financial assets	5	−7
thereof from financial liabilities at amortized cost	−31	38
thereof from financial assets and financial liabilities at fair value through profit or loss	16	4
thereof from other items	1	0
Financing costs	−8	−7
Other	−3	−1
Other financial result	**135**	**−32**

The share of profit or loss of joint ventures contains mainly the Group's share in the result of Joyn GmbH, Munich ("Joyn") in an amount of minus EUR 45 million (previous year: EUR -82 million).

→ note 22 "Investments accounted for using the equity method"

The changes in put options and earn-out liabilities result from measurement adjustments to the put option agreements relating to non-controlling interests in subsidiaries and earn-out agreements relating to variable, usually performance-based deferred purchase price payments concluded in connection with business combinations.
→ note 33 “Notes on financial risk management and financial instruments”

The significant increase in the measurement and disposal result from other financial instruments results in particular from the remeasurement of fund investments and the partial sale of shares in ABOUT YOU Holding SE, Hamburg ("ABOUT YOU") in the course of ABOUT YOU’s initial public offering (“IPO”) and the remeasurement of the remaining ABOUT YOU shares. SevenVentures GmbH, Unterföhring ("SevenVentures") has been an investor in the online fashion retailer ABOUT YOU since 2016.

The exchange rate effect from financial liabilities at amortized cost mainly relates to the measurement of liabilities for programming assets. As the Group held a lower level of US dollar cash and cash equivalents in the financial year 2021 compared with the previous year, the liabilities for programming assets were hedged using currency derivatives. As a result, the foreign exchange gains on other financial assets and liabilities measured at fair value through profit or loss have increased.

14 / Income taxes

INCOME TAX EXPENSES

in EUR m

	2021	2020
Current income tax expenses – Germany	186	77
Current income tax expenses – other countries	18	6
Current income tax expenses	**205**	**83**
Deferred tax expenses (+)/income (-) – Germany	–39	31
Deferred tax expenses (+)/income (-) – other countries	–1	3
Deferred tax expenses (+)/income (-)	**–40**	**35**
Total income tax expenses	**165**	**118**

The income tax rate of the German Group entities is composed of the corporate income tax rate of 15.0% (previous year: 15.0%) plus solidarity surcharge of 5.5% (previous year: 5.5%) and an average trade tax rate of 12.2% (previous year: 12.2%). Overall, this results in a nominal total tax rate relevant for the Group of 28.0% (previous year: 28.0%). The foreign income tax rates are based on the laws and regulations applicable in the individual countries and vary between 15.0% and 35.0% (previous year: 15.0% and 28.3%).

Current income tax expenses include domestic and foreign tax on taxable income for 2021 of EUR 211 million (previous year: EUR 96 million) as well as income tax income for previous years of EUR 6 million (previous year: EUR 13 million). Income tax expenses are reduced by tax losses or temporary differences not recognized in earlier periods of EUR 3 million (previous year: EUR 1 million).

The deferred tax income includes deferred tax income of EUR 29 million (previous year: deferred tax expenses of EUR 31 million) from ongoing changes in temporary differences. It also includes deferred tax expenses of EUR 1 million (previous year: EUR 11 million) relating to previously unrecognized temporary differences of a previous period. In addition, deferred tax income of EUR 10 million (previous year: EUR 8 million) results from the current tax losses in individual entities, and deferred tax income of EUR 1 million (previous year: EUR 0 million) is attributable to loss carryforwards not recognized in earlier periods.

Deferred tax assets in excess of deferred tax liabilities were recognized in an amount of EUR 2 million (previous year: EUR 0 million) for entities that suffered losses in the current or previous financial year. Based on current tax planning, it is probable that these deferred tax assets can be used over the next five years.

Deferred tax assets on loss carryforwards were written down by EUR 2 million (previous year: EUR 2 million). Impairments on deferred tax assets were reversed for unrecognized loss carryforwards of EUR 2 million (previous year: EUR 1 million) and for deferred tax assets on temporary differences of EUR 2 million (previous year: EUR 1 million).

The Group's applicable effective tax rate (recognized tax expenses as a proportion of result before income taxes) amounts to 27.2% (previous year: 31.8%). The tax expenses calculated by applying the nominal total tax rate to the result before income taxes can be reconciled to the tax expenses recognized in the income statement as follows:

RECONCILIATION OF TAX EXPENSES

in EUR m

	2021	2020
Result before income taxes	**607**	**370**
Applicable group tax rate (in percent)	28	28
Expected income tax expense	170	104
Increase (+)/decrease (-) of income taxes caused by:		
Tax rate deviations		
Effects due to foreign tax rate differences	−2	1
Effects due to domestic tax rate differences	−1	3
Effects due to changes in statutory tax rates	—	0
Effects from deviation in taxable base		
Non-deductible interest expenses (+)/interest income (-)	0	3
Other non-deductible operating expenses	21	27
Tax-free income	−54	−14
Non-taxable disposal effects	3	−37
Investments accounted for using the equity method	12	22
Recognition and measurement of deferred tax assets		
Changes and non-recognition of deferred tax assets	24	11
Other effects		
Taxes from previous years	−6	−1
Total income tax expenses	**165**	**118**
Effective group tax rate (in percent)	**27**	**32**

As of December 31, 2021, no deferred tax assets were recognized for corporate income tax loss carryforwards of EUR 311 million (previous year: EUR 269 million) or for trade tax loss carryforwards of EUR 192 million (previous year: EUR 149 million). EUR 18 million (previous year: EUR 20 million) of these loss carryforwards arise abroad and will expire within the next one to nine years if they are not used. The remaining loss carryforwards can be used indefinitely.

The deferred tax assets not recognized for corporate income tax loss carryforwards amount to EUR 57 million (previous year: EUR 51 million). The deferred tax assets not recognized for trade tax loss carryforwards amount to EUR 30 million (previous year: EUR 23 million). No deferred tax asset was recognized in the statement of financial position for deductible differences of EUR 2 million (previous year: EUR 6 million).

The deferred tax assets and liabilities are allocated to the following line items in the statement of financial position:

DEFERRED TAXES
in EUR m

	Deferred tax assets	Deferred tax liabilities	Balance net 12/31/2020	Deferred taxes recognized in profit or loss	Deferred taxes recognized in other comprehensive income arising from cash flow hedges and pension obligations	Deferred taxes recognized in other comprehensive income arising from foreign currency translation of tax positions recognized by foreign entities	Deferred tax effects from changes in scope of consolidation	Balance net 12/31/2021	Deferred tax assets	Deferred tax liabilities
Goodwill	8	−43	−35	16	—	−1	3	−17	8	−24
Other intangible assets	6	−252	−245	−12	—	−1	8	−251	8	−259
Property, plant and equipment	0	−89	−89	−11	—	—	0	−100	0	−100
Financial assets	8	−3	5	−2	—	—	—	3	7	−4
Programming assets	24	0	24	41	—	—	—	65	65	0
Inventories and other assets	10	−12	−2	0	−10	—	0	−11	10	−22
Pension provisions	4	—	4	0	0	—	—	3	3	0
Other provisions	22	−5	18	2	—	—	0	20	22	−2
Liabilities	112	−74	37	−4	−4	0	−6	23	99	−76
Tax loss carryforwards	71	—	71	13	—	—	−3	81	81	—
Tax credits	5	—	5	−2	—	—	—	4	4	—
Deferred tax assets/liabilities before netting	**270**	**−477**	**−206**	**40**	**−13**	**−2**	**2**	**−180**	**307**	**−487**
Netting	−216	216							−240	240
Deferred tax assets/liabilities after netting	**54**	**−260**							**67**	**−248**

For information on netting deferred tax assets and liabilities and the use of assumptions and estimates for uncertain tax positions, please refer to
→ section “Income taxes” in note 2 “Accounting principles”

For more information on deferred taxes that have been recognized in accumulated other comprehensive income, please refer to
→ note 26 “Shareholders’ equity”

A deferred tax liability in the amount of EUR 2 million was recognized for planned future distributions from subsidiaries (previous year: EUR 1 million). No deferred tax liabilities were recognized on temporary differences on investments in subsidiaries in the amount of EUR 24 million (previous year: EUR 16 million), because ProSiebenSat.1 Group is able to control the timing of their reversal, and because it is probable that these temporary differences will not reverse in the foreseeable future.

15 / Earnings per share

	2021	2020
in EUR m		
Net income attributable to the shareholders of ProSiebenSat.1 Media SE (basic)	449	267
Valuation effects of share-based payments after taxes	1	0
Net income attributable to the shareholders of ProSiebenSat.1 Media SE (diluted)	450	267
in shares		
Weighted average number of shares outstanding (basic)	226,234,153	226,147,133
Dilution effect from share-based payments	956,984	863,003
Weighted average number of shares outstanding (diluted)	227,191,138	227,010,136
in EUR		
Basic earnings per share	**1.99**	**1.18**
Diluted earnings per share	**1.98**	**1.18**

As of the reporting date, members of the Executive Board and selected executives of ProSiebenSat.1 Group were entitled to 956,984 (previous year: 863,003) virtual shares, so-called Performance Share Units, under the Performance Share Plan. With regard to the method of settlement, the Performance Share Units contain an option for ProSiebenSat.1 Media SE to settle them by shares or cash.

→ note 35 “Share- and performance-based payment”

This plan is treated as if it were settled in common shares of the Company for the calculation of earnings per share due to the resulting potential dilution. In the reporting period, the potential conversion of these Performance Share Units into common shares had a dilution effect of EUR 0.01 per share (previous year: EUR 0.00 per share).

16 / Other disclosures

PERSONNEL EXPENSES AND NUMBER OF EMPLOYEES

Cost of sales, selling and administrative expenses include the following personnel expenses:

PERSONNEL EXPENSES
in EUR m

	2021	2020
Wages and salaries	718	628
Social security contributions and expenses for pensions and other employee benefits	96	89
Total	**814**	**717**

Social security contributions and expenses for pensions and other employee benefits include employer contributions to defined contribution plans amounting to EUR 37 million (previous year: EUR 34 million).

In the financial year 2021, ProSiebenSat.1 Group had an average of 7,956 employees (previous year: 7,128). In addition to the 7,956 full-time employees (previous year: 7,128), the Group also employed 522 apprentices, trainees, interns and working students (previous year: 551).

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

Depreciation, amortization and impairments of other intangible assets and property, plant and equipment that are included in cost of sales, selling expenses and administrative expenses comprise the following:

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS
in EUR m

	2021	2020
Amortization of other intangible assets	155	160
Depreciation of property, plant and equipment	77	80
Impairments of other intangible assets[1]	17	8
Impairments of property, plant and equipment	2	0
Total	**251**	**248**

1 Included therein is an impairment reversal in the amount of EUR 9 million (previous year: EUR 0 million).

Amortization and impairments of programming assets in the amount of EUR 1,026 million (previous year: EUR 999 million) are presented as cost of sales and deducted when calculating adjusted EBITDA.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

17 / Goodwill

DEVELOPMENT OF GOODWILL
in EUR m

	2021	2020
COST		
Balance as of January 1	**2,269**	**2,201**
Exchange rate differences	46	−39
Additions	—	239
Disposals	−60	−131
Balance as of December 31	**2,256**	**2,269**
IMPAIRMENTS		
Balance as of January 1 / December 31	**93**	**93**
Carrying amount as of December 31	**2,163**	**2,177**

For further information regarding the disposals in the financial year 2021, please refer to
→ note 5 "Acquisitions and disposals affecting the scope of consolidation"

As a result of the resegmentation as of January 1, 2021, goodwill in the amount of EUR 77 million was reallocated, based on relative values, from the existing cash-generating unit Seven.One Entertainment (previous year: Seven.One Entertainment Group) to the new cash-generating unit SevenVentures/SevenGrowth.
→ note 34 "Segment reporting"

Due to a reorganization in the Dating & Video segment (previous year: ParshipMeet Group), the goodwill of the cash-generating unit Dating & Video (previous year: ParshipMeet Group) was reallocated in the third quarter of 2021, based on relative values, to the new cash-generating units Dating in the amount of EUR 386 million and Video in the amount of EUR 172 million.

The impairment tests performed as part of the reallocations did not result in any impairment requirement. After the reallocations, the goodwill is allocated to the cash-generating units as follows:

ALLOCATION OF GOODWILL TO CASH-GENERATING UNITS

in EUR m

Cash-generating unit	Seven.One Entertainment	Red Arrow Studios	Dating	Video	NuCom Group	SevenVentures/ SevenGrowth	**Total**
Carrying amount of goodwill 12/31/2021	798	315	389	180	404	77	2,163
Carrying amount of goodwill 12/31/2020[1]	876	331	549	—	421	—	2,177

1 The disclosures for the previous year are based on the structure of the cash-generating units prior to the reallocations in the financial year 2021. For reasons of clarity, the goodwill allocated to the former cash-generating unit ParshipMeet Group in the previous year was completely allocated to the Dating column in the table above.

As in the previous year, the goodwill impairment tests as of the reporting date confirmed the carrying amounts. The following table provides an overview of the premises applied to the respective goodwill impairment test:

ASSUMPTIONS FOR GOODWILL IMPAIRMENT TESTING

Cash-generating unit	Seven.One Entertainment	Red Arrow Studios	Dating	Video	NuCom Group	SevenVentures/ SevenGrowth
Revenue growth p.a. after the end of the projection period[1]	1.0% (1.0%)	1.5% (1.5%)	1.5% (1.5%)	1.5% (—)	1.5% (1.5%)	1.5% (—)
Discount rate (pre-tax)[1]	9.5% (9.2%)	9.6% (9.3%)	11.1% (11.0%)	11.7% (—)	12.1% (12.2%)	10.0% (—)

1 Previous year's figures in parentheses. The disclosures for the previous year are based on the structure of the cash-generating units prior to the reallocations in the financial year 2021. For reasons of clarity, the assumptions valid in the previous year for assessing the recoverability of the goodwill of the former cash-generating unit ParshipMeet Group are shown in the Dating column in the table above.

The revenue growth assumptions of the cash-generating units used after the end of the five-year projection period are based on externally published sources. The forecast EBITDA margins of the cash-generating units for the period after the end of the projection period range from 6.4% to 30.4% (previous year: 8.0% to 28.1%). The average annual revenue growth assumptions during the projection period are based on the corporate planning adopted by management as of the impairment test date and range from 2.6% to 15.5% (previous year: 3.3% to 18.6%). The weighted average cost of capital (WACC) used for discounting purposes reflects the risk-adjusted pre-tax interest rate derived from the capital market. The discount rate is based on the maturity-equivalent risk-free interest rate of 0.1% (previous year: -0.2%) and a market risk premium of 7.9% (previous year: 8.0%). Furthermore, a beta factor, the cost of debt and a debt-equity ratio, all derived from the respective peer group, are taken into account individually for each cash-generating unit. In addition, country-specific tax rates and risk premiums are applied depending on the individual composition of the respective cash-generating unit. The recoverable amount is determined in the form of a value in use.

The estimated recoverable amount of the Red Arrow Studios cash-generating unit exceeds its carrying amount by EUR 173 million (previous year: EUR 132 million). If the EBITDA margin of this cash-generating unit declined by 1.8 percentage points (previous year: 1.3 percentage points) after the end of the projection period or the pre-tax discount rate increased by 3.3 percentage points (previous year: 2.0 percentage points), the calculated recoverable amount would equal the carrying amount of the cash-generating unit.

As the recoverable amounts of the other cash-generating units were well above their respective carrying amounts, no sensitivity analyses are provided for these with regard to the key assumptions used to calculate the respective recoverable amount.

KEY ASSUMPTIONS AND ESTIMATES

The assumptions and the underlying methodology used in impairment testing can have a significant impact on the respective values and ultimately on the amount of any potential impairment on goodwill. In particular, the determination of discounted cash flows is to a large extent subject to planning assumptions, which are particularly sensitive to changes in the macroeconomic market environment and can therefore significantly affect the impairment test results.

18 / Programming assets

Programming assets include rights to feature films, series, commissioned productions, digital content, advance payments for such rights and sports rights.

DEVELOPMENT OF PROGRAMMING ASSETS

in EUR m

	Capitalized rights	Advances paid	**Total**
Balance as of January 1, 2020	**1,084**	**121**	**1,204**
Additions	951	75	1,027
Disposals	−17	—	−17
Reclassifications	82	−82	—
Amortization	−866	—	−866
Impairments	−133	—	−133
Other	—	−1	−1
Balance as of December 31, 2020 / January 1, 2021	**1,100**	**113**	**1,213**
thereof non-current programming assets			1,072
thereof current programming assets			141
Additions	906	77	983
Disposals	−25	0	−25
Reclassifications	74	−74	—
Amortization	−883	—	−883
Impairments	−143	—	−143
Other	−1	0	−1
Balance as of December 31, 2021	**1,029**	**116**	**1,145**
thereof non-current programming assets			973
thereof current programming assets			172

KEY ASSUMPTIONS AND ESTIMATES

Major components of programming assets are acquired from large film studios in the form of film packages. Among other things, the individual licenses of such film packages are initially measured in relation to the expected audience reach of the individual license broadcasts. The Group recognizes amortization of programming assets using a declining-balance method over the number of runs according to a standardized Group-wide matrix which reflects the expected audience reach potential relating to the respective broadcast. Impairments are recognized at the level of cash-generating units (programming groups) in the event that the estimated revenues of the respective cash-generating unit can no longer cover the respective carrying amount. The estimated revenues are subject to a wide range of planning assumptions that are sensitive to change and therefore may have a significant impact on the valuation. Due to the adjustment of programming groups in the reporting period, programming assets were tested for impairment at the level of both the previous and the new programming groups.

19 / Other intangible assets

DEVELOPMENT OF OTHER INTANGIBLE ASSETS

in EUR m

	Trademarks	Customer relationships	Internally generated intangible assets	Miscellaneous other	Advances paid	Total
COST						
Balance as of January 1, 2020	**491**	**254**	**167**	**531**	**51**	**1,493**
Exchange rate differences	–9	–8	0	–7	—	–24
Changes in scope of consolidation	137	–30	—	10	0	117
Additions	—	—	37	58	41	136
Reclassifications	—	—	12	17	–29	—
Disposals	–2	–14	–18	–62	–3	–99
Balance as of December 31, 2020 / January 1, 2021	**617**	**203**	**197**	**547**	**60**	**1,623**
Exchange rate differences	14	8	0	8	0	30
Changes in scope of consolidation	–28	–10	–11	–81	–1	–130
Additions	—	—	35	42	47	124
Reclassifications	—	—	45	11	–55	—
Disposals	—	–1	–9	–44	–7	–61
Balance as of December 31, 2021	**603**	**199**	**256**	**483**	**44**	**1,586**
AMORTIZATION AND IMPAIRMENTS						
Balance as of January 1, 2020	**49**	**132**	**85**	**385**	**7**	**658**
Exchange rate differences	0	–5	0	–5	—	–10
Changes in scope of consolidation	–2	–27	—	–8	—	–38
Additions[1]	10	30	36	91	1	168
Disposals	–2	–14	–20	–61	–2	–98
Balance as of December 31, 2020 / January 1, 2021	**55**	**116**	**101**	**403**	**5**	**680**
Exchange rate differences	1	5	0	5	—	11
Changes in scope of consolidation	–11	–3	–5	–67	—	–87
Additions[1]	7	31	52	78	5	173
Disposals	—	–1	–10	–43	–5	–58
Balance as of December 31, 2021	**50**	**147**	**139**	**376**	**6**	**719**
Carrying amount as of December 31, 2020	**563**	**86**	**96**	**143**	**55**	**943**
Carrying amount as of December 31, 2021	**553**	**52**	**117**	**107**	**38**	**867**

1 Additions to amortization and impairments are presented net of reversals of impairments.

Additions to amortization and impairments include impairments of EUR 27 million (previous year: EUR 8 million). These mainly relate to discontinued platforms and their content in the Entertainment segment as well as internally generated technologies no longer used in the Commerce & Ventures segment. In addition, amortization and impairments include a reversal of impairment on a trademark with a finite useful life in the Commerce & Ventures segment in the amount of EUR 9 million (previous year: EUR 0 million).

The category Miscellaneous other mainly includes software, licenses from marketing digital offerings by external providers and industrial property rights.

The trademarks comprise assets with finite and indefinite useful lives. The carrying amount of the trademarks with indefinite useful lives at the reporting date is EUR 358 million (previous year: EUR 370 million).

The following table provides an overview of the allocation of significant trademarks with indefinite useful lives to the cash-generating units for the purposes of the obligatory annual impairment test as well as the assumptions applied to the respective impairment tests:

ASSUMPTIONS FOR IMPAIRMENT TESTING OF SIGNIFICANT TRADEMARKS WITH INDEFINITE USEFUL LIVES

Cash-generating unit	Verivox	Parship/ElitePartner
Revenue growth p.a. after the end of the projection period[1]	1.5% (1.5%)	1.5% (1.5%)
Discount rate (pre-tax)[1]	12.1% (11.6%)	11.2% (11.1%)
Carrying amount of trademarks with indefinite useful lives (in EUR m)[1]	**107 (107)**	**141 (141)**

1 Previous year's figures in parentheses.

As in the previous year, the impairment tests for the trademarks with indefinite useful lives performed as of December 31, 2021, confirmed the carrying amounts.

The average annual revenue growth assumptions for the cash-generating units presented above during the five-year projection period are based on the corporate planning adopted by management as of the impairment test date and range from 3.6% to 9.5% (previous year: 7.7% to 8.8%).

KEY ASSUMPTIONS AND ESTIMATES

The assumptions and the underlying methodology used in impairment testing can have a significant impact on the respective values and ultimately on the amount of any potential impairment on other intangible assets. In particular, the determination of discounted cash flows is subject to planning assumptions to a large extent, which are particularly sensitive to changes in the macroeconomic market environment and can therefore significantly affect the impairment test results.

20 / Property, plant and equipment and rights-of-use to property, plant and equipment

The development of property, plant and equipment and rights-of-use to property, plant and equipment is presented in the following table:

in EUR m

	Real estate	Technical facilities	Office furniture and equipment	Advances paid	Total
COST					
Balance as of January 1, 2020	**441**	**174**	**89**	**45**	**749**
Exchange rate differences	–5	–2	0	–1	–8
Changes in scope of consolidation	–1	–10	0	0	–10
Additions	119	14	11	45	188
Reclassifications	1	3	—	–4	—
Disposals	–26	–5	–8	–1	–39
Balance as of December 31, 2020 / January 1, 2021	**529**	**174**	**91**	**85**	**879**
Exchange rate differences	5	2	1	0	8
Changes in scope of consolidation	–3	0	–1	—	–4
Additions	28	26	11	62	128
Reclassifications	1	10	6	–17	—
Disposals	–86	–4	–11	2	–99
Balance as of December 31, 2021	**475**	**209**	**97**	**132**	**912**
DEPRECIATION AND IMPAIRMENTS					
Balance as of January 1, 2020	**199**	**138**	**62**	**—**	**398**
Exchange rate differences	–2	–1	0	—	–3
Changes in scope of consolidation	–1	–6	–1	—	–8
Additions	51	18	12	—	81
Disposals	–18	–6	–7	—	–31
Balance as of December 31, 2020 / January 1, 2021	**229**	**143**	**64**	**—**	**437**
Exchange rate differences	2	1	0	—	4
Changes in scope of consolidation	–2	0	–1	—	–4
Additions	45	20	13	0	79
Disposals	–84	–3	–11	—	–98
Balance as of December 31, 2021	**191**	**161**	**65**	**0**	**417**
Carrying amount as of December 31, 2020	**300**	**31**	**27**	**85**	**443**
Carrying amount as of December 31, 2021	**284**	**48**	**31**	**131**	**495**

Additions to depreciation and impairments include impairments of EUR 2 million (previous year: EUR 0 million) attributable to the Commerce & Ventures segment.

The real estate and advances paid items include land and buildings that belong to the real estate leasing entity with which ProSiebenSat.1 Media SE entered into a lease contract for the construction of a new corporate campus in Unterföhring in the financial year 2018. As ProSiebenSat.1 Group can determine the relevant activities of the real estate leasing entity, that entity is fully consolidated. The real estate leasing entity's liabilities to the financing banks are recognized in other financial liabilities as real estate liabilities. The land and buildings (existing and yet to be erected) are secured by way of a land charge in the amount of the financing already drawn.
→ note 29 "Financial liabilities"

The borrowing costs capitalized in the financial year 2021 amounted to EUR 2 million (previous year: EUR 4 million).

21 / Leases

The lease agreements of ProSiebenSat.1 Group relate to the renting of real estate, in particular office and storage space, as well as the lease of other property, plant and equipment, mainly information technology, operating and office equipment, and vehicles for employees.

The following table shows the development of the carrying amounts of right-of-use assets from leases:

in EUR m

	Real Estate	Other property, plant and equipment	Total
Balance as of January 1, 2020	**171**	**8**	**179**
Exchange rate differences	–3	0	–3
Changes in scope of consolidation	1	–1	0
Additions	99	5	104
Disposals	–3	0	–3
Depreciation and impairments[1]	–34	–5	–40
Balance as of December 31, 2020 / January 1, 2021	**229**	**7**	**236**
Exchange rate differences	3	0	3
Additions	22	13	34
Disposals	–2	0	–3
Depreciation and impairments[1]	–37	–7	–44
Balance as of December 31, 2021	**214**	**12**	**226**

1 Including impairments of EUR 2 million (previous year: EUR 0 million) which primarily relate to real estate leases.

The additions to right-of-use assets from real estate leases of EUR 22 million (previous year: EUR 99 million) mainly result from the renting of office and storage space.

The following table contains the amounts recognized in profit or loss attributable to leases in which ProSiebenSat.1 Group acts as lessee:

LEASING ITEMS IN PROFIT OR LOSS

in EUR m

	2021	2020
Depreciation and impairments	44	40
Interest expenses	4	4
Off-balance short-term and low-value leases	1	1
Total expenses for leases	**49**	**45**

The total cash outflow from leases in which ProSiebenSat.1 Group acts as lessee, including off-balance short-term or low-value leases, amounts to EUR 47 million (previous year: EUR 44 million). In the financial year 2021 EUR 4 million (previous year: EUR 4 million) of this amount relate to interest payments.

22 / Investments accounted for using the equity method

As of the reporting date (as in the previous year), ProSiebenSat.1 Group identified the investment in Joyn as the only material investment accounted for using the equity method. As in the previous year, the Group holds a 50% share in Joyn.

The following overview shows summarized financial information as well as a reconciliation to the carrying amount of the Group's share in Joyn:

FINANCIAL INFORMATION FOR JOYN

in EUR m

	12/31/2021	12/31/2020
Non-current assets	57	61
Current assets	38	60
thereof cash and cash equivalents	11	21
Non-current liabilities	7	15
thereof financial liabilities excl. trade payables and provisions	7	8
Current liabilities	62	85
thereof financial liabilities excl. trade payables and provisions	1	1
Net assets (100%)	**26**	**20**
Group's share in net assets (50%)	13	10
Elimination of unrealized upstream/downstream transactions	−1	—
Proportionate elimination of deconsolidation gain from the sale of maxdome GmbH	−10	−10
Impairment of the investment at Group level	−2	0
Carrying amount of interest in joint venture	**0**	**0**
Revenue	66	58
Depreciation, amortization and impairments of property, plant and equipment and other intangible assets	−2	−40
Net result for the period (100%)	−89	−163
Group's share of net result for the period (50%)	**−45**	**−82**

In the financial year 2021, the depreciation, amortization and impairments of property, plant and equipment and other intangible assets amounting to EUR 2 million (previous year: EUR 40 million) relate entirely to depreciation and amortization. In the previous year, it also included impairments on other intangible assets of EUR 26 million.

The cash outflow of EUR 47 million (previous year: EUR 75 million) resulting from the payments into the capital reserves of Joyn in the financial year 2021 is presented in the cash flow from investing activities under payments for investments including investments accounted for using the equity method.

For information on the financing commitments to Joyn as of the reporting date, please refer to

→ **note 33 "Notes on financial risk management and financial instruments"**

As the shares in Joyn are not listed, no market values are available. As in the previous year, ProSiebenSat.1 Group did not receive any dividends from Joyn in the financial year 2021.

ProSiebenSat.1 Group holds other investments in associates and joint ventures apart from Joyn, which are, however, of minor importance to the Group. The carrying amount of these investments at the reporting date is EUR 61 million (previous year: EUR 14 million). The increase primarily reflects the acquisition of the investment in Urban Sports Club, with a carrying amount of EUR 50 million at the reporting date.

→ **note 5 "Acquisitions and disposals affecting the scope of consolidation"**

23 / Receivables and other financial assets

in EUR m

	12/31/2021			12/31/2020		
	Current	**Non-current**	**Total**	Current	Non-current	Total
Contract assets	34	—	34	29	—	29
Trade receivables	470	13	483	540	19	559
Total receivables	**504**	**13**	**517**	**569**	**19**	**588**
Fund investments held to cover pension obligations	—	27	27	—	28	28
Equity investments	55	270	325	—	212	212
Derivatives	30	31	61	12	7	19
Other financial assets	54	11	65	37	5	42
Total other financial assets	**139**	**340**	**478**	**50**	**252**	**302**
Total	**643**	**353**	**996**	**619**	**271**	**890**

Trade receivables also include receivables from related parties. .
→ note 36 "Related parties"

Equity investments include in particular fund investments and non-controlling interests acquired by the Group as part of its media-for-equity strategy. The equity instruments classified as current are mainly ABOUT YOU shares. The increase in equity investments compared to the previous year is mainly due to valuation effects.

The derivatives are mainly currency forwards to hedge currency risks.
→ note 33 "Notes on financial risk management and financial instruments"

Other financial assets mainly include refund receivables from suppliers, purchase price receivables from the sale of entities, and receivables from the provision of collateral.

The following table shows the changes in loss allowances for gross trade receivables and for contract assets from contracts with customers:

CHANGES IN LOSS ALLOWANCES

in EUR m

	2021	**Thereof individually credit-impaired receivables**	2020	Thereof individually credit-impaired receivables
Balance as of January 1	**45**	**35**	**44**	**36**
Additions	16	16	25	24
Releases	−14	−10	−8	−8
Usage	−13	−11	−17	−17
Changes in scope of consolidation	0	—	1	0
Balance as of December 31	**35**	**29**	**45**	**35**

For more information on credit loss allowances, please refer to
→ note 33 "Notes on financial risk management and financial instruments"

24 / Other receivables and assets

in EUR m

	12/31/2021			12/31/2020		
	Current	**Non-current**	**Total**	Current	Non-current	Total
Accrued items	37	2	39	24	—	24
VAT receivables	21	—	21	1	—	1
Advance payments	6	—	6	9	—	9
Other	27	1	28	13	2	15
Total other receivables and assets	**91**	**3**	**94**	**47**	**2**	**49**

The item “Other” includes many minor individual items.

25 / Cash and cash equivalents

Cash and cash equivalents include the instruments presented in the following table, all of which have maturities of three months or less as of the date of initial recognition.

in EUR m

	12/31/2021	12/31/2020
Bank balances	550	1,028
Term deposits	44	196
Total cash and cash equivalents	**594**	**1,224**

The significant decline in cash and cash equivalents mainly results from the early repayment of a bond and of portions of a syndicated loan. In addition, the Group had suspended its dividend payment in the previous year in connection with the pandemic.

The following table shows the cash and non-cash changes in financial liabilities:

CHANGES IN FINANCIAL LIABILITIES

in EUR m

	01/01/2021	Cash changes	Non-cash changes			**12/31/2021**
			Changes in scope of consolidation	Exchange rate changes	Additions/Other	
Non-current financial liabilities	2,591	−202	—	—	5	2,395
Current financial liabilities	608	−550	—	0	−7	51
Lease liabilities	228	−42	−1	4	32	220
Real estate liabilities	71	26	—	—	—	97
Total	**3,498**	**−769**	**−1**	**4**	**30**	**2,763**

in EUR m

	01/01/2020	Cash changes	Non-cash changes			12/31/2020
			Changes in scope of consolidation	Exchange rate changes	Additions/Other	
Non-current financial liabilities	3,190	−2	—	0	−596	2,591
Current financial liabilities	12	−33	27	1	600	608
Lease liabilities	171	−39	0	−5	101	228
Real estate liabilities	48	24	—	—	—	71
Total	**3,420**	**−50**	**27**	**−4**	**105**	**3,498**

26 / Shareholders' equity

As of December 31, 2021, the subscribed capital of ProSiebenSat.1 Media SE amounted to EUR 233 million (previous year: EUR 233 million), with a nominal value of EUR 1.00 per share. Accordingly, as of December 31, 2021, the number of shares issued amounted to 233,000,000 (previous year: 233,000,000 shares), of which the Company holds 6,694,738 shares (previous year: 6,771,747 shares) as treasury shares.

→ subsection "Treasury shares"

The capital reserve amounts to EUR 1,046 million (previous year: EUR 1,045 million). It mainly consists of equity supplied by shareholders in excess of the subscribed capital.

The accumulated other comprehensive income of EUR 45 million (previous year: EUR -44 million) in ProSiebenSat.1 Group's equity includes the effects of currency translation of the financial statements of foreign subsidiaries amounting to EUR 22 million (previous year: EUR -33 million), the cash flow hedge reserve after taxes of EUR 34 million (previous year: EUR 0 million), and the effect arising from remeasuring defined benefit plans amounting to minus EUR 11 million after taxes (previous year: EUR -11 million).

The expenses and income recognized in other comprehensive income throughout the financial year 2021 can be broken down as follows:

OTHER COMPREHENSIVE INCOME
in EUR m

	2021			2020		
	Before taxes	**Income taxes**	**After taxes**	Before taxes	Income taxes	After taxes
Currency translation[1]	**72**	**—**	**72**	**−56**	**—**	**−56**
Cash flow hedges	**47**	**−13**	**34**	**−70**	**20**	**−50**
Remeasurement of defined benefit pension plans	**0**	**0**	**0**	**−1**	**0**	**−1**
Total other comprehensive income[1]	**120**	**−13**	**106**	**−128**	**20**	**−108**

1 In the financial year 2021, EUR 17 million (previous year: EUR -8 million) of the pre- and post-tax amounts are attributable to non-controlling interests.

NON-CONTROLLING INTERESTS

With the exception of General Atlantic PD GmbH, Munich ("General Atlantic"), an indirect subsidiary of General Atlantic Coöperatief U.A., Amsterdam, Netherlands, no other shareholders have significant interests in subsidiaries. General Atlantic holds a non-controlling share and voting interest of 28.4% in NuCom Group and, since September 4, 2020, a non-controlling share and voting interest of 45.0% in ParshipMeet Holding. ParshipMeet Holding and its subsidiaries ("ParshipMeet Group") form the Dating & Video segment.

→ note 34 "Segment reporting"

As ProSiebenSat.1 Group holds a preferred share in each of NuCom Group and ParshipMeet Group, net assets and net result for the period are allocated disproportionately to the respective capital shares. The preferred shares grant a fixed return of 8% per annum on the preferred share amount and a liquidation preference. If the Advisory Board resolves the distribution of a dividend, the preferred return is granted in the form of an advance dividend. Otherwise, the preferred return earned increases the preferred share amount. The net asset share is determined pro rata after deducting the preferred share amount, the share in the net result for the period after deducting the preferred return earned. As of December 31, 2021, the claims from the preferred shares amount to EUR 602 million (previous year: EUR 658 million).

The following table contains financial information for NuCom Group and ParshipMeet Group and a reconciliation between the groups' net assets and General Atlantic's pro rata share as non-controlling shareholder. The presentation is based on figures before intra-group eliminations.

FINANCIAL INFORMATION FOR NUCOM GROUP AND PARSHIPMEET GROUP

in EUR m

	12/31/2021		12/31/2020	
	NuCom Group	**ParshipMeet Group**	NuCom Group	ParshipMeet Group
Non-current assets	817	971	854	956
Current assets	245	204	455	153
Non-current liabilities and provisions	220	165	222	221
Current liabilities and provisions	228	118	225	110
Net assets	**615**	**892**	**862**	**778**
Preferred share	−214	−388	−299	−359
Net assets attributable to other shareholders (excl. General Atlantic)	−3	—	2	—
Share of General Atlantic	28.4%	45.0%	28.4%	45.0%
Net assets attributable to General Atlantic	**115**	**227**	**159**	**189**

	2021		2020	
	NuCom Group	**ParshipMeet Group**	NuCom Group	ParshipMeet Group[1]
Revenues	701	542	960	197
Result before income taxes	−79	100	90	−14
Net result for the period	**−80**	**78**	**88**	**−32**
Net result for the period attributable to shareholders of ProSiebenSat.1 Media SE	−52	56	85	−14
Net result for the period attributable to General Atlantic	−28	22	4	−19
Net result for the period attributable to other shareholders	0	—	0	—
Other comprehensive income	**0**	**36**	**−3**	**−17**
Total comprehensive income	**−80**	**114**	**85**	**−49**
Total comprehensive income attributable to shareholders of ProSiebenSat.1 Media SE	−52	76	81	−23
Total comprehensive income attributable to General Atlantic	−28	38	4	−27
Total comprehensive income attributable to other shareholders	0	—	0	—
Return on preferred share	**19**	**29**	**40**	**9**
Change in cash and cash equivalents	**−287**	**41**	**239**	**66**

1 ParshipMeet Group's results are shown from its establishment in August 2020.

On April 16, 2021, the NuCom Annual General Meeting resolved the distribution of a dividend totaling EUR 60 million from the distributable profits of the short financial year from August 1 to December 31, 2020, to the common shareholders. EUR 17 million of this was attributable to General Atlantic.

General Atlantic, as a non-controlling shareholder, has certain protective rights (e.g. with respect to the sale of major assets) at both NuCom Group and ParshipMeet Group, which may significantly restrict ProSiebenSat.1 Group's ability to gain access to or use assets of its subsidiaries.

An amount of EUR 5 million (previous year: EUR 4 million) in ProSiebenSat.1 Group's net assets and an amount of EUR 0 million (previous year: EUR 0 million) in the net result of the period and total comprehensive income are attributable to several other non-controlling interests.

OTHER EQUITY

As of December 31, 2021, other equity amounts to minus EUR 136 million (previous year: EUR -129 million).

In the previous year, it was General Atlantic's acquisition of a non-controlling interest in ParshipMeet Group that primarily accounted for the reduction in other equity of EUR 107 million.

ALLOCATION OF PROFITS

In the past financial year, a dividend of EUR 0.49 (previous year: EUR 0.00) per share was distributed. The dividend payment amounted to EUR 111 million (previous year: EUR 0 million).

For the financial year 2021, the Executive Board recommends that the Supervisory Board proposes to the Annual General Meeting the distribution of a dividend of EUR 0.80 per share to holders entitled to dividends. This corresponds to an expected total payment of around EUR 181 million. Payment of the proposed dividend is subject to approval by the Annual General Meeting on May 5, 2022.

AUTHORIZED CAPITAL

By resolution of the Annual General Meeting on June 1, 2021, new authorized capital was created (Authorized Capital 2021). According to the resolution, the Executive Board, subject to the consent of the Supervisory Board, is authorized until and including May 31, 2026, to increase the share capital by in total up to EUR 46,600,000 by issuing, on one or more occasions, new registered no-par value shares, in return for contributions in cash and/or in kind. Shareholders' pre-emptive rights may be excluded under certain conditions.

In addition, the Annual General Meeting resolved to cancel the authorized capital in place until that date (Authorized Capital 2016).

CONTINGENT CAPITAL

By resolution of the Annual General Meeting on June 1, 2021, the Executive Board is authorized, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or option bonds in the total nominal amount of up to EUR 800 million, against cash and/or contributions in kind, until May 31, 2026, and to grant the holders or creditors of such bonds conversion or option rights to subscribe for in total up to 23,300,000 new registered no-par value shares in the pro rata amount of in total up to EUR 23,300,000 of the Company's registered share capital, and/or to stipulate respective conversion rights of ProSiebenSat.1 Media SE (Authorization 2021). For this purpose, the share capital was contingently increased by in total up to EUR 23,300,000 to be effected through the issuance of up to 23,300,000 new registered no-par value shares (Contingent Capital 2021). The Executive Board is authorized to exclude shareholders' pre-emptive rights under certain conditions.

In addition, the Annual General Meeting resolved to cancel the Executive Board's authorization to issue convertible and/or option bonds (Authorization 2016) in place until that date and the associated contingent capital (Contingent Capital 2016).

TREASURY SHARES

In accordance with section 71 (1) no. 8 of the German Stock Corporation Act (AktG), the Annual General Meeting by resolution of June 12, 2019, authorized the Company, subject to the consent by the Supervisory Board and in accordance with the more detailed conditions of the authorization, to acquire treasury shares of the Company on or before June 11, 2024, in the total amount of up to 10.0% of the Company's share capital that existed at the time the authorization was granted or – if this value is lower – of up to 10.0% of the Company's share capital existing at the time the authorization is exercised, and to use these shares, potentially excluding pre-emptive rights, in the cases specified in more detail in the authorization (2019 authorization). Treasury shares may also be acquired using derivatives in an amount of up to 5.0% of the share capital existing at the time the authorization was granted or – if this figure is lower – existing at the time the authorization is exercised in accordance with the more detailed conditions of the authorization.

No treasury shares were acquired in the financial years 2021 and 2020.

The “myShares” employee share program is regularly serviced by issuing treasury shares. In the financial year 2021, 77,009 (previous year: 87,433) treasury shares were issued to employees under the program. In total, the number of treasury shares decreased from 6,771,747 as of December 31, 2020, to 6,694,738 as of December 31, 2021.

CAPITAL MANAGEMENT INFORMATION

Capital management instruments used at ProSiebenSat.1 Group include equity measures, dividend payments to shareholders, share buy-backs and debt financing measures.

ProSiebenSat.1 Group’s capital management is aimed at securing the Group’s long-term ability to continue as a going concern and generating appropriate returns for the shareholders. Management takes into account changes in the macroeconomic environment and risks arising from the underlying business activities. It is furthermore important to ProSiebenSat.1 Group to ensure unrestricted capital market access to various debt financing instruments and the servicing of financial liabilities.

Active debt management involves measures that especially focus on the leverage ratio, measured as the ratio of net financial debt to adjusted EBITDA of the last twelve months, on capital and liquidity requirements, and on the timing of refinancing measures. For information on the calculation of adjusted EBITDA, please refer to
→ note 34 “Segment reporting”

ProSiebenSat.1 Group’s capital structure was as follows as of the reporting date:

CAPITAL STRUCTURE
in EUR m

	12/31/2021	12/31/2020
Shareholders’ equity	**2,099**	**1,687**
Share of total capital	31.9%	23.8%
Financial debt	**2,446**	**3,192**
Share of total capital	37.1%	45.1%
Leverage	**2.2**	**2.8**
Total capital (total equity and liabilities)	**6,587**	**7,081**

For further information on the financial management of ProSiebenSat.1 Group please refer to
→ section “Group Financial Position and Liquidity” in the Group Management Report

27 / Provisions for pensions

The provisions for pensions were recognized for defined benefit plan obligations to active and former members of the ProSiebenSat.1 Media SE Executive Board and their surviving dependents. The biometric data is derived from the Heubeck 2018G mortality tables. The pension agreements provide for benefits after the contractual age limit is reached, in the event of permanent incapacity for work or in the event of the death of the beneficiary. The beneficiaries have a contractual right to choose between a lifelong pension, several annual installments or a one-off payment.

The pension expense recognized in profit or loss comprises the current service cost and accrued interest on the pension obligations. The total change in the present value of the obligations is as follows:

PRESENT VALUE OF OBLIGATIONS

in EUR m

	2021	2020
Present value of obligations as of January 1	**32**	**31**
Current service cost	1	1
Past service cost	0	1
Interest expense	0	0
Total amount recognized in profit or loss	**1**	**2**
Remeasurements:		
Actuarial losses from changes in financial assumptions	0	1
Total amount recognized in other comprehensive income	**0**	**1**
Pension payments	−1	−1
Settlements	—	−1
Present value of obligations as of December 31	**32**	**32**

To cover the pension obligations, ProSiebenSat.1 Group firstly holds shares in investment funds worth EUR 27 million as of the reporting date (previous year: EUR 28 million). These fund units do not qualify as plan assets. They are recognized as financial assets and measured at fair value through profit or loss.

→ note 23 “Receivables and other financial assets”

Secondly, in the financial year 2021 the Group transferred the fund assets for the pension entitlements of the active Executive Board members of EUR 1 million to a dual contractual trust arrangement (CTA) recognized as plan assets. The assets held by the CTA are investment fund units. The CTA’s investment strategy reflects the lifecycle of the underlying liability. The plan assets are measured at fair value and offset against the pension obligations. The fair value of the plan assets was EUR 1 million as of the reporting date.

The offsetting of the present value of the obligations and the plan assets created in the financial year therefore results in a net presentation of EUR 31 million as of December 31, 2021.

The following parameters were used for this calculation:

PENSION OBLIGATIONS MEASUREMENT PARAMETERS

	2021	2020
Discount rate	1.0%	0.8%
Salary growth rate	0.0%	0.0%
Pension growth rate	1.0%	1.0%

The weighted duration of the pension obligation averages 11 years (previous year: 12 years) until retirement age.

The Group expects the following pension payments in the years ahead:

EXPECTED PENSION PAYMENTS
in EUR m

	2022	2023	2024	2025	2026
Expected pension payments	1	2	1	3	1

28 / Other provisions

in EUR m

	01/01/2021	Additions	Usage	Release	Foreign exchange and interest effects	Changes in scope of consolidation	**12/31/2021**
Provisions for onerous contracts	54	4	–38	0	–1	—	19
thereof current	43						19
Provisions for risks from business operations	30	24	–17	–3	0	0	34
thereof current	30						34
Provision for employee benefits	34	36	–6	–2	1	—	63
thereof current	3						14
Miscellaneous other provisions	69	18	–10	–17	0	0	61
thereof current	67						59
Total	**188**	**83**	**–71**	**–22**	**1**	**0**	**177**

Provisions comprise current provisions in the amount of EUR 126 million (previous year: EUR 142 million) and non-current provisions in the amount of EUR 51 million (previous year: EUR 45 million).

ProSiebenSat.1 Group expects the vast majority of the non-current provisions to result in cash outflows within the next five years.

In the amount of EUR 19 million (previous year: EUR 51 million), provisions for onerous contracts relate to programming assets. They are primarily attributable to the strategic realignment of programming assets in the financial year 2018.

The provisions for risks from business operations relate in particular to uncertain reimbursement obligations from contracts with customers and expected payments to broadcasters in connection with video and live entertainment offerings.

The provisions for employee benefits primarily comprise variable compensation owed to individual executives and members of the Executive Board.
→ note 35 "Share- and performance-based payment"

The miscellaneous other provisions comprise the following items:

MISCELLANEOUS OTHER PROVISIONS
in EUR m

	12/31/2021	12/31/2020
Interest on tax liability	26	32
Additional payments to bestseller beneficiaries	11	11
Value added tax	10	9
Legal costs	3	3
Restructuring	1	1
Other	10	13
Total	**61**	**69**

KEY ASSUMPTIONS AND ESTIMATES

Provisions are recognized and measured on the basis of estimates regarding the amount and probability of future outflows of resources, as well as on the basis of past experience and the circumstances known at the reporting date. In assessing the amount of provisions, all available factual information, in particular claims asserted and experience with comparable transactions, is taken into account and assumptions are made regarding the probability of occurrence and the range of possible claims. The assessment of whether a present obligation exists is generally based on the opinions of internal or external experts. In particular, provisions for onerous contracts are based to a considerable extent on management estimates with regard to their amount and probability of occurrence. Based on more recent information, these estimates may change and the actual charges may differ from the amount of the obligations recognized.

29 / Financial liabilities

in EUR m

	Current	Non-current	Total 12/31/2021
Loans and borrowings	51	1,197	1,248
Promissory notes	—	1,198	1,198
Financial debt	**51**	**2,395**	**2,446**
Trade payables	**555**	**52**	**607**
Lease liabilities	41	179	220
Real estate liabilities	2	94	97
Put options and earn-out liabilities	4	65	68
Accrued media authority liabilities	15	—	15
Liabilities from derivatives	1	7	8
Accrued interest	4	—	4
Miscellaneous other financial liabilities	13	2	15
Total other financial liabilities	**80**	**347**	**427**
Total financial liabilities	**686**	**2,793**	**3,479**

	Current	Non-current	Total 12/31/2020
Loans and borrowings	1	2,092	2,094
Bonds	600	—	600
Promissory notes	—	499	499
Financial debt	**601**	**2,591**	**3,192**
Trade payables	**618**	**74**	**692**
Lease liabilities	38	189	228
Put options and earn-out liabilities	25	131	156
Real estate liabilities	1	70	71
Liabilities from derivatives	2	17	19
Accrued interest	16	—	16
Accrued media authority liabilities	11	—	11
Miscellaneous other financial liabilities	16	3	18
Total other financial liabilities	**109**	**410**	**520**
Total financial liabilities	**1,328**	**3,076**	**4,404**

Non-current loans and borrowings include a term loan with a nominal amount of EUR 1,200 million as of December 31, 2021 (prior year: EUR 2,100 million). In October 2021, the Group issued long-term promissory notes with a nominal amount of EUR 700 million. In addition, loans and borrowings include a money market instrument in the amount of EUR 50 million with a negative interest rate, which was also issued in the fourth quarter of 2021. The early partial repayment of the term loan in the amount of EUR 900 million was mainly financed using the proceeds from the new promissory notes. In addition, the Group has further promissory notes of EUR 500 million outstanding, bringing the total nominal volume of financial liabilities attributable to promissory notes to EUR 1,200 million at the reporting date. The EUR 600 million note reported in the previous year was repaid early by the Group on January 15, 2021.

→ **note 33 "Notes on financial risk management and financial instruments"**

In the event of a change of control of ProSiebenSat.1 Media SE as a result of the direct or indirect acquisition of more than 50.0% of the voting rights of ProSiebenSat.1 Media SE by third parties, the creditors of all aforementioned instruments are entitled to terminate and demand repayment.

The trade payables also include amounts owed to related parties.

→ **note 36 "Related parties"**

No liens or similar collateral were provided for the financial liabilities.

30 / Other liabilities

in EUR m

	12/31/2021		12/31/2020	
	Current	**Non-current**	Current	Non-current
Accrued items and advance payments received	122	1	127	—
Event vouchers	94	—	70	—
Employee benefits	79	—	68	—
Value added tax	37	—	42	—
Other taxes	15	—	18	—
Outstanding advertising services	13	12	8	0
Miscellaneous other	36	2	42	4
Total	**397**	**16**	**374**	**4**

Accrued items and advance payments received primarily consist of advance payments received as well as accruals for marketing rights and other accruals.

The item Outstanding advertising services contains contractual liabilities for the rendering of advertising services from media-for-equity transactions for which the Group has already received the corresponding company shares.

The item Miscellaneous other includes an amount of EUR 22 million (previous year: EUR 19 million) of contract liabilities from advertising spots to be delivered free of charge from rebate agreements.

In total, other liabilities contain contract liabilities of EUR 131 million (previous year: EUR 110 million).
→ note 6 “Revenues”

ADDITIONAL NOTES

31 / Contingent liabilities

Major legal disputes in which ProSiebenSat.1 Media SE and/or companies controlled by ProSiebenSat.1 Media SE are involved as defendants are shown below:

- **Claims for disclosure and action for damages by RTL 2 Television GmbH & Co. KG and El Cartel Media GmbH & Co. KG against entities of ProSiebenSat.1 Group:** The plaintiffs assert claims for disclosure and damages in connection with the marketing of advertising times by Seven.One Media GmbH. The legal opinion commissioned by decision of the Regional Court on April 13, 2012, has been available to ProSiebenSat.1 Group since 2018. The expert arrived at the conclusion that there are no statistically substantiated indications of a positive probability of damage. We consider this finding to be correct and the action thus ready for dismissal. The plaintiffs have filed a motion to disqualify the expert on grounds of bias and disputed his conclusions. The court-appointed expert died in 2020, without the court questioning him or ruling on the plaintiffs’ motion. There is therefore a possibility that the issue will have to be examined again. The outcome of the proceedings therefore remains unpredictable. Hence, no provision was recognized.

- **Claims for payment of additional remuneration for bestsellers against entities of ProSiebenSat.1 Group:** Authors of highly successful TV shows may assert claims against entities of ProSiebenSat.1 Group under section 32a of the German Copyright Act (“UrhG”). The broadcasting group has agreed on “joint remuneration agreements” (section 36 UrhG) with five associations (directors, camera operators, screenwriters, actors and editors), providing for the payment of additional remuneration to directors, camera operators, screenwriters, actors and actresses and film editors once TV movies or TV series reach certain audience numbers. On the basis of these joint remuneration agreements, the broadcasting group has also concluded joint remuneration agreements with the directors' association for the telenovela genre. As of December 31, 2021, a total of EUR 11 million (previous year: EUR 11 million) was recognized as a provision for these issues and other related claims. This amount is based on a best estimate of the additional remuneration expected to be payable based on the joint remuneration agreements already concluded and the specific models developed by the broadcasting group for further joint remuneration agreements, some of which were already presented to and negotiated with the associations, as well as based on individual out-of-court settlements. The amount of the provision also takes into account the risks with regard to the VAT treatment of the remuneration for bestsellers that has yet to be finally clarified. It is also possible that more authors will assert additional justified claims under section 32a UrhG, which are not covered by the existing joint remuneration agreements or provisions (e.g. for other program genres as well). Therefore, a reliable estimate of the effects on our earnings development is not possible at this time.

Moreover, ProSiebenSat.1 Media SE and companies controlled by it are defendants or parties in further court and arbitration proceedings as well as regulatory proceedings. Based on the current state of knowledge, these proceedings do not significantly impact the economic situation of ProSiebenSat.1 Group.

32 / Other financial obligations

The following table contains the other financial obligations not recognized in the statement of financial position:

in EUR m

	12/31/2021	12/31/2020
Purchase commitments for programming assets	1,630	2,023
Distribution	114	158
Lease and rental commitments	3	17
Miscellaneous other	393	281
Total	**2,140**	**2,479**

The amounts presented are not discounted.

The purchase commitments for programming assets are based on agreements regarding the acquisition of licenses for films and series as well as commissioned productions concluded before December 31, 2021. A large proportion of the contracts are denominated in US dollars.

Distribution includes financial obligations for satellite services, obligations under contracts for terrestrial transmission facilities and cable feed charges. The underlying contracts do not constitute lease arrangements.

The lease and rental commitments mainly contain obligations from leases already concluded for which the use of the underlying leased items has not yet commenced as of the reporting date.

The item Miscellaneous other includes commitments for future funding by the Group to its joint venture Joyn.

→ note 33 "Notes on financial risk management and financial instruments"

33 / Notes on financial risk management and financial instruments

ProSiebenSat.1 Group is exposed to various financial risks in connection with its ongoing business activities and its debt financing. Such risks are managed by the central Treasury department, which is responsible for the Group's financial risk management. The Group's financial risk management objectives mainly include ensuring ongoing solvency and managing market price risks in a risk-adequate manner. The derivative financial instruments used in this context are entered into exclusively with a view to hedging against existing market price risks and are not used for speculative purposes. ProSiebenSat.1 Group largely uses hedge accounting to provide a meaningful and economically appropriate representation of the earnings effects of interest rate and currency hedging measures.

The principles, tasks and responsibilities of financial risk management are set down in ProSiebenSat.1 Group's internal financial guidelines. Risks are reported to the Executive Board on a monthly basis.

The risks explained below have been identified as material and are subject to ongoing evaluation. Taking into account hedging activities, ProSiebenSat.1 Group is not exposed to any material risk concentrations.

INTEREST RATE RISKS

ProSiebenSat.1 Group defines interest rate risk as the risk of rising financing costs due to increases in interest rates. ProSiebenSat.1 Group is exposed to interest rate risk on the one hand through its floating-rate financial liabilities and on the other hand through future financing measures. The floating-rate financial liabilities primarily consist of a syndicated credit agreement for a term loan with a nominal volume of EUR 1,200 million (previous year: EUR 2,100 million) and a revolving credit facility (RCF) of EUR 750 million (previous year: EUR 750 million). In the first quarter of 2021, short-term funds of EUR 180 million were drawn from the RCF (previous year: short-term drawdown of the RCF of EUR 350 million). As of December 31, 2021, the RCF was not utilized (previous year: no utilization). In April 2019, a major portion of the syndicated credit agreement was extended by one year to April 2024, with the remaining portions of the term loan (EUR 87 million) and of the RCF (EUR 74 million) still terminating in April 2023. Both term loan and RCF bear floating-rate interest at Euribor money market rates plus a credit margin.

In the fourth quarter, ProSiebenSat.1 Group borrowed EUR 50 million in the money market with a negative interest rate and a term of one year and issued syndicated promissory notes with a volume of EUR 700 million and terms of 4, 6, 8 and 10 years. EUR 298 million of the total EUR 700 million constitute floating-rate tranches. The proceeds from the promissory notes, in addition to cash already on hand, were used for the early repayment of a term loan tranche totaling EUR 900 million. All in all, ProSiebenSat.1 Group has syndicated promissory notes outstanding in a total amount of EUR 1,200 million, of which tranches totaling EUR 348 million bear floating-rate interest. The floating-rate tranches of all promissory notes bear interest on the basis of Euribor money market rates.

ProSiebenSat.1 Group hedges the interest rate risk arising from floating-rate financial liabilities and future financing measures by way of interest rate swaps and interest rate options. In the case of interest rate swaps, variable interest payments are swapped for fixed interest payments. The uncertain amounts of future variable interest payments on the hedged loans are thus effectively converted into fixed interest payments. The fair value of the interest rate swaps is determined by discounting the expected future cash flows. With interest rate options, ProSiebenSat.1 Group as buyer has the right, but not the obligation to swap future variable interest payments for fixed interest payments or to receive a compensation payment in the amount of the difference between the interest payment agreed in the option contract and that derived from the market rate. The future variable interest payments are therefore also effectively converted into fixed interest payments, but only if this is beneficial for ProSiebenSat.1 Group. An option premium must be paid for the purchased swap right. The fair value of the interest rate options is calculated using a standard option pricing model. Since the interest rate derivatives are used for hedging existing interest rate risk, there is no intention to close them out early.

To the extent that the interest rate swaps can be expected to offset the interest rate-induced changes in cash flows from the floating-rate loans to a sufficiently high degree during their term, they are designated as hedging instruments in a cash flow hedge. Effectiveness is measured using the hypothetical derivative method, under which the changes in the fair value of the hedging instrument are compared with the changes in the fair value of a hypothetical "perfect" derivative, i.e. one that would fully replicate the interest rate-induced cash flows and changes in the underlying transaction. Since the hedging instruments and the hedged interest payments match in terms of nominal amounts, hedged interest rates, maturities and payment dates and since it is assumed for the purpose of measuring hedge effectiveness that the Euribor interest rate benchmark on which the hedged cash flows are based is not altered as a result of the interest rate benchmark reform, hedge ineffectiveness can only arise from changes in the credit default risk of the hedging instruments. If the change in fair value of the hedging instrument (including the change in credit default risk) is greater than the change in fair value of the hypothetical derivative, the excess is immediately recognized in profit or loss as hedge ineffectiveness. The remaining effective portion is transferred to the cash flow hedge reserve in equity and only recognized in profit or loss when the hedged interest payment affects the income statement.

As of December 31, 2021, as in the previous year, ProSiebenSat.1 Group held interest rate swaps with a nominal volume totaling EUR 1,000 million that hedge the Euribor interest rate risk in the period up to 2023 and were designated as hedging instruments in a cash flow hedge. As is the case with the underlying hedged items, these interest rate swaps have an interest rate floor.

In addition, as in the prior year, the Group holds interest rate options of EUR 1,000 million to hedge interest rate risk until 2024, with a volume of EUR 453 million mainly hedging interest rate risk from future financing measures and possible drawings on the existing RCF in the period 2022 to 2023. The interest rate options are accounted for as stand-alone derivatives and not included in hedge accounting.

As of December 31, 2021, the fixed interest portion, expressed as a percentage of the total nominal amount of all financial liabilities managed as part of the interest rate risk management, stood at 100% (previous year: approx. 95%). As of December 31, 2021, as in the previous year, the average fixed interest rate for interest rate swaps was 0.5% per annum. As of December 31, 2021, as in the previous year, the average interest cap for interest rate options was 0.0% per annum. For the reporting period, these transactions resulted in interest expenses of EUR 5 million (previous year: EUR 5 million).

As of December 31, 2021, the fair value of all interest rate swaps held by ProSiebenSat.1 Group amounts to minus EUR 7 million (previous year: EUR -12 million). The fair value of the interest rate options is EUR 2 million (previous year: EUR 0 million).

Interest rate risk defined as the risk of changes in market value is not considered relevant because ProSiebenSat.1 Group's financial debt is not held for trading purposes or for other transfers to third parties.

The interest rate risk position is regularly evaluated based on current market data and existing risks are quantified by way of sensitivity analyses. The table below shows the changes of the interest result – including effects from hedging instruments – arising from an increase (decrease) of the relevant interest rates by one percentage point:

INTEREST RATE RISKS
in EUR m

	Interest	12/31/2021	12/31/2020
Cash and cash equivalents	variable	594	1,224
Liabilities to banks	variable	–1,200	–2,100
Liabilities to banks	fix	–50	—
Promissory notes	variable	–348	–50
Promissory notes	fix	–853	–450
Bonds	fix	—	–600
Gross exposure variable		**–953**	**–926**
Gross exposure fix		**–903**	**–1,050**
Interest rate hedges[1]		**1,548**	**2,000**
Hedge ratio (as a percentage of the nominal amount of the variable-interest financing liabilities)		100.0%	93.0%
Net exposure variable		594	1,074
Sensitivities of variable net exposure			
Annual effect on net interest result of an increase in short-term interest rates by 100 basis points (1 percentage point)		8	10
Annual effect on net interest result of a decrease in short-term interest rates by 100 basis points (1 percentage point)		–6	–12

1 Interest rate options with a notional amount of EUR 453 million (previous year: EUR 0 million) primarily hedge the interest rate risk arising from potential refinancing measures as well as potential drawings under the RCF, and hence are not considered in the hedge ratio, which solely relates to exposures recognized in the statement of financial position.

If interest rates increased by one percentage point, the change in the fair value of the interest rate hedges would improve the financial result by EUR 13 million and the cash flow hedge reserve by EUR 5 million. If interest rates decreased by one percentage point, the effect on the financial result would amount to minus EUR 2 million and the effect on the cash flow hedge reserve would be close to zero. This discrepancy is due to the interest rate floor and negative interest rates. A further decrease in interest rates would have hardly any effect on the fair value of the interest rate hedges due to the interest rate floor.

As of the reporting date, December 31, 2021, ProSiebenSat.1 Group had the following interest rate hedging instruments:

	Year of maturity			Nominal amount	Average hedged interest rate		Fair value	
	2022 in EUR m	2023 - 2026 in EUR m	from 2027 in EUR m	12/31/2021 in EUR m	12/31/2021 in %	12/31/2020 in %	**12/31/2021 in EUR m**	12/31/2020 in EUR m
Interest rate swaps	—	1,000	—	1,000	0.535	0.535	–7	–12
thereof designated as cash flow hedges[1]	—	1,000	—	1,000	0.535	0.535	–7	–12
Interest rate options	—	1,000	—	1,000	0.000	0.000	2	0
thereof designated as cash flow hedges	—	—	—	—	n.a.	n.a.	—	—

1 As explained above, the interest rate swaps designated as hedging instruments in a cash flow hedge contain an interest rate floor.

CURRENCY RISKS

ProSiebenSat.1 Group defines currency risks as the risk of losses resulting from changes in exchange rates. In the context of currency management, transaction risk is the primary focus. Transaction risk arises from receivables and payables already recognized in the statement of financial position and future contractually fixed or planned foreign currency cash inflows and outflows. The payments may result from operating activities as well as investing and financing activities. Transaction risk must be distinguished from translation risk, which is described in the next paragraph.

ProSiebenSat.1 Group's reporting currency is the euro. The financial statements of subsidiaries domiciled outside the euro currency zone are translated into euro in the preparation of the Consolidated Financial Statements. Translation risk relates to exchange rate effects that arise when translating results and the financial statement items of foreign subsidiaries whose functional currencies are different from the Group currency. In the context of currency management, investments in these companies are considered long-term engagements. Thus, no translation risk hedging is undertaken.

ProSiebenSat.1 Group concludes a significant portion of its license agreements with production studios in the USA. ProSiebenSat.1 Group usually settles any payment obligations from such programming rights purchases in US dollars. Exchange rate fluctuations between the euro and US dollar may therefore have a negative impact on the earnings and financial position of ProSiebenSat.1 Group. If license rights are granted by production studios whose functional currency is euro or another non-US dollar currency, the US dollar license agreements may under certain circumstances contain embedded currency derivatives that are recognized separately from the license rights at fair value through profit or loss.

The currency risk from amounts due or owed in other foreign currencies or arising from transactions unrelated to programming rights purchases is negligible because of its small volume.

ProSiebenSat.1 Group applies a Group-wide portfolio approach when hedging financial obligations relating to programming rights purchases. Foreign currency exposure is defined as the total volume of all future payments in US dollars resulting from existing license agreements that will fall due within a strategic hedge horizon of 7 years. ProSiebenSat.1 Group applies a range of derivatives and non-derivative financial instruments to hedge against currency fluctuations. Instruments include foreign currency forwards, foreign currency swaps, foreign currency options and foreign currency cash positions in US dollars.

Currency forwards and currency swaps are unconditional, contractual agreements for the exchange of two currencies, the applicable nominal volume, exchange rate and due date being fixed at contract inception. A currency swap is a combination of a spot currency transaction and an opposing currency forward. The spot transaction is naturally executed as soon as the contract is concluded, so ultimately only the forward component of a currency swap is recognized and measured as an asset or liability in the statement of financial position. Henceforth, therefore, no further distinction is made between currency forwards and currency swaps and for simplicity's sake they are grouped under the umbrella term "currency forwards/swaps".

In the case of currency options, the option buyer acquires the right to purchase an agreed amount of currency at a specific time at a price determined at contract inception. As the buyer, ProSiebenSat.1 Group must pay an option premium for the acquired right. Currency options are only occasionally used as hedging instruments.

In the reporting period and in the previous year, only currency forwards/swaps were used as derivative currency instruments. The majority of these transactions were designated as hedging instruments in a cash flow hedge of future license payments in US dollars. The designation was based on forward rates. Hedge effectiveness is determined using the hypothetical derivative method and the changes in the fair value of the hedging instruments are compared with the changes in the fair value of a "perfect" currency forward/swap, which perfectly replicates the changes in the euro equivalent of the future US dollar payment induced by exchange rate changes.

Because the nominal amounts, currencies and maturities involved match, any hedge ineffectiveness can only result from changes in credit default risk. If the change in fair value of the hedging instrument (including the change in credit default risk) is greater than the change in fair value of the hypothetical derivative, the excess is immediately recognized in profit or loss as hedge ineffectiveness. The remaining effective portion is initially recognized in the cash flow hedge reserve in equity and accounted for as a basis adjustment of the carrying amount of the hedged item when the hedged item is recognized. It is only recognized in profit or loss when the hedged item affects the income statement as a result of the consumption of the corresponding licenses.

With respect to these programming rights, approximately 76% (previous year: approx. 80%) of the total foreign currency risk arising from the future US dollar payment obligations under existing contracts was hedged.

In addition, ProSiebenSat.1 Group occasionally holds currency derivatives that hedge US dollar liabilities from license agreements that have already been recognized in the statement of financial position. Since both the changes in the fair value of the hedging instruments and the currency effects from the remeasurement of liabilities from license agreements are recognized immediately through profit or loss in the financial result, their effects on the income statement largely offset each other in the income statement, even without hedge accounting. ProSiebenSat.1 Group therefore does not formally designate these derivatives as hedging instruments or apply hedge accounting to them.

As of December 31, 2021, ProSiebenSat.1 Group's hedge portfolio includes currency forwards/swaps in a nominal volume of USD 933 million (previous year: USD 1,140 million) that are used to hedge the financial obligations arising from programming rights purchases. The fair values of the currency hedging transactions are based on quoted forward exchange rates as of December 31, 2021. As of December 31, 2021, the US dollar cash position relevant for currency management amounts to USD 52 million (previous year: USD 327 million).

CURRENCY-RELATED TRANSACTIONS AND BALANCES

	Year of maturity			Nominal amount		Average hedged USD/EUR rate				Fair value	
	2022	2023 - 2026	from 2027	12/31/2021	12/31/2020	12/31/2021		12/31/2020		**12/31/2021**	12/31/2020
	in USD m	in USD m	in USD m	in USD m	in USD m	Current	Non-current	Current	Non-current	**in EUR m**	in EUR m
Currency forwards/swaps	481	452	—	933	1,140	1.2223	1.2634	1.2671	1.2601	59	11
thereof designated as cash flow hedges	286	452	—	738	1,115	1.2536	1.2634	1.2701	1.2601	53	11
Currency holdings	319	n. a.	n. a.	52	327	n. a.	n. a.	n. a.	n. a.	46	267

The US dollar risk position is regularly assessed using current market data and existing risks are quantified using sensitivity analyses. The following table shows the effects of a 10% appreciation and depreciation of the US dollar on the euro equivalent of the US dollar payments to be made in future years, taking account of the effect of the currency hedges:

CURRENCY RISKS
in USD m

	12/31/2021	12/31/2020
Gross foreign currency exposure	**−1,290**	**−1,811**
Currency hedges	985	1,442
thereof subject to hedge accounting	738	1,115
thereof not subject to hedge accounting	195	—
thereof currency holdings	52	327
Net exposure	**−305**	**−369**
Hedge ratio	76.3%	79.6%
Spot rate USD/EUR	1.1320	1.2275
US dollar increase by 10%	1.0188	1.1048
US dollar decrease by 10%	1.2452	1.3503
in EUR m		
Change in future payments resulting from a 10% increase in the US dollar	−30	−33
Change in future payments resulting from a 10% decrease in the US dollar	25	27

If only the currency effect on the foreign currency transactions accounted for in a hedging relationship is considered, a US dollar devaluation of 10% would result in a loss of EUR 59 million, which would have to be recognized directly in equity in the cash flow hedge reserve. Similarly, a 10% appreciation of the US dollar would result in a cash flow hedge gain in equity of EUR 72 million.

However, the exchange rate effects from license fee liabilities, the offsetting effects of the foreign currency cash position, and the effects from currency derivatives not designated in a cash flow hedge and from embedded currency derivatives are recognized directly as currency gains or losses in the income statement. Devaluation (appreciation) of the US dollar by 10% would have an effect on the currency result of EUR 6 million (EUR -8 million).

EFFECTS OF HEDGING RELATIONSHIPS ON THE FINANCIAL STATEMENTS

Since the hedging instruments used by ProSiebenSat.1 Group in hedge accounting are closely tailored to the underlying hedged items, the primary source of potential hedge ineffectiveness is credit default risk. Pursuant to internal risk management guidelines, this risk is largely reduced by limiting the eligible derivative contract partners to those with high credit ratings and by entering into netting and offsetting agreements with them that take immediate effect in the event of a breach of contract.

When measuring fair values and determining ineffectiveness, the credit default risk of the hedging instruments is taken into account in the form of credit value adjustments and debit value adjustments.

The hedging instruments designated in hedging relationships by ProSiebenSat.1 Group have the following effects on the statement of financial position as of December 31, 2021:

HEDGING INSTRUMENTS 2021

in EUR m

	Nominal amount of hedging instruments	Carrying amount of hedging instruments		Line item of financial position in which hedging instruments are recognized	Change in fair value used for calculating hedge effectiveness for the reporting period
		Assets	Liabilities		
Coverage of interest rate risks	1,000	—	7	Other financial assets/Other financial liabilities	0
Coverage of foreign exchange risks	586	53	—	Other financial assets/Other financial liabilities	66

In the previous year, the designated hedging instruments had the following effects on the statement of financial position:

HEDGING INSTRUMENTS 2020

in EUR m

	Nominal amount of hedging instruments	Carrying amount of hedging instruments		Line item of financial position in which hedging instrument is recognized	Change in fair value used for calculating hedge effectiveness for the reporting period
		Assets	Liabilities		
Coverage of interest rate risks	1,000	—	12	Other financial assets/Other financial liabilities	−2
Coverage of foreign exchange risks	883	18	7	Other financial assets/Other financial liabilities	−43

The hedged items designated in hedging relationships have the following effects on the cash flow hedge reserve in equity as of December 31, 2021:

CASH FLOW HEDGE RESERVE 2021

in EUR m

	Change in the value of hedged items used for calculating hedge effectiveness for the reporting period	Cash flow hedge reserve
Hedging of interest rate risks	0	−6
Discontinued hedging relationships	—	—
Hedging of foreign exchange risks	−66	53
Discontinued hedging relationships	—	—

In the previous year, the designated hedged items affected the cash flow hedge reserve in equity as follows:

CASH FLOW HEDGE RESERVE 2020

in EUR m

	Change in the value of hedged items used for calculating hedge effectiveness for the reporting period	Cash flow hedge reserve
Hedging of interest rate risks	2	−12
Discontinued hedging relationships	0	—
Hedging of foreign exchange risks	43	11
Discontinued hedging relationships	—	—

In the financial year 2021, the above hedge transactions have the following effects on profit or loss and other comprehensive income, or on acquisition cost of programming assets:

HEDGE TRANSACTIONS 2021

in EUR m

	Hedging gain or loss recognized in the cash flow hedge reserve	Hedge ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the cash flow hedge reserve to profit or loss or acquisition cost	Line item affected in profit or loss because of the reclassification
Hedging of interest rate risks	0	—	Other financial result	–5	Interest result/ Other financial result
Hedging of foreign exchange risks	66	—	Other financial result	24	Cost of sales

In the previous year, the hedge transactions had the following effects on profit or loss and other comprehensive income, or on acquisition cost:

HEDGE TRANSACTIONS 2020

in EUR m

	Hedging gain or loss recognized in the cash flow hedge reserve	Hedge ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the cash flow hedge reserve to profit or loss or acquisition cost	Line item affected in profit or loss because of the reclassification
Hedging of interest rate risks	–2	—	Other financial result	–5	Interest result/ Other financial result
Hedging of foreign exchange risks	–43	—	Other financial result	31	Cost of sales

The movements in the cash flow hedge reserve have been as follows:

CASH FLOW HEDGE RESERVE

in EUR m

	Interest rate risks	Foreign exchange risks
As of January 1, 2020	**–11**	**61**
Changes due to effective hedging relationship	–2	–43
Transfer to the acquisition cost of the underlying hedged transaction	—	–31
Reclassification to profit or loss	5	—
Discontinued hedges: amounts reclassified because the hedged item has affected profit or loss	0	—
Discontinued hedges: amounts reclassified because the hedged future cash flows are no longer expected to occur	—	—
Deferred taxes	–1	21
As of December 31, 2020 / January 1, 2021	**–8**	**8**
Changes due to effective hedging relationship	0	66
Transfer to the acquisition cost of the underlying hedged transaction	—	–24
Reclassification to profit or loss	5	—
Discontinued hedges: amounts reclassified because the hedged item has affected profit or loss	—	—
Discontinued hedges: amounts reclassified because the hedged future cash flows are no longer expected to occur	—	—
Deferred taxes	–2	–12
As of December 31, 2021	**–4**	**38**

CREDIT AND DEFAULT RISKS

ProSiebenSat.1 Group is exposed to credit default risks resulting primarily from its operating business, and to a lesser extent from derivative financial instruments and financial investment activities.

The maximum default risk – without taking into account any collateral or netting agreements, as exist in particular for derivative transactions – corresponds to the carrying amounts recognized in the financial statements.

In the case of trade receivables – and contract assets from contracts with customers – the carrying amount includes a loss allowance for lifetime expected credit losses; in the case of all other financial assets measured at amortized cost, it includes a loss allowance for expected credit losses resulting from possible default events within the next twelve months after the closing date.

To minimize credit default risks, ProSiebenSat.1 Group endeavors to enter into financial transactions and derivative legal transactions only with counterparties that have an investment grade credit rating. Credit default risks of financial instruments are regularly monitored and analyzed. With a few separately monitored exceptions, the credit default risk for the financial assets held by ProSiebenSat.1 Group (including trade receivables) is considered low. Accordingly, there were no indications of material payment defaults as of the reporting date.

When measuring derivative financial instruments at fair value, the risk of default of the counterparty is taken into account in the form of credit value adjustments and the Group's own default risk in the form of debit value adjustments. Probabilities of default are calculated on the basis of maturity-matched credit default swap spreads of the respective counterparties. The credit risk that is taken into account in the measurement is determined, for each counterparty and maturity, by way of multiplication of the relevant default probability by the discounted expected net cash flows of the derivative financial instruments. There is no significant concentration of default risk with respect to a single business partner or a clearly distinguishable group of business partners. As of the reporting date, there were no material agreements in place limiting the maximum default risk other than netting and offsetting agreements customary in the market for derivative transactions. The fair value of derivative financial instruments, for which ProSiebenSat.1 Group reports a net positive fair value per business partner, totaled EUR 55 million as of December 31, 2021 (previous year: EUR 7 million), excluding credit value adjustments.

With respect to its operating business, i.e. for trade receivables and contract assets from contracts with customers, ProSiebenSat.1 Group recognizes loss allowances for individual customers classified as being at risk of default, taking account of factors such as over-indebtedness, proximity to insolvency, payment difficulties, and deterioration of the relevant business environment or of key performance indicators.

In addition, loss allowances are recognized in the amount of the present value of lifetime expected credit losses. Where the customer base is diverse and such that it may be clustered into homogenous groups with respect to credit risk, the lifetime expected losses are in principle calculated based on historical default rates via a provision matrix which differentiates between customer groups and the aging of the outstanding receivables. Default rates are calculated separately for (i) non-past due receivables and contract assets, (ii) receivables up to 90 days past due and (iii) receivables more than 90 days past due. With respect to business activities in which gathering customers in homogenous groups according to credit risk is not useful or impossible because of the low number of customers or their heterogeneity, an expected loss allowance is measured based on an individual credit risk assessment for each customer, similar to the approach used for customers classified as being at risk of default.

At the reporting date, the default rates used are reviewed taking into account current information and expectations regarding future developments. In particular, the review takes into account the default rates for the current period and premiums and discounts are applied if changes in the market environment or macroeconomic developments indicate a higher or lower probability of default compared with historical experience. As in the previous year, the expected credit losses for trade receivables and contract assets – excluding those individually impaired – calculated as part of the portfolio analysis remained within a narrow corridor of 0.0% to a maximum of 1.5% across all customer groups and age categories.

Due to the generally low default risk for customers assessed based on the portfolio approach, there is hardly any notable difference in default rates between customer groups.

For information on loss allowances on trade receivables including expected losses calculated using the simplified model, please refer to
→ note 23 "Receivables and other financial assets"

LIQUIDITY RISKS

As part of its liquidity management, ProSiebenSat.1 Group ensures that sufficient liquidity is available at all times, despite the significant seasonal fluctuations in revenues. The term loan (EUR 1,200 million) and the promissory notes (EUR 1,200 million) are key components of the Group's corporate financing. In addition, the RCF (EUR 750 million) and a short-term money market instrument (EUR 50 million) are available. ProSiebenSat.1 Group can use the RCF flexibly for general operating purposes.

As of December 31, 2021, there was no utilization of the RCF (previous year: no utilization), so that as of December 31, 2021, EUR 750 million (previous year: EUR 750 million) was available to be drawn from the RCF. The major portion of the term loan and the RCF matures in April 2024 (the rest in April 2023). The promissory notes mature as follows:

PROMISSORY NOTES MATURITIES
in EUR m

Maturity	Nominal amount due
December 2023	275
October 2025	226
December 2026	225
October 2027	346
October 2029	80
October 2031	48
Total promissory notes	**1,200**

As of December 31, 2021, ProSiebenSat.1 Group has cash and cash equivalents of EUR 594 million (previous year: EUR 1,224 million) and thus has a total of EUR 1,344 million (previous year: EUR 1,974 million) in cash and cash equivalents and unused RCF.

As part of the disclosure of liquidity risks, a maturity analysis is provided in the table below for non-derivative financial liabilities on the basis of contractual maturities and for derivative financial liabilities based on the expected timing of cash outflows. For each maturity bucket, the undiscounted contractual payments (including interest) are disclosed as of December 31, 2021, and as of the end of the previous year.

FINANCIAL LIABILITIES BY MATURITY 2021

in EUR m

	1 year or less	1 – 5 years	More than 5 years	**Total contractual cash flows 12/31/2021**
Loans and borrowings	63	1,216	—	1,279
Promissory notes	13	768	484	1,265
Liabilities from real estate financing	4	19	91	114
Liabilities from leases	44	132	58	234
Trade payables	555	52	—	607
Non-derivative financial liabilities	**679**	**2,188**	**632**	**3,499**
Derivative financial liabiltities[1]	**11**	**70**	**—**	**81**

1 In principle the derivative financial liabilities include payment obligations in euro under currency forward/swap contracts. As these payment obligations in euro give rise to a concomitant right to receive payments in US dollar, the amounts given in the table only reflect the net payment obligation. As of December 31, 2021, there are no financial liabilities related to currency forward/swap contracts.

FINANCIAL LIABILITIES BY MATURITY 2020

in EUR m

	1 year or less	1 – 5 years	More than 5 years	Total contractual cash flows 12/31/2020
Notes	612	—	—	612
Loans and borrowings	33	2,174	—	2,207
Promissory notes	7	296	229	532
Liabilities from real estate financing	2	58	23	83
Liabilities from leases	42	136	67	244
Trade payables	618	74	—	692
Non-derivative financial liabilities	**1,314**	**2,738**	**319**	**4,371**
Derivative financial liabiltities[1]	**33**	**148**	**1**	**183**

1 The derivative financial liabilities include payment obligations in euro under foreign currency forward/swap contracts. As these payment obligations in euro give rise to a concomitant right to receive payments in US dollar, the amounts given in the table only reflect the net payment obligation. The corresponding gross payment obligation was EUR 382 million on December 31, 2020, of which EUR 102 million was due within the next 12 months, EUR 272 million within the next 1 to 5 years, and EUR 8 million after 5 years.

In addition to the financial liabilities presented in the table, the Group has made financing commitments to the joint venture Joyn amounting to up to EUR 114 million in total (previous year: EUR 60 million). The committed funds can be drawn until December 31, 2023.

INFORMATION ABOUT CARRYING AMOUNTS AND MARKET VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and the fair values of all categories of financial assets and financial liabilities of ProSiebenSat.1 Group. The fair value hierarchy levels reflect the significance of the input data used for the measurement and are defined as follows:

- Level 1: Fair value is calculated on the basis of quoted, unadjusted prices in active markets for identical assets or liabilities.
- Level 2: Fair value is calculated on the basis of quoted market prices other than quoted market prices included within level 1 or according to measurement methods using inputs that are observable in the market either directly or indirectly.
- Level 3: Fair value is mainly calculated on the basis of inputs for which no observable market data are available.

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

in EUR m

		12/31/2021					12/312020				
				Fair value					Fair value		
	Presented in the statement of financial position as	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets											
Measured at fair value											
Fund units to finance pension obligations	Other financial assets	27	27	27	—	—	28	28	28	—	—
Equity instruments	Other financial assets	325	325	55	—	270	212	212	—	—	212
Hedge derivatives	Other financial assets	53	53	—	53	—	18	18	—	18	—
Derivatives for which hedge accounting is not applied	Other financial assets	8	8	—	8	—	1	1	—	1	—
Measured at amortized cost											
Cash and cash equivalents[1]	Cash and cash equivalents	594	594				1,224	1,224			
Loans and receivables[1]	Trade receivables and other financial assets	581	581				630	630			
Total		**1,589**	**1,589**	**82**	**61**	**270**	**2,114**	**2,114**	**28**	**19**	**212**
Financial liabilities											
Measured at fair value											
Liabilities from put options and earn-outs	Other financial liabilities	68	68	—	—	68	156	156	—	—	156
Hedge derivatives	Other financial liabilities	7	7	—	7	—	19	19	—	19	—
Derivatives for which hedge accounting is not applied	Other financial liabilities	1	1	—	1	—	0	0	—	0	—
Measured at amortized cost											
Term loan and other borrowings	Financial debt	1,248	1,268	—	1,268	—	2,094	2,180	—	2,180	—
Bonds	Financial debt	—	—	—	—	—	600	601	601	—	—
Promissory notes	Financial debt	1,198	1,203	—	1,203	—	499	521	—	521	—
Real estate financing	Other financial liabilities	97	102	—	102	—	71	79	—	79	—
Other financial liabilities at (amortized) cost[1]	Trade payables and other financial liabilities	641	641				737	737			
Total		**3,260**	**3,291**	**—**	**2,581**	**68**	**4,176**	**4,293**	**601**	**2,799**	**156**

1 The carrying amount is a reasonable proxy of fair value. Fair value is therefore not calculated separately. Accordingly, the fair value column reflects the carrying amount, and no allocation to one of the levels of the fair value hierarchy is made. Loans and receivables include contract assets from contracts with customers of EUR 34 million (previous year: EUR 29 million).

The equity instruments mainly consist of minority interests in other entities and option or warrant agreements for such minority interests, which ProSiebenSat.1 Group acquires in particular as part of its media-for-equity strategy. In addition, this line item includes fund investments.

These instruments are measured at fair value through profit or loss. The fair values are determined based on present value techniques using risk-adjusted discount rates, or, with respect to the optional components, are derived from binomial models, Monte Carlo simulations or scenario analyses. To the extent that observable market prices from financing rounds or fair values from external valuation reports are available, or net asset values for the fund investments, they are considered as input to the valuation.

Financial derivatives held for hedging purposes with positive fair values are reported as other financial assets, those with negative fair values as other financial liabilities. The measurement relies on present value models based on risk-free discount rates or standard option pricing models (Black model or Black-Scholes model).

The financial liabilities measured at fair value include derivatives with negative fair values and liabilities from put options and earn-out agreements.

→ note 13 "Result from investments accounted for using the equity method and other financial result"

KEY ASSUMPTIONS AND ESTIMATES

Contingent purchase price components in business combinations in the form of put options on shares held by non-controlling interests are measured at fair value as of the acquisition date and in subsequent periods. Measurement is performed on a transaction-by-transaction basis and largely draws on input data which is not observable on the market. The instruments are therefore classified as level 3 financial instruments. In general, market multiples or DCF methods are used for the measurement. The determination of discounted cash flows is subject to a wide range of planning assumptions that are sensitive to change and therefore may have a significant impact on the valuation. Key inputs that are not observable on the market are the earnings figures underlying the respective instruments and the risk-adjusted debt discount rates applied. A 5% improvement in the underlying earnings figures would increase the (negative) fair value of the put options by EUR 4 million as of the reporting date, whereas a 5% decrease would reduce it by EUR 4 million. In addition, a change in the interest rate by plus or minus one percentage point would result in the fair value of this financial debt falling by EUR 1 million or increasing by EUR 1 million.

The fair values of loans and borrowings, and of notes and promissory notes are determined by discounting the anticipated future cash flows using the interest rates applicable to similar financial debt with a comparable remaining term.

The following table shows the reconciliation of the respective fair values to the end of the reporting period for financial instruments that are regularly measured at fair value and assigned to level 3:

RECONCILIATION OF LEVEL 3 FAIR VALUES

in EUR m

	Equity instruments	Liabilities from put options and earn-outs	Other level 3 instruments and derivatives, for which hedge accounting is not applied
Balance as of January 1, 2020	**206**	**166**	**6**
Gains or losses recognized in the income statement[1]	19	33	0
Additions from acquisitions	17	2	—
Disposals/Payments	–36	–43	—
Other changes	6	–3	–6
Balance as of December 31, 2020 / January 1, 2021	**212**	**156**	**—**
Gains or losses recognized in the income statement[1]	87	–6	—
Additions from acquisitions	44	—	—
Disposals/Payments	–30	–83	—
Reclassification into the level 1 category	–35	—	—
Other changes	–8	2	—
Balance as of December 31, 2021	**270**	**68**	**—**

1 This line item includes unrealized gains on other equity instruments of EUR 79 million (previous year: EUR 9 million) and unrealized gains on liabilities from put options and earn-outs of EUR 4 million (previous year: losses of EUR 39 million).

Apart from compounding effects which are presented in interest result, any gains or losses on instruments assigned to level 3 are presented in other financial result.

The gains of EUR 87 million on equity instruments recognized in the reporting period primarily relate to the remeasurement of fund investments. The additions of EUR 44 million predominantly result from investments acquired as part of media-for-equity transactions, whereas the disposals of EUR 30 million mainly reflect sales of fund investments. The reclassification in the amount of EUR 35 million concerns the shares in ABOUT YOU owned by SevenVentures, which are held in the form of listed shares after the company's IPO in June 2021 and were therefore reclassified from the level 3 category to the level 1 category. In the wake of the IPO, a portion of the shares were placed on the market by the issuing banks as so-called "greenshoe" shares. This placement resulted in a gain of EUR 18 million, which was recognized in other financial result.

The disposals/payments of liabilities from put options and earn-outs of EUR 83 million particularly relate to payments made by ParshipMeet Holding and esome advertising technologies GmbH, Hamburg under such agreements as well as payments for the acquisition of additional shares in Studio71 Group and other entities of the Entertainment segment in connection with previous years' business combinations. In addition, the sale of Gravitas resulted in the disposal of a liability from a put option agreement with the management of Gravitas.

→ note 5 "Acquisitions and disposals affecting the scope of consolidation"

OFFSETTING OF FINANCIAL INSTRUMENTS

All derivative transactions entered into with banks are subject to the German Master Agreement for Financial Derivatives as is customary for such transactions in the industry. As a result, these derivatives are subject to contractual netting agreements in the event that one of the parties to the contract fails to meet its payment obligations. However, they do not satisfy the offsetting criteria and are therefore presented gross in the statement of financial position. Otherwise, ProSiebenSat.1 Group does not have any contractual arrangements for settling financial assets and liabilities on a net basis.

The following table contains information on the netting of financial instruments and netting agreements. The figures presented are fair values that have been determined without taking into account credit value adjustments:

OFFSETTING OF FINANCIAL INSTRUMENTS
in EUR m

	Financial assets (gross presentation)	Financial liabilities offset in the statement of financial position	Financial assets (net presentation)	Amounts subject to offsetting agreements	Financial assets after offsetting (not reflected in the statement of financial position)
Derivative financial instruments 12/31/2021	61	—	61	–7	55
Derivative financial instruments 12/31/2020	19	—	19	–11	7

	Financial liabilities (gross presentation)	Financial assets offset in the statement of financial position	Financial liabilities (net presentation)	Amounts subject to offsetting agreements	Financial liabilities after offsetting (not reflected in the statement of financial position)
Derivative financial instruments 12/31/2021	8	—	8	–7	1
Derivative financial instruments 12/31/2020	19	—	19	–11	8

34 / Segment reporting

At the end of last year, ProSiebenSat.1 Group reviewed its Group segment structure and changed the reporting as of January 1, 2021. It now reports in the three segments Entertainment, Dating & Video and Commerce & Ventures.

In this context, Red Arrow Studios' production and distribution business including Studio71 has been integrated into the Entertainment segment (previous year: Seven.One Entertainment Group). The Dating & Video segment corresponds to the former ParshipMeet Group segment and remains unchanged in its composition compared to the end of 2020. The Dating & Video segment was reported as the Dating segment in the first three quarters of the financial year 2021 and renamed Dating & Video in the fourth quarter, taking into account the business units of ParshipMeet Group. The entities of the former NuCom Group segment, the investment arm SevenVentures and the SevenGrowth portfolio have been bundled in the new Commerce & Ventures segment.

The prior-year figures were adjusted to reflect the new segment structure.

As of the end of the financial year, the Group's three reporting segments were therefore as follows:

- The Entertainment segment combines the ProSiebenSat.1 Group's free TV and online video business with the station brands SAT.1, ProSieben, Kabel Eins, sixx, SAT.1 Gold, ProSieben Maxx and Kabel Eins Doku, as well as the stations of our Group subsidiaries in Austria and Switzerland. In addition, the segment combines the sales companies Seven.One Media GmbH and Seven.One AdFactory GmbH, the joint venture Joyn, and various commercial websites. In addition, the production and distribution business of Red Arrow Studios, whose extensive programming portfolio includes entertainment, reality and factual formats as well as TV series, TV films and digital content, and Studio71 have also been integrated in this segment since January 2021. Studio71 is a digital media and entertainment company and offers global digital content and web productions primarily in the areas of branded content, original productions, content distribution, influencer products and creator management. The Entertainment segment generates its revenues from Advertising, Distribution & Other, Production, Global Sales and Studio71.

- The Dating & Video (formerly Dating) segment – comprising ParshipMeet Group, which was founded in 2020 – covers a broad spectrum of the online dating market with the businesses of Parship Group and The Meet Group, from social dating with a strong entertainment component based on live video streaming to serious matchmaking. ParshipMeet Group is also broadly diversified geographically: Dating platforms such as eharmony, Parship, ElitePartner and LOVOO help singles in North America, Europe and Australia to find partners. Video-based social dating and entertainment apps such as MeetMe, Skout, Tagged and GROWLr enable contact and entertainment for their users worldwide. In this way, ParshipMeet Group can make various customer groups a comprehensive offer for their search for friendships, flirting or love. Since September 4, 2020, General Atlantic has held a non-controlling interest of 45.0% in ParshipMeet Group.

- The Commerce & Ventures segment firstly comprises the entities of NuCom Group, which operate in the fields of Consumer Advice, Experiences, and Beauty & Lifestyle. In 2018, NuCom Group agreed to a long-term partnership with General Atlantic. General Atlantic holds a non-controlling interest of 28.4% in NuCom Group. Secondly, the Commerce & Ventures segment includes SevenVentures, the Group's flexible investment model consisting of minority investments and media cooperations, which offers established growth companies individually tailored support for their successful development. In the previous year, SevenVentures was still allocated to the Seven.One Entertainment Group (henceforth: Entertainment) segment. In addition, the Commerce & Ventures segment includes the SevenGrowth investment vehicle with entities including Marktguru and wetter.com. In the previous year, the entities Martkguru and wetter.com were still allocated to the Seven.One Entertainment Group (henceforth: Entertainment) segment.

- The reconciliation column (Holding & other) contains holding functions and other effects. Other effects result from the elimination and consolidation of intra-group transactions between the segments. These business transactions are conducted at arm's length. As in the previous year, the amounts presented in the financial year 2021 relate to the holding functions, with the exception of internal revenues.

The Executive Board, as the chief operating decision maker, measures the performance of the segments on the basis of a segment performance indicator, which is referred to as "adjusted EBITDA" in internal management and reporting. "Adjusted EBITDA" stands for adjusted earnings before interest, taxes, depreciation and amortization. It describes the operating result (earnings before interest, taxes, depreciation and amortization and impairments) adjusted for certain influencing factors (reconciling items). The segment's revenues are also used as a key performance indicator.

The following table contains the segment information of ProSiebenSat.1 Group:

SEGMENT INFORMATION 2021

in EUR m

	Entertainment	Dating & Video	Commerce & Ventures	Total Segments	Reconciliation (Holding & other)	**Total Group**
Revenues	3,218	542	857	4,616	–122	4,494
External revenues	3,098	542	854	4,494	—	4,494
Internal revenues	120	0	3	122	–122	—
Adjusted EBITDA	698	119	50	867	–26	840
Reconciling items	–19	–3	–8	–30	–6	–36
Depreciation, amortization and impairments	135	36	61	232	20	251
Investments	1,156	11	47	1,215	64	1,278
thereof programming assets	1,060	—	—	1,060	—	1,060

SEGMENT INFORMATION 2020

in EUR m

	Entertainment	Dating & Video	Commerce & Ventures	Total Segments	Reconciliation (Holding & other)	Total Group
Revenues	2,893	333	963	4,190	–143	4,047
External revenues	2,768	333	945	4,047	—	4,047
Internal revenues	125	—	18	143	–143	—
Adjusted EBITDA	561	80	84	725	–19	706
Reconciling items	29	–11	90	107	–12	95
Depreciation, amortization and impairments	143	18	60	221	27	248
Investments	1,196	4	50	1,250	47	1,297
thereof programming assets	1,063	—	—	1,063	—	1,063

Depreciation, amortization and impairments reported for a segment are attributable to the assets allocated to that segment. This includes impairments of EUR 29 million (previous year: EUR 8 million). The Entertainment segment accounts for EUR 16 million (previous year: EUR 8 million) thereof and the Commerce & Ventures segment for EUR 13 million (previous year: EUR 0 million). In the Commerce & Ventures segment, the impairments are partly offset by a reversal of impairment on a trademark amounting to EUR 9 million (previous year: EUR 0 million). Amortization and impairments of programming assets and impairments of financial investments or current financial assets are not allocated to the individual segments.

Investments comprise additions to other intangible assets, property, plant and equipment and programming assets.

The segments' adjusted EBITDA is reconciled to the Group's net income as follows:

RECONCILIATION OF SEGMENT INFORMATION

in EUR m

	2021	2020
Adjusted EBITDA of reportable segments	867	725
Eliminations and other reconciliations	–26	–19
Adjusted EBITDA of the Group	**840**	**706**
Reconciling items	–36	95
Financial result	54	–183
Depreciation, amortization and impairments	–251	–248
Income taxes	–165	–118
Net income	**442**	**252**

The reconciling items which are taken into account when determining adjusted EBITDA are distributed among the following categories:

PRESENTATION OF THE RECONCILING ITEMS

in EUR m

	2021	2020
Income from changes in scope of consolidation	1	140
Income from other one-time items	6	1
Income adjustments	**7**	**141**
M&A related expenses	–12	–24
Reorganization expenses	–7	–6
Expenses for legal claims	–1	–3
Fair value adjustments of share-based payments	–4	–5
Expenses from changes in scope of consolidation	–10	—
Expenses for other one-time items	–8	–7
Valuation effects relating to strategic realignments of business units	–1	–1
Expense adjustments	**–43**	**–46**
Reconciling items	**–36**	**95**

Information about the geographical distribution of ProSiebenSat.1 Group's external revenues and non-current assets is shown below, divided into the geographical regions of Germany, Austria and Switzerland (DACH), the United States of America (USA), and Others.

INFORMATION ABOUT GEOGRAPHIES

in EUR m

	DACH		USA		Others		**Total Group**	
	2021	2020	2021	2020	2021	2020	**2021**	2020
External revenues	3,504	3,349	878	620	111	77	4,494	4,047
Non-current assets	3,659	3,774	804	825	36	35	4,498	4,634

In the DACH region, Germany accounts for external revenues of EUR 3,241 million (previous year: EUR 3,112 million) and non-current assets of EUR 3,606 million (previous year: EUR 3,723 million).

Revenues and non-current assets are attributed to the country in which the subsidiary that recognizes the revenues or holds the non-current assets is located.

Non-current assets reported include goodwill, other intangible assets, property, plant and equipment, and non-current programming assets.

As in the previous year, no single customer accounted for more than 10% of Group revenues in the financial year 2021.

35 / Share- and performance-based payment

PERFORMANCE SHARE PLAN

The Performance Share Plan (PSP) is a long-term compensation instrument, which ProSiebenSat.1 Media SE developed for members of the Executive Board and selected executives of ProSiebenSat.1 Group. The beneficiaries and the number of Performance Share Units (PSUs) granted were determined by the Executive Board of ProSiebenSat.1 Media SE with the approval of the Supervisory Board or – if pertaining to Executive Board members – by the Supervisory Board.

For the first time, the PSP was issued only to members of the Executive Board in the financial year 2021. This is due to the development of a new long-term, KPI-based compensation plan that will successively replace the PSP and other share-based, long-term compensation instruments for selected executives of ProSiebenSat.1 Group. Under this long-term compensation plan, the plan participants are annually measured against two performance parameters, P7S1 ROCE (return on capital employed) and organic revenue growth, for the plan term of three financial years. The (weighted) performance parameters are used to determine the plan participants' annual bonus entitlement. In the financial year 2021, this long-term compensation plan had no material effect on the Group's assets, liabilities, financial position and profit or loss.

The terms of the plan and the key performance indicators of the PSP are explained below. For further information, please refer to

→ Compensation Report

Terms of the plan

The PSP is structured as multi-year variable remuneration in the form of virtual shares. The shares are granted in annual tranches, each with a four-year performance period. Payment is made in cash in year five, the year after the end of the performance period. The Company has the right to choose equity settlement rather than cash settlement and to deliver a corresponding number of own shares for this purpose.

PSUs are measured at fair value which varies with the share price performance of ProSiebenSat.1 Media SE and the achievement of targets based on internal and external company performance. Company performance is measured based on adjusted net income at Group level as well as the relative total shareholder return (TSR – shareholder return for ProSiebenSat.1 Media SE shares compared to shareholder return for companies in STOXX Europe 600 Media), each with a weighting of 50%.

An individual allotment value is specified in the service contract for each member of the Executive Board. With effect from the start of a financial year, a number of PSUs corresponding to the allotment value will be granted on the basis of the volume-weighted average XETRA closing price of the ProSiebenSat.1 Media SE share over the 30 trading days preceding the start of the financial year. At the end of the four-year performance period, the PSUs granted are converted into a final number of PSUs using a conversion factor based on the weighted target achievement of adjusted net income and relative TSR. The payout amount per PSU corresponds to the volume-weighted average XETRA closing price of the ProSiebenSat.1 Media SE share over the 30 trading days preceding the end of the performance period, plus the accumulated dividend payments on the ProSiebenSat.1 Media SE share during the performance period. The payout is limited to a maximum of 200% of the individual allotment value per tranche (cap). In the case of a settlement in own shares, the amount paid out is converted into a corresponding number of own shares of the Company issued to the beneficiaries on the basis of the above average price.

Adjusted net income at Group level

For each tranche, target achievement with regards to adjusted net income is determined using the average annual target achievement over the four-year performance period. The target value for each financial year of the performance period is determined annually in euro by the Supervisory Board and is derived from the budget planning for the Group. In a first step, if necessary, the actual adjusted net income as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE is adjusted for effects from significant changes in IFRS accounting and from the effects of M&A transactions (including related financing effects) carried out during the reporting period that are not included in the planning. In a second step, the resulting adjusted net income is then compared with the target adjusted net income for the respective financial year.

If the actual adjusted net income corresponds to the target value, the target achievement is 100%. In the case of a negative deviation of 20% or more from the target adjusted net income, the target achievement is 0%. For the maximum target achievement of 200%, the actual adjusted net income must exceed the target adjusted net income by 20% or more. Intermediate values are interpolated in a straight line. The adjusted net income target achievement curve is symmetrical, which means that any underachievement or overachievement of the target is equally taken into account.

Relative total shareholder return (TSR)

To determine target achievement, the TSR of the ProSiebenSat.1 Media SE share and the shares of the peer companies are ranked and the relative positioning of ProSiebenSat.1 Media SE is expressed on the basis of the percentile rank achieved. The final target achievement with regards to the relative TSR cannot be calculated until after the end of the final financial year of the respective four-year performance period.

If the relative TSR achieved by ProSiebenSat.1 Media SE corresponds to the median (50th percentile) of the peer group, the target achievement is 100%. When positioned at or below the 25th percentile, the target achievement is 0%. Maximum target achievement of 200% requires that at least the 90th percentile is reached. Intermediate values are interpolated in a straight line for both positive and negative deviations.

The following table shows the main information about the individual tranches of the PSP of ProSiebenSat.1 Group:

PERFORMANCE SHARE PLAN

in PSUs	PSP 2021	PSP 2020	PSP 2019	PSP 2018
As of January 1, 2021	**—**	**425,088**	**366,666**	**286,754**
Granted in 2021	220,135	—	—	—
As of December 31, 2021	**220,135**	**425,088**	**366,666**	**286,754**
Grant date	January 1, 2021	January 1, 2020	January 1, 2019	June 29, 2018
Vesting period	2021 to 2024	2020 to 2023	2019 to 2022	2018 to 2021

The expected obligations from the individual tranches of the PSP are measured at fair value. They are determined using an option pricing model.

The personnel expenses attributable to the financial year 2021 from the issued PSUs amount to EUR 3 million (previous year: EUR 4 million). As of December 31, 2021, the current other provision amounts to EUR 2 million (previous year: EUR 0 million) and the non-current other provision to EUR 10 million (previous year: EUR 8 million).

Each tranche of the PSP is paid out or settled in the year the audited and approved Consolidated Financial Statements for the last financial year of the four-year performance period of the respective tranche are published.

In the financial year 2018, the PSP replaced the Group Share Plan (GSP) as a long-term compensation instrument for members of the Executive Board and selected executives of ProSiebenSat.1 Group. The final payment of the last tranche from the financial year 2017 amounting to EUR 3 million was made in the financial year 2021.

OTHER SHARE- AND PERFORMANCE-BASED PAYMENT MODELS

Entertainment segment

In the Entertainment segment, there are further performance-based, long-term payment plans for selected managing directors of Red Arrow Studios entities.

These are usually settled in cash, with the payout amount depending on financial performance indicators achieved by the relevant entity during the vesting period. The size of the obligation is calculated on the basis of the corporate planning adopted by the management of ProSiebenSat.1 Group. None of these plans in itself has a material effect on the Group's assets, liabilities, financial position and profit or loss. The personnel expenses recognized for the plans in the financial year 2021 amount to EUR 23 million (previous year: EUR 6 million). The obligation amount recognized in non-current other provisions as of the reporting date is EUR 30 million (previous year: EUR 5 million).

Dating & Video segment

In the Dating & Video segment, the Group maintains share-based, long-term compensation instruments for managing directors and certain executives of ParshipMeet Group.

A share-based, long-term compensation instrument grants plan participants a right to shares in the entity with a cash settlement option (ESOP). The plan participants obtain the right to acquire a certain number of shares in ParshipMeet Group for no consideration. In return, the Group has the right to buy back these shares from the respective plan participants at the market price of the shares at the time of the repurchase. The shares are earned until the end of the four-year vesting period on a straight-line basis over the term or, if an exit event occurs before the end of the term, are paid out early and in full. Under certain conditions and at the request of the plan participants, the terms of the plan also provide for the early payout of partial amounts already earned.

In addition, the ParshipMeet Group maintains other virtual share-based, long-term participation programs (VESOPs). The plans grant a right to participate in the increase in value of the ParshipMeet Group with cash settlement. They have terms of three to four years and vest early upon the occurrence of an exit event. At the reporting date, the Executive Board assumes that an exit event will occur in the near future. Different exercise prices and individual payment caps apply to these plans.

As of the reporting date, the fair value of the share options is calculated using a Black-Scholes option pricing model and based on the latest corporate planning adopted by the management of ProSiebenSat.1 Group. The most important inputs for the fair value measurement as of December 31, 2021, are the fair value of ParshipMeet Group calculated using a DCF method, a volatility of 51.5% (previous year: 51.0%) and a risk-free interest rate of minus 0.8% (previous year: -0.8%). The volatility was calculated using a standard peer group.

As of December 31, 2021, the current other provisions recognized in connection with these plans amount to EUR 11 million (previous year: EUR 0 million) and the non-current other provisions to EUR 2 million (previous year: EUR 9 million). The personnel expenses recognized amount to EUR 7 million (previous year: EUR 8 million). In the financial year 2021, an amount of EUR 3 million (previous year: EUR 0 million) was paid out from the plans.

Commerce & Ventures segment

In the Commerce & Ventures segment, there are also share-based, long-term compensation instruments for managing directors and certain executives of Group entities.

These long-term compensation plans are mainly to be settled in cash, the payout varying according to the relevant increase in equity value during the respective vesting period or when an exit event (such as an IPO or sale of the shares) occurs. The fair values of the remuneration entitlements earned are calculated using a Black-Scholes option pricing model and based on the corporate planning adopted by the management of ProSiebenSat.1 Group. None of these plans in itself has a material effect on the Group's assets, liabilities, financial position and profit or loss. As of December 31, 2021, the other non-current provisions recognized in connection with these plans amount to EUR 8 million (previous year: EUR 9 million). In personnel expenses, the adjustment of the provisions resulted in total income of EUR 1 million (previous year: expense of EUR 6 million).

KEY ASSUMPTIONS AND ESTIMATES

Cash-settled share- and performance-based compensation plans are to be remeasured at each reporting date. The valuation is based to a considerable extent on the results forecast as part of the corporate planning process, which are subject to significant estimation uncertainties and can fluctuate considerably if the underlying assumptions change. The results actually achieved may therefore differ significantly from the forecasts taken into consideration in the valuation. In addition, the valuation depends on assumptions about the occurrence or timing of certain plan conditions, such as exit events. Changes in assumptions can have a significant impact on the amount of obligations recognized and the course of expense recognition.

36 / Related parties

Related parties of ProSiebenSat.1 Group are persons and companies that control ProSiebenSat.1 Group, exercise significant influence over it, or are controlled or significantly influenced by ProSiebenSat.1 Group.

As of the reporting date, the members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE as well as associates and joint ventures of ProSiebenSat.1 Group were defined as related parties.

EXECUTIVE BOARD AND SUPERVISORY BOARD

The members of the Executive Board and Supervisory Board, including their memberships in other statutory supervisory boards and comparable controlling bodies, are listed in the Annual Report under "Members of the Executive Board" and "Members of the Supervisory Board." The compensation system for the members of the Executive Board and Supervisory Board is explained in more detail in the Compensation Report.

→ Members of the Executive Board → Members of the Supervisory Board → Compensation Report

The disclosed Executive Board compensation relates to the compensation of the active Executive Board members in the financial year 2021. In the financial year 2020, the Executive Board compensation includes both the compensation of active Executive Board members and the compensation of Executive Board members who left in the financial year 2020.

In the reporting period, the compensation of active Executive Board members as of the end of the financial year amounts to EUR 8.7 million (previous year: EUR 8.3 million). Such compensation includes variable components in the amount of EUR 5.8 million (previous year: EUR 4.9 million) and fringe benefits in the amount of EUR 0.1 million (previous year: EUR 0.1 million). The variable compensation includes one-year and multi-year variable compensation payments. In the financial year 2021, the total emoluments of former Executive Board members amount to EUR 2.4 million (previous year: EUR 9.5 million).

At the end of the financial year 2021, the members of the Executive Board hold a total of 482,126 PSUs (previous year: 519,569 PSUs) under the PSP and 0 PSUs (previous year: 30,019 PSUs) under the GSP. The total expenses for share-based payments in the reporting period amount to EUR 2.0 million (previous year: EUR 2.5 million).

As of December 31, 2021, ProSiebenSat.1 Media SE recognized pension provisions of EUR 1.4 million (previous year: EUR 4.4 million) for pension commitments to members of the Executive Board. As of December 31, 2021, pension provisions for former members of the Executive Board amount to EUR 30.4 million (previous year: EUR 27.9 million).

The total entitlement of Executive Board members to pension benefits that have accrued as of December 31, 2021, amounts to EUR 1.5 million (previous year: EUR 5.6 million). As of December 31, 2021, the entitlement of former members of the Executive Board to accrued pension benefits amounts to EUR 11.3 million (previous year: EUR 6.7 million).

Benefits to the Executive Board are due in the short term – except for PSP and pension entitlements.

The total compensation of Supervisory Board members including attendance fees amounted to EUR 1.6 million in the financial year 2021 (previous year: EUR 1.6 million).

As in the previous year, there were no other significant transactions between the Company and members of the Executive Board and Supervisory Board.

ASSOCIATES AND JOINT VENTURES

ProSiebenSat.1 Group maintains relationships in the ordinary course of business with some of its associates and joint ventures. In doing so, the Company generally buys and sells products and services on market terms.

VOLUME OF TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES
in EUR m

	2021 / December 31, 2021			2020 / December 31, 2020		
	Associates	**Joint ventures**	**Total**	Associates	Joint ventures	Total
Income statement						
Revenues from goods sold and services rendered	110	51	161	104	41	145
Expenses from goods purchased and services received	25	34	59	27	5	32
Statement of financial position						
Receivables	16	12	28	20	15	35
Payables	17	7	24	5	6	11

37 / Professional fees of the independent auditor

The following professional fees for services provided by the auditor Ernst & Young were incurred:

in EUR m

	2021	2020
Audit services	3.3	3.2
Other attestation services	0.3	0.2
Total auditor fees	**3.6**	**3.4**

These disclosures relate exclusively to the legally independent entity of the appointed auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart.

The fees for audit services primarily comprise the audit of the Consolidated Financial Statements, the audits of the separate financial statements of ProSiebenSat.1 Media SE and its subsidiaries, and reviews of interim financial statements being integrated into the audit. Other attestation services mainly relate to attestation services related to the sustainability reporting and the Compensation Report as well as comfort letters.

38 / Corporate governance

On December 15, 2021, the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE jointly issued the annual declaration of compliance with the German Corporate Governance Code as required pursuant to section 161 of the German Stock Corporation Act (AktG) and made it permanently accessible to the public on ProSiebenSat.1 Group's website.
→ www.prosiebensat1.com/en/investor-relations/corporate-governance/management-declaration

39 / List of subsidiaries and associated companies of ProSiebenSat.1 Group pursuant to section 313 (2) of the German Commercial Code (HGB)

(As of December 31, 2021)

Company	Footnote	Location	Equity interest in %
ProSiebenSat.1 Media SE		Unterföhring	
SUBSIDIARIES			
Germany			
7Love Holding GmbH	[1]	Hamburg	96.93
Aboalarm GmbH		Munich	100.00
AdClear GmbH		Berlin	100.00
ADITION technologies GmbH		Düsseldorf	100.00
AdTech S8 GmbH		Unterföhring	100.00
Alpina Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Unterföhring KG	[2]	Mainz	0,00
be Around GmbH		Berlin	100.00
be Around Holding GmbH	[3]	Berlin	80.00
Blitz 21-956 GmbH		Munich	100.00
esome advertising technologies GmbH		Hamburg	100.00
eSports.com GSA GmbH		Unterföhring	100.00
Fem Media GmbH		Unterföhring	100.00
Flaconi Gesellschaftertreuhand GmbH		Berlin	100.00
Flaconi GmbH		Berlin	100.00
Flaconi Logistik GmbH & Co. KG		Berlin	100.00
Glomex GmbH	[4]	Unterföhring	100.00
Jochen Schweizer GmbH		Munich	100.00
Jochen Schweizer mydays Holding GmbH	[1]	Munich	89.90
JSMD Event GmbH		Munich	100.00
Kairion GmbH		Frankfurt am Main	100.00
LOVOO GmbH		Dresden	100.00
Marketplace GmbH		Berlin	100.00
marktguru Deutschland GmbH		Munich	90.00
Masterpiece Gaming GmbH	[4]	Norderstedt	100.00
MMP Event GmbH		Cologne	100.00
mydays GmbH		Munich	100.00
NCG - NUCOM GROUP SE		Unterföhring	71.59
NCG Commerce GmbH		Unterföhring	100.00
P7S1 SBS Holding GmbH	[4]	Unterföhring	100.00
PARSHIP ELITE Service GmbH		Hamburg	100.00

(As of December 31, 2021)

Company	Footnote	Location	Equity interest in %
Parship Group GmbH		Hamburg	100.00
ParshipMeet Holding GmbH		Hamburg	55.00
PE Digital GmbH		Hamburg	100.00
PEG Management GmbH & Co. KG	[5]	Unterföhring	30.30
ProSiebenSat.1 Achte Verwaltungsgesellschaft mbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Digital Content GmbH		Unterföhring	100.00
ProSiebenSat.1 Digital Data GmbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Entertainment Investment GmbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Erste Verwaltungsgesellschaft mbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Fünfzehnte Verwaltungsgesellschaft mbH	[4]	Unterföhring	100.00
ProSiebenSat.1 GP GmbH		Heidelberg	100.00
ProSiebenSat.1 GP II GmbH		Unterföhring	100.00
ProSiebenSat.1 Services GmbH		Unterföhring	100.00
ProSiebenSat.1 Tech Solutions GmbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Warehouse GmbH		Unterföhring	100.00
Pyjama Pictures GmbH		Berlin	55.00
Red Arrow Studios GmbH	[4]	Unterföhring	100.00
Red Arrow Studios International GmbH	[4]	Unterföhring	100.00
RedSeven Entertainment GmbH	[4]	Unterföhring	100.00
Regiondo GmbH		Munich	100.00
SAM Sports - Starwatch Artist Management GmbH		Hamburg	100.00
Sat.1 Norddeutschland GmbH	[4]	Hanover	100.00
Seven.One AdFactory GmbH	[4]	Unterföhring	100.00
Seven.One Entertainment Group GmbH		Unterföhring	100.00
Seven.One Media GmbH	[4]	Unterföhring	100.00
Seven.One Pay TV GmbH	[4]	Unterföhring	100.00
Seven.One Production GmbH	[4]	Unterföhring	100.00
Seven.One Sports GmbH		Unterföhring	100.00
SevenOne Capital (Holding) GmbH	[4]	Unterföhring	100.00
SevenPictures Film GmbH	[4]	Unterföhring	100.00
SevenVentures GmbH	[4]	Unterföhring	100.00
SilverTours GmbH		Cologne	100.00
SMARTSTREAM.TV GmbH		Munich	91.00
Studio 71 GmbH		Berlin	100.00
Stylight GmbH		Munich	100.00
The ADEX GmbH		Berlin	100.00
THMMS Holding GmbH		Hamburg	100.00
TMG Holding Germany GmbH		Berlin	100.00
tv weiss-blau Rundfunkprogrammanbieter GmbH	[4]	Unterföhring	100.00
Verivox Finanzvergleich GmbH		Heidelberg	100.00
Verivox GmbH		Heidelberg	100.00
Verivox Holding GmbH		Unterföhring	100.00
Verivox Versicherungsvergleich GmbH		Heidelberg	100.00
Virtual Minds GmbH		Freiburg im Breisgau	100.00
VX Sales Solutions GmbH		Heidelberg	100.00
wetter.com GmbH	[4]	Konstanz	100.00
yieldlab GmbH		Hamburg	100.00
Armenia			
Marktguru LLC		Yerevan	100.00
Australia			
eHarmony Australia Pty Limited		Sydney	100.00
Denmark			
Snowman Productions ApS		Copenhagen	100.00
Israel			

(As of December 31, 2021)

Company	Footnote	Location	Equity interest in %
July August Communications and Productions Ltd.		Tel Aviv	100.00
The Band´s Visit LP		Tel Aviv	55.00
Malta			
Masterpiece Gaming Limited		Valletta	100.00
Mexico			
Quepasa.com de Mexico, S.A. de C.V.		Hermosillo	100.00
The Netherlands			
P7S1 Broadcasting Holding I B.V.		Amsterdam	100.00
SNDC8 B.V.		Amsterdam	100.00
Austria			
ATV Privat TV GmbH		Vienna	100.00
ATV Privat TV GmbH & Co KG		Vienna	100.00
ProSieben Austria GmbH		Vienna	100.00
ProSiebenSat.1Puls 4 GmbH		Vienna	100.00
Puls 4 TV GmbH		Vienna	100.00
PULS 4 TV GmbH & Co KG		Vienna	100.00
SAT.1 Privatrundfunk und Programmgesellschaft m.b.H.		Vienna	75.50
SevenVentures Austria GmbH		Vienna	100.00
Visivo Consulting GmbH		Vienna	63.78
Romania			
MyVideo Broadband S.R.L.		Bucharest	100.00
Regiondo Software S.R.L.		Sibiu	100.00
Sweden			
Snowman Productions AB		Stockholm	100.00
Snowman Scripted AB		Stockholm	100.00
Switzerland			
ADITION Schweiz GmbH in liquidazione		Locarno	100.00
Jochen Schweizer mydays CH AG in Liquidation		Zürich	100.00
Seven.One Entertainment Group Schweiz AG		Zürich	100.00
SevenVentures (Schweiz) AG		Zürich	100.00
Verivox Schweiz AG in Liquidation		Zürich	100.00
Serbia			
esome advertising technologies d.o.o. Beograd		Belgrade	100.00
Spain			
SilverTours Technology S.L.		Alicante	100.00
Turkey			
Karga Seven Pictures Yapım Anonim Şirketi		Istanbul	100.00
Ukraine			
Glomex TOV		Kiev	100.00
United Kingdom			
ADITION UK Limited	[1]	Cullompton	74.00
CPL Good Vibrations Limited		London	100.00
CPL Productions Limited		London	100.00
CPL RB Limited		London	100.00
CPL Tiny Beast Limited		London	100.00
eHarmony UK Limited		London	100.00
Endor (Vienna 2) Limited		London	100.00
Endor (Vienna) Limited		London	100.00
Endor Productions Limited		London	100.00
Glomex Limited		Birmingham	100.00
LHB Limited		London	100.00
P7S1 Broadcasting (UK) Limited		London	100.00
ProSiebenSat.1 Digital Content GP Limited		London	100.00
ProSiebenSat.1 Digital Content LP		London	99.15
Red Arrow Studios Limited		London	100.00

(As of December 31, 2021)

Company	Footnote	Location	Equity interest in %
Spider Pictures Limited		London	100.00
Studio 71 UK Limited		London	100.00
United States of America			
44 Blue Productions, LLC		Wilmington, DE	100.00
44 Blue Studios, LLC	[1]	Wilmington, DE	65.00
8383 Productions, LLC		Beverly Hills, CA	100.00
95 Ends LLC		New York, NY	100.00
ASM Inc.		Castle Rock, CO	100.00
Boxcar Studios, LLC		Los Angeles, CA	100.00
Brady 44, LLC		Los Angeles, CA	100.00
By Dint Productions, LLC		New York, NY	100.00
Champ 44 Music Publishing, LLC		Wilmington, DE	100.00
Code D TV, LLC		Wilmington, DE	100.00
Collected Labs LLC		Wilmington, DE	100.00
Collective Digital Studio GP, LLC		Wilmington, DE	100.00
Crow Magnon, LLC		Wilmington, DE	62.40
Delirium TV, LLC		Wilmington, DE	100.00
Digital Air LLC		Beverly Hills, CA	100.00
Digital Atoms, LLC		Beverly Hills, CA	100.00
Digital Bytes, LLC		Beverly Hills, CA	100.00
Digital Cacophony, LLC		Beverly Hills, CA	100.00
Digital Demand LLC		Wilmington, DE	100.00
Digital Diffusion, LLC		Beverly Hills, CA	100.00
Digital Echo, LLC		Beverly Hills, CA	100.00
Digital Fire LLC		Beverly Hills, CA	100.00
Dogs Top Ten LLC		Castle Rock, CO	100.00
Dorsey Entertainment LLC		Castle Rock, CO	100.00
Dorsey Multimedia LLC		Castle Rock, CO	100.00
Dorsey Pictures, LLC	[1]	Dover, DE	84.00
Driving Force TV, LLC		Wilmington, DE	100.00
eHarmony, Inc.		Wilmington, DE	100.00
Fabrik Entertainment, LLC		Wilmington, DE	100.00
Fortitude Production Services, LLC		Dover, DE	100.00
Fourteenth Hour Productions, LLC		Beverly Hills, CA	100.00
GTG Production Services LLC		Los Angeles, CA	100.00
Half Yard Productions, LLC		Wilmington, DE	100.00
HI5 Inc.		Wilmington, DE	100.00
Ifwe Inc.		Wilmington, DE	100.00
Initech, LLC		Olympia, WA	100.00
Jot It Down Productions, LLC		Wilmington, DE	100.00
K OPS TV Louisiana, LLC		Baton Rouge, LA	100.00
Karga Seven Pictures, LLC		Los Angeles, CA	100.00
Keep it Down Music Publishing, LLC		Los Angeles, CA	100.00
Kenilworth Productions Inc.		Dover, DE	100.00
Kinetic Content Publishing LLC		Wilmington, DE	100.00
Kinetic Content, LLC		Wilmington, DE	100.00
Kinetic Operations LLC		Wilmington, DE	100.00
Kingdom TV Productions, LLC		Wilmington, DE	100.00
Kinpro LLC		Wilmington, DE	100.00
KinPro Music Publishing LLC		Wilmington, DE	100.00
Lacunae Productions LLC		New York, NY	100.00
Left/Right Holdings, LLC		Dover, DE	100.00
Left/Right, LLC		Dover, DE	100.00
Move Along Music Publishing, LLC		Los Angeles, CA	100.00
Moving Pieces TV, LLC		Wilmington, DE	100.00

(As of December 31, 2021)

Company	Footnote	Location	Equity interest in %
Moving TV LLC		Wilmington, DE	100.00
NAR Pictures, LLC		Los Angeles, CA	100.00
New Kinetic, LLC	[2]	Wilmington, DE	48.46
New Picture Perfect, LLC		Wilmington, DE	100.00
Next of Kin TV, LLC		Los Angeles, CA	100.00
Node Productions, LLC		Beverly Hills, CA	100.00
Ovrture, LLC		Los Angeles, CA	100.00
Pacific View TV, LLC		Wilmington, DE	100.00
ParshipMeet US Holding Inc.		Wilmington, DE	100.00
Pave Network, LLC		Beverly Hills, CA	100.00
PBP, LLC		Baton Rouge, LA	100.00
Peripatetic Productions LLC		New York, NY	100.00
Prank Film, LLC		Beverly Hills, CA	100.00
Presidio Post, LLC		Los Angeles, CA	100.00
Production Connection LLC		Wilmington, DE	100.00
Ranger Media, LLC		Wilmington, DE	100.00
Red Arrow Studios International, Inc.		Wilmington, DE	100.00
Skout, LLC		Wilmington, DE	100.00
Studio 71 (Canada), Inc.		Beverly Hills, CA	100.00
Studio 71, LP		Wilmington, DE	100.00
Stylight Inc.		Lewes, DE	100.00
The Fred Channel, LLC		Beverly Hills, CA	70.00
The Meet Group, Inc.		Wilmington, DE	100.00
The Weekly, LLC		New York, NY	100.00
Third Voice Productions, Inc.		Dover, DE	100.00
Three Tables Music LLC		Wilmington, DE	100.00
WDSP LLC		New York, NY	100.00
ASSOCIATES			
Germany			
AGF Videoforschung GmbH		Frankfurt am Main	16.66
BuzzBird Beteiligungsgesellschaft mbH		Berlin	42.92
Corint Media GmbH		Berlin	30.46
koakult GmbH		Berlin	33.33
Sportority Germany GmbH		Munich	40.00
SPREE Interactive GmbH		Nuremberg	19.55
Urban Sports GmbH		Berlin	16.08
Canada			
Mad Rabbit Productions, Inc.		Toronto	25.00
Switzerland			
Goldbach Audience (Switzerland) AG		Küsnacht (ZH)	24.95
Goldbach Media (Switzerland) AG		Küsnacht (ZH)	22.96
Swiss Radioworld AG		Küsnacht (ZH)	22.96
United Kingdom			
Cove Pictures Limited		London	25.00
United States of America			
Remagine Media Ventures, L.P.		Wilmington, DE	30.50
JOINT VENTURES			
Germany			
d-force GmbH		Freiburg im Breisgau	50.00
Joyn GmbH		Munich	50.00
United Kingdom			
European Broadcaster Exchange (EBX) Limited		London	25.00
Nit Television Limited		London	50.01

Company	Footnote	Location	Equity interest in %	Currency	Equity in thousands	Net income in thousands
OTHER MATERIAL INVESTMENTS						
Germany						
tink GmbH	[6]	Berlin	16.23	EUR	495	−8,254
Cayman Islands						
Minute Media Inc. (formerly: Sportority Limited)	[6]	Grand Cayman	3.52	USD	—	—
Luxembourg						
FRIDAY Insurance S.A.	[6]	Bartringen	12.59	EUR	82,931	−35,680

[1] Due to option rights in the reporting year consolidated at 100%.
[2] Control due to contractual agreements to direct the relevant activities.
[3] Due to option rights in the reporting year consolidated at 90%.
[4] Company meets the requirements of Section 264 (3) of the German Commercial Code (HGB) and exercises the option to be exempted from certain requirements on the preparation, auditing and disclosure of the annual financial statements and the management report.
[5] A subsidiary of ProSiebenSat.1 Media SE is the general partner of this company.
[6] Values according to the latest available annual financial statements (according to local accounting standards), if published.

INFORMATION

EXPLANATORY NOTES ON REPORTING PRINCIPLES

This Annual Report 2021 provides a comprehensive description of ProSiebenSat.1 Group's performance on the basis of financial and non-financial information in the financial year 2021. The reporting period is the financial year from January 1 to December 31, 2021.

CONTENT AND FORM OF THE GROUP MANAGEMENT REPORT

The Annual Report 2021 contains the ProSiebenSat.1 Group Management Report. The Takeover-Related Disclosures pursuant to 315a (1) HGB can be found in the "To Our Shareholders" section of this Annual Report; they are also part of the audited Group Management Report. The Compensation Report describes the main features of the compensation system for the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE for the financial year 2021. It is located in the "To Our Shareholders" section of this Annual Report.

THE FOLLOWING SYMBOLS INDICATE IMPORTANT INFORMATION

→ Further information is available online or on another page of the Annual Report.

▼▲ The contents of the non-financial report are indicated by a red triangle at the beginning and end of the respective passage.

The ProSiebenSat.1 Group Sustainability Report published as part of the Annual Report 2021 has been prepared in accordance with the standards of the Global Reporting Initiative (GRI): Core option. All of the standards applied refer to the version published by the GRI in [2016]. The links to the Annual Report always relate to the start of the section that includes information on the relevant standard disclosures. At the same time, the GRI Content Index provides information on how ProSiebenSat.1 Group contributes to the UN Sustainable Development Goals (SDGs). SDGs that we consider particularly relevant in the context of our sustainability strategy are bold. The complete GRI Content Index can be viewed online under
→ https://annual-report2021.prosiebensat1.com/business-performance-2021/gri-content-index

PREDICTIVE STATEMENTS ON FUTURE ASSETS, LIABILITIES, FINANCIAL POSITION AND PROFIT OR LOSS

Our forecasts are based on current assessments of future developments. In this context, we draw on our budget planning and comprehensive market and competitive analyses. The forecast values are calculated in accordance with the reporting principles used in the Consolidated Financial Statements and are consistent with the adjustments described in the Group Management Report. However, forecasts naturally entail some uncertainties that could lead to positive or negative deviations from planning. If imponderables occur or if the assumptions on which the predictive statements are made no longer apply, actual results may deviate materially from the statements made or the results implicitly expressed.

Developments that could negatively impact this forecast include, for example, lower economic momentum then expected at the time this report was prepared. These and other factors are explained in detail in the Risk and Opportunity Report. There we also report on additional growth potential; opportunities that we have not yet or not fully budgeted for could arise from corporate strategy decisions, for example. Potential risks are accounted for regularly and systematically as part of the Group-wide risk management process.

ROUNDING FINANCIAL FIGURES

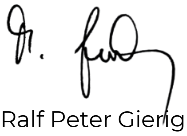
Due to rounding, it is possible that the figures do not exactly add up to the totals shown and that percentage figures given do not exactly reflect the absolute figures to which they relate.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Unterföhring, March 1, 2022

Rainer Beaujean
Chairman of the Executive Board (Group CEO)



Ralf Peter Gierig
Member of the Executive Board & Chief Financial Officer (Group CFO)

Wolfgang Link
Member of the Executive Board (responsible for Entertainment)

Christine Scheffler
Member of the Executive Board (responsible for HR, Compliance & Sustainability)

INDEPENDENT AUDITOR'S REPORT

To ProSiebenSat.1 Media SE

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

OPINIONS

We have audited the consolidated financial statements of ProSiebenSat.1 Media SE, Unterföhring, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the fiscal year from 1 January 2021 to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of ProSiebenSat.1 Media SE for the fiscal year from 1 January 2021 to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of the management declaration (group statement on corporate governance) pursuant to Sec. 315d HGB which is published on the website stated in the group management report and is part of the management report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2021 and of its financial performance for the fiscal year from 1 January 2021 to 31 December 2021, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of the management declaration (group statement on corporate governance) referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the opinions

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

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January 2021 to 31 December 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

[1] IMPAIRMENT TESTING OF GOODWILL

Reasons why the matter was determined to be a key audit matter

The executive directors of ProSiebenSat.1 Media SE test goodwill for impairment annually as of 31 December of each fiscal year and ad hoc to determine any potential need to recognize impairment losses. The result of these valuations is highly dependent on the executive directors' estimate of future cash flows and the respective discount rates used.

In light of the complexity of the valuation process due to the use of assumptions and the judgment by the executive directors, the impairment testing of goodwill was a key audit matter. Assumptions and judgment include the expected development of business and earnings of the cash-generating units over the next five years, and the long-term growth rate and discount rate used.

Auditor's response

As part of our procedures, we analyzed the process implemented by the executive directors of ProSiebenSat.1 Media SE and the accounting policies for determining the recoverable amounts of cash-generating units or groups of units for those units to which goodwill has been allocated to identify any risks of material misstatement and obtained an understanding of the process steps.

We analyzed the budgets and forecasts underlying the valuation by comparing them with the results actually achieved in the past and the current development of business figures, taking into account potential implications from the COVID-19 pandemic. We also referred to the forecast market development of comparable entities in our analysis. In considering the underlying budgets and forecasts, we discussed the expected business and earnings development with those responsible for planning and compared them with the budgets and forecasts prepared by the Executive Board and approved by the Supervisory Board and with the current business development.

With the aid of our internal valuation specialists from Strategy and Transactions, we assessed the valuation model and appraised the other significant valuation assumptions such as the discount rate and growth rate on the basis of an analysis of the general market indicators. We evaluated the determination of the risk-adjusted capitalization rate by scrutinizing peer companies, comparing market data with external evidence and checking the arithmetical accuracy.

In order to identify a potential impairment risk, we additionally conducted our own sensitivity analyses on the results of the impairment test to determine which changes in specific valuation inputs would lead to a different assessment about the need to recognize an impairment loss the level of the cash-generating unit. In so doing, we considered both exogenous and endogenous changes in the planning assumptions in the various scenarios.

In addition, we assessed the information provided in the notes to the consolidated financial statements on significant accounting judgments, estimates and assumptions used in impairment testing of goodwill in respect of the requirements of IAS 1 and IAS 36.

Our procedures did not lead to any reservations relating to impairment testing of goodwill.

Reference to related disclosures

With regard to the accounting policies applied for goodwill, refer to the disclosure in note (2) “Accounting principles” in chapter (E) “Recognition and measurement” in the section on “Impairments of other non-financial assets” of the notes to the consolidated financial statements. For the related disclosures on judgments by the executive directors and sources of estimation uncertainty as well as the disclosures on goodwill, refer to note (17) “Goodwill” which also contains information on the sensitivity of the valuation results.

[2] REVENUE RECOGNITION

Reasons why the matter was determined to be a key audit matter

Revenues are a key financial performance indicator for the Group and are shaped by diverse business models in the various segments. In the Entertainment, Dating & Video and Commerce & Ventures segments, a risk of material misstatement exists especially in relation to the existence and timely recognition of revenues. In the Entertainment segment, there is a risk to advertising revenues particularly with regard to the transfer and processing of campaign data from the upstream systems. Furthermore, a substantial portion of revenues from program productions is recognized over time. In this context, the estimates made by the executive directors with regard to the expected total costs or progress towards completion have a significant effect on the recognition and measurement of revenues. In the Commerce & Ventures segment, there are estimation uncertainties with regard to the measurement of revenue, especially due to cancellation or return rights.

In light of the significance and complexity of revenues, we consider revenue recognition to be a key audit matter.

Auditor’s response

During our procedures, we considered, based on the criteria defined in IFRS 15, the accounting policies applied in the consolidated financial statements of ProSiebenSat.1 Media SE for the recognition of revenues.

We examined the existence of revenues for significant consolidated entities by, among other things, determining the correlation with the related trade receivables and related incoming payments and analyzed any deviations.

In order to assess the existence of advertising revenues, in the Entertainment segment we tested in particular application controls and interfaces between the ERP system and the upstream systems used to capture advertising services. In addition, we tested on a sample basis revenue recognition for certain advertising campaigns by reference to the corresponding agreements. For the program productions, we assessed, on a sample basis, the expected total costs on the basis of the budgets for commissioned productions and reconciled the total contract value with the underlying contracts. We checked the expenses incurred until the reporting date on a sample basis by reference to incoming invoices and time sheets and analyzed how they were allocated to the respective commissioned productions. In addition, we recalculated the recognition of revenues from contracts recognized over time according to the progress towards completion in accordance with IFRS 15. We analyzed the contracts contained in reported revenues to determine whether the planned and actual margins from the contracts were in line with our expectations of the progress of the project in question. We also referred to the development of comparable projects for this purpose.

In the Commerce & Ventures segment, we analyzed the assumptions made by the executive directors relating to the cancellation and return rates on the basis of historical experience.

Our procedures did not lead to any reservations relating to revenue recognition.

Reference to related disclosures

Information about the accounting policies with regard to revenues is provided in note (2) “Accounting principles” in chapter (E) “Recognition and measurement” in the section on “Revenues” of the notes to the consolidated financial statements. Information about the components of revenues is provided in note (6) “Revenues” of the notes to the consolidated financial statements.

[3] IMPAIRMENT OF PROGRAMMING ASSETS

Reasons why the matter was determined to be a key audit matter

Owing to their immense significance for the Group, programming assets, which would normally be included in other intangible assets, are presented as a separate item in the statement of financial position.

When examining both the individual program titles and the programming groups for indications of impairment, the executive directors apply a significant degree of judgment with regard to planning the future use of programming assets and estimating their revenue potential. Indications are, for example, if a program title or a group of program titles is no longer likely to be broadcast due to a lack of marketability or a strategic realignment of programming content. The consolidated financial statements, as a whole, are therefore subject to a risk that impairments of programming assets are not recognized to a sufficient extent. In light of their relevance in terms of strategy and value and the use of judgment in their measurement, we consider programming assets to be a key audit matter.

Auditor’s response

As part of our procedures, we discussed the assessment by the executive directors of ProSiebenSat.1 Media SE of indications that the future use of programming assets could be restricted with the persons responsible. We also performed our own analyses of the number of available broadcasts in view of the license periods of the program titles and their last date of broadcast to identify potential reductions in the usability of the program titles in the portfolio.

In addition, we reviewed the impairment test performed by ProSiebenSat.1 Media SE’s executive directors at the level of programming groups and the definition of these groups. To this end, we recalculated the expected net cash inflows and discussed the underlying assumptions with those responsible for the programming assets and compared the results with the current earnings and market development.

Our procedures did not lead to any reservations relating to the impairment of the programming assets.

Reference to related disclosures

Information about the accounting policies with regard to programming assets is provided in note (2) “Accounting principles” in chapter (E) “Recognition and measurement” in the section on “Programming assets” of the notes to the consolidated financial statements. The related disclosures on the assumptions and estimates used by the executive directors and information on the development of the value of programming assets is provided in note (18) “Programming assets” of the notes to the consolidated financial statements.

OTHER INFORMATION

The Supervisory Board is responsible for the Report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG [“Aktiengesetz”: German Stock Corporation Act] on the German Corporate Governance Code, which is part of the management declaration (group declaration on corporate governance) as well as for the Compensation Report pursuant to Sec. 162 AktG. In all other respects, the executive directors are responsible for the other information. The other information comprises the management declaration (group statement on corporate governance) referred to above. The other information also comprises additional parts to be included in the annual report, of which we obtained a version prior to issuing this auditor’s report, in particular:

- the Responsibility Statement pursuant to Sec. 297 (2) Sentence 4 HGB,
- the Report of the Supervisory Board pursuant to Sec. 171 (2) AktG,
- the Compensation Report,
- the Group Non-Financial Report,
- the Sustainability Report,
- and the sections “Our Executive Board,” “Our Strategy,” “Members of the Supervisory Board,” “Members of the Executive Board,” “ProSiebenSat.1 Media SE Share,” “Explanatory Notes on Reporting Principles,” “Group Key Figures: Multi-Year Overview,” “Segment Key Figures: Multi-Year Overview,” and “Financial Calendar”,

but not the consolidated financial statements, not the group management report disclosures whose content is audited and not our auditor’s report thereon.

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

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

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined 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 executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

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 whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

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

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

– Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than 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 of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

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

- Conclude on the appropriateness of the executive directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group’s position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH SEC. 317 (3A) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the “ESEF documents”) contained in the file ProSiebenSat.1_Media_SE_KA+ESEF-2021-12-31.zip (SHA-256-Prüfsumme: 1dd702f6d980f4df26ddefcaf128f2f3762098e71cb08f1b1694881cab3ec812) and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 January 2021 to 31 December 2021 contained in the “Report on the audit of the consolidated financial statements and of the group management report” above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410). Our responsibility in accordance therewith is further described in the “Group auditor’s responsibilities for the assurance work on the ESEF documents” section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

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

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

Group auditor's responsibilities for the assurance work on the ESEF documents

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

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.
- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the Annual General Meeting on 1 June 2021. We were engaged by the Supervisory Board on 31 August 2021. We have been the auditor of ProSiebenSat.1 Media SE since fiscal year 2019.

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

In addition to the financial statement audit, we have provided to the Company or entities controlled by it the following services that are not disclosed in the consolidated financial statements or in the group management report: audit-related services not required by law pertaining to financial information and an assessment of the governance structure.

Other matter – Use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Bundesanzeiger [German Federal Gazette] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Nathalie Mielke.

Berlin, 1 March 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Hayn
Wirtschaftsprüfer
[German Public Auditor]

Mielke
Wirtschaftsprüferin
[German Public Auditor]

INDEPENDENT AUDITOR'S REPORT ON A REASONABLE ASSURANCE ENGAGEMENT

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the group non-financial report of ProSiebenSat.1 Media SE. The following text is a translation of the original German independent assurance report.

To ProSiebenSat.1 Media SE, Unterföhring

We have performed a reasonable assurance engagement on the group non-financial report of ProSiebenSat.1 Media SE, Unterföhring, (hereinafter the "Company"), which comprises the disclosures in the section "Sustainability" of the annual report 2021 marked by a red triangle at the beginning (▼) and end (▲) of the respective text passage as well as the section "Organization and Group Structure" of the group management report incorporated by reference, for the period from 1 January 2021 to 31 December 2021 (hereinafter the "non-financial report").

Not subject to our assurance engagement are other references to disclosures made outside the non-financial report.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the non-financial report in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB "Handelsgesetzbuch": German Commercial Code and Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in section "Disclosures in accordance with the EU Taxonomy Regulation" of the non-financial report.

These responsibilities of the Company's executive directors include the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a non-financial report that is free from material misstatement, whether due to fraud (manipulation of the non-financial report) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "Disclosures in accordance with the EU Taxonomy Regulation" of the non-financial report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

INDEPENDENCE AND QUALITY ASSURANCE OF THE AUDITOR'S FIRM

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a reasonable assurance opinion on the non-financial report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance about whether the Company's non-financial report is prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed in section "Disclosures in accordance with the EU Taxonomy Regulation" of the non-financial report. Not subject to our assurance engagement are other references to disclosures made outside the non-financial report.

The assurance engagement on the non-financial report includes performing procedures and obtaining evidence for the quantitative and qualitative disclosures in the non-financial report that is sufficient and appropriate to provide a basis for our opinion.

We exercise professional judgment and maintain professional skepticism throughout the assurance engagement. Our procedures also include:

- Obtaining an understanding of the selection of topics for the non-financial report, the risk assessment and the policies of the Group for the topics identified as material,
- Identifying and assessing the risks of material misstatement in the non-financial report, whether due to fraud or error, designing and performing procedures responsive to those risks, and obtaining 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,
- Obtaining an understanding of internal control relevant to the assurance engagement on the non-financial report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems,
- Obtaining sufficient appropriate evidence for the sustainability information of the companies within the Group to express our opinion,

- Evaluating the appropriateness of methods used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures and
- Evaluating the presentation of disclosures in the non-financial report.

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

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

OPINION

In our opinion, on the basis of the knowledge obtained in the assurance engagement, the non-financial report of the ProSiebenSat.1 Media SE for the period from 1 January 2021 to 31 December 2021 is prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed in section "Disclosures in accordance with the EU Taxonomy Regulation" of the non-financial report.

We do not express an assurance opinion on the other references to disclosures made outside the non-financial report.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

GENERAL ENGAGEMENT TERMS AND LIABILITY

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, 1 March 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Richter
Wirtschaftsprüferin
[German Public Auditor]

Johne
Wirtschaftsprüferin
[German Public Auditor]

INDEPENDENT AUDITOR'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the Sustainability Report 2021 of ProSiebenSat.1 Media SE. The following text is a translation of the original German independent assurance report.

To ProSiebenSat.1 Media SE, Unterföhring

We have performed a limited assurance engagement on the Sustainability Report of ProSiebenSat.1 Media SE, Unterföhring, (hereinafter the "Company"), for the period from 1 January 2021 to 31 December 2021 (hereinafter the "Sustainability Report").

Our engagement exclusively relates to the German PDF-version of the Sustainability Report. Not subject to our assurance engagement are other references to disclosures made outside the Sustainability Report.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the Sustainability Report in accordance with the criteria listed in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI Criteria") and for the selection of the relevant disclosures.

These responsibilities of the Company's executive directors include the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud (manipulation of the Sustainability Report) or error.

INDEPENDENCE AND QUALITY ASSURANCE OF THE AUDITOR'S FIRM

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the BS WP/vBP ("Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors) in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion with limited assurance on the Sustainability Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Sustainability Report is not prepared, in all material respects, in accordance with the GRI Criteria. Not subject to our assurance engagement are other references to disclosures made outside the Sustainability Report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Inquiries of employees concerning the sustainability strategy, sustainability principles and sustainability management of ProSiebenSat.1 Media SE,
- Inquiries of the executive directors and relevant employees involved in the preparation of the Sustainability Report about the preparation process, about the internal control system related to this process, and about disclosures in Sustainability Report,
- Inquiries of employees of the Group responsible for data capture and consolidation as well as the preparation of the Sustainability Report, to evaluate the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the disclosures in the Sustainability Report,
- Identification of likely risks of material misstatement in the Sustainability Report,
- Analytical procedures on selected disclosures in the Sustainability Report at the level of the Group and selected entities,
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected disclosures and data,
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report,
- Evaluation of the presentation of the Sustainability Report.

ASSURANCE CONCLUSION

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Report of the Company for the period from 1 January 2021 to 31 December 2021 is not prepared, in all material respects, in accordance with the GRI Criteria.

We do not express an assurance conclusion on the other references to disclosures made outside the Sustainability Report.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

GENERAL ENGAGEMENT TERMS AND LIABILITY

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, 1 March 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Richter
Wirtschaftsprüferin
[German Public Auditor]

Johne
Wirtschaftsprüferin
[German Public Auditor]

INDEPENDENT AUDITOR'S REPORT

To ProSiebenSat.1 Media SE, Unterföhring

We have audited the attached remuneration report of ProSiebenSat.1 Media SE, Unterföhring, prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from 1. January 2021 to 31. December 2021 and the related disclosures.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD

The executive directors and supervisory board of ProSiebenSat.1 Media SE are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and supervisory board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and supervisory board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

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

OPINION

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from 1. January 2021 to 31. December 2021 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

OTHER MATTER – FORMAL AUDIT OF THE REMUNERATION REPORT

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects.

LIMITATION OF LIABILITY

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on 1. January 2017, which are attached to this report, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement.

Munich, 1. March 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Sven Hayn
Wirtschaftsprüfer
[German Public Auditor]

Nathalie Mielke
Wirtschaftsprüferin
[German Public Auditor]

GROUP KEY FIGURES: MULTI-YEAR OVERVIEW

in EUR m	**2021**	2020	2019	2018	2017
Revenues	4,494	4,047	4,135	4,009	4,078
Adjusted EBITDA[1]	840	706	872	1,013	1,050
Adjusted EBITDA margin (in %)	18.7	17.4	21.1	25.3	25.8
EBITDA	804	801	838	570	1,084
Operating result (EBIT)	553	553	578	348	820
Result before income taxes	607	370	572	344	646
Net income attributable to shareholders of ProSiebenSat.1 Media SE	449	267	413	248	471
Adjusted net income[2]	362	221	387	541	550
Adjusted earnings per share (in EUR)	1.60	0.98	1.71	2.36	2.40
Payments for the acquisition of programming assets	1,060	1,063	1,072	1,070	1,048
Adjusted operating free cash flow[3]	599	424	—	—	—
Free cash flow	289	120	207	−78	728
Cash flow from investing activities	−1,249	−1,391	−1,396	−1,536	−894

in EUR m	**12/31/2021**	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Programming assets	1,145	1,213	1,204	1,113	1,198
Equity	2,099	1,687	1,288	1,070	1,252
Equity ratio (in %)	31.9	23.8	19.5	16.5	19.1
Cash and cash equivalents	594	1,224	950	1,031	1,552
Financial debt	2,446	3,192	3,195	3,194	3,185
Leverage ratio[4]	2.2	2.8	2.6	2.1	1.6[6]
Net financial debt	1,852	1,968	2,245	2,163	1,632[6]
Employees[5]	7,906	7,307	7,253	6,583	6,483

1 EBITDA before reconciling items.
2 Net income attributable to shareholders of ProSiebenSat.1 Media SE before the amortization and impairments from purchase price allocations, adjusted for the reconciling items. These include valuation effects recognized in other financial result, valuation effects of put-options and earn-out liabilities, valuation effects from interest rate hedging transactions as well as other material one-time items. Moreover, the tax effects resulting from such adjustments are also adjusted. See Group Management Report, chapter "Planning and Management".
3 As of financial year 2021, ProSiebenSat.1 Group introduced a further key performance indicator, namely the "adjusted operating free cash flow". For a definition, please refer to chapter "Planning and Management" in the Group Management Report. This performance indicator was not determined for financial years prior to 2020.
4 Ratio net financial debt to adjusted EBITDA in the last twelve months.
5 Full-time equivalent positions as of reporting date.
6 After reclassification of cash and cash equivalents of assets held for sale.

SEGMENT KEY FIGURES: MULTI-YEAR OVERVIEW

in EUR m	**2021**	2020	2019
Entertainment			
External revenues	3,098	2,768	3,016
Adjusted EBITDA[1]	698	561	774
Dating & Video			
External revenues	542	333	209
Adjusted EBITDA[1]	119	80	44
Commerce & Ventures			
External revenues	854	945	910
Adjusted EBITDA[1]	50	84	116
Reconciliation (Holding & other)			
Adjusted EBITDA[1]	–26	–19	–61

1 EBITDA before reconciling items.

FINANCIAL CALENDAR

Date	Event
March 3, 2022	Publication of the Annual Report 2021 Press Conference/Conference Call with Analysts on Figures 2021
May 5, 2022	Annual General Meeting 2022
May 12, 2022	Publication of the Quarterly Statement for the First Quarter of 2022
August 11, 2022	Publication of the Half-Yearly Financial Report of 2022
November 15, 2022	Publication of the Quarterly Statement for the Third Quarter of 2022

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PROSIEBENSAT.1 GROUP ON THE INTERNET

This and other publications are available on the Internet, along with information about ProSiebenSat.1 Group, at
www.prosiebensat1.com

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding ProSiebenSat.1 Media SE and ProSiebenSat.1 Group. Such statements may be identified by the use of such terms as "expects", "intends", "plans", "assumes", "pursue the goals" and similar wording. Various factors, many of which are outside the control of ProSiebenSat.1 Media SE, could affect the Company's business activities, success, business strategy and results. Forward-looking statements are not historical facts, and therefore incorporate known and unknown risks, uncertainties and other important factors that might cause actual results to differ from expectations. These forward-looking statements are based on current plans, goals, estimates and projections, and take account of knowledge only up to and including the date of preparation of this report. Given these risks, uncertainties and other important factors, ProSiebenSat.1 Media SE undertakes no obligation, and has no intent, to revise such forward-looking statements or update them to reflect future events and developments. Although every effort has been made to ensure that the provided information and facts are correct, and that the opinions and expectations reflected here are reasonable, ProSiebenSat.1 Media SE assumes no liability and offers no warranty as to the completeness, correctness, adequacy and/or accuracy of any information or opinions contained herein. This report is an English translation; in case of any discrepancies, the German authoritative version of the report shall prevail over the English translation.