ProSiebenSat.1 Media SE

Half-Yearly Financial Report 2023

MOVING FORWARD

RELEVANCE
INNOVATION
VALUES

CONTENT

AT A GLANCE

- **Group revenues as expected below previous year:** Due to the continuing challenging economic environment as well as consolidation effects, Group revenues decreased to EUR 868 million in the second quarter of 2023 (previous year: EUR 1,043 million) and to EUR 1,683 million in the first half of the year (previous year: EUR 1,983 million).
- **Economic downturn continues to weigh on advertising market:** TV advertising revenues in the German-speaking region (Germany, Austria and Switzerland) declined again year-on-year in the second quarter of 2023, albeit somewhat less pronounced than in the first quarter. In contrast, the growth in digital & smart advertising revenues continues, which is attributable to Joyn, among other things. In addition to the Entertainment segment, the generally lower investments in advertising also impacted the business of SevenVentures in the Commerce & Ventures segment.
- **Earnings mainly impacted by the lower profitability of the advertising business:** The Group's adjusted EBITDA of EUR 79 million (previous year: EUR 155 million) in the second quarter and EUR 133 million in the first half of the year (previous year: EUR 267 million) was significantly lower than in the respective previous year's period. This reflects our expectations in a challenging market environment.
- **Economic research institutes expect an economic recovery in the second half of 2023:** ProSiebenSat.1 expects – in parallel with the forecast economic upturn – a significant recovery in the important advertising business in the second half of the year. In line with revenues, adjusted EBITDA is also likely to be characterized by catch-up effects.
- **Full-year outlook confirmed, assuming a significant recovery in advertising business in the second half of the year:** For the full-year, ProSiebenSat.1 expects slight organic revenue growth to around EUR 4.10 billion with a variance of plus/minus EUR 150 million and adjusted EBITDA of around EUR 600 million with a variance of plus/minus EUR 50 million.
- **In order to achieve our growth targets, we are realigning the organization:** We are expanding the business areas relevant to our strategy and putting Joyn at the center of our entertainment activities. At the same time, we are focusing on cost efficiency and profitability.

The macroeconomic environment in the German-speaking region (Germany, Austria and Switzerland) – and thus ProSiebenSat.1 Group's core market – remains challenging, as expected. This continued to significantly influence the economically sensitive advertising business in the second quarter of 2023, albeit somewhat less pronounced than in the first quarter. As expected, the most important financial performance indicators are therefore below the previous year's level. This also applies for the full first half of the year.

In the second quarter of 2023, Group revenues decreased to EUR 868 million (previous year: EUR 1,043 million). Adjusted EBITDA declined significantly to EUR 79 million (previous year: EUR 155 million). This was as expected mainly due to overall declining investments in advertising in the second quarter. The advertising market is very sensitive to the economy, which, besides the Entertainment segment, is also visible in the business of SevenVentures (Commerce & Ventures segment). In addition, consolidation effects, especially the disposal of the US production business of Red Arrow Studios in the previous year, had a negative impact on revenue and earnings. Adjusted net income reflected this development and decreased to EUR 4 million (previous year: EUR 64 million).

Accordingly, the Group's revenue and earnings figures also declined year-on-year on a half-year basis: Group revenues were at EUR 1,683 million (previous year: EUR 1,983 million), adjusted EBITDA decreased to EUR 133 million (previous year: EUR 267 million) and adjusted net income declined to minus EUR 11 million in the first half of the year (previous year: EUR 101 million).

The leverage ratio as of June 30, 2023, was 3.3x (December 31, 2022: 2.4x; June 30, 2022: 2.4x) and was therefore, as expected, during the year above the target range of 2.5x to 3x forecast for the end of 2023. This is mainly attributable to the decline in adjusted EBITDA.

The development of the key financial figures is therefore in line with our expectations. Against this backdrop, ProSiebenSat.1 Group confirms its full-year outlook which is based on the assumption of a development divided into two parts. In parallel with the forecast economic upturn, ProSiebenSat.1 expects the high-margin advertising business to recover significantly in the important second half of the year. Considerable negative effects on revenues and earnings in the first half of the year contrast with a forecast significant catch-up effect for the second half of the year.

In this environment, ProSiebenSat.1 is focusing on cost efficiency and profitability – also in order to retain headroom for investments in content and the expansion of the digital offering. In addition, we are working consistently to position ourselves even more efficiently as a Group. A competitive organizational structure is the basis for profitable and sustainable growth.

At the same time, we are pursuing the clear strategy of addressing new media usage interests and above all investing in digital offerings. Despite the burdens in the advertising market, this is also visible in the second quarter of 2023: The Group's digital & smart advertising revenues in the German-speaking region (Germany, Austria and Switzerland) increased again, due among other things to the growth of the streaming platform Joyn. In everything we do, we follow the principle of "Viewers and Users First." This means that we put viewers and users at the center of our activities and align our offerings to their needs. Only then can we achieve our goal: We want to be the number one in the German-speaking entertainment market, profitable and highly growing.

The Group's employees are crucial for the successful implementation of this strategy. As of June 30, 2023, ProSiebenSat.1 Group had 7,393 employees (previous year: 7,800), calculated on the basis of full-time equivalents. The decline by 407 employees is primarily attributable to the disposal of the US production companies of Red Arrow Studios (now: Seven.One Studios) and the reorganization of ParshipMeet Group – especially in the Video business in the US. An opposing effect resulted in particular from the integration of the streaming platform Joyn.

KEY FIGURES OF PROSIEBENSAT.1 GROUP
in EUR m

	Q2 2023	Q2 2022[1]	**H1 2023**	H1 2022[1]
Revenues	868	1,043	1,683	1,983
Adjusted EBITDA[2]	79	155	133	267
Adjusted net income[3]	4	64	−11	101
Adjusted operating free cash flow[4]	−33	109	−57	254
Audience share (in %)[5]	25.4	25.5	24.8	25.2

	06/30/2023	12/31/2022	06/30/2022[1]
Employees[6]	7,393	7,284	7,800
Programming assets	1,074	1,086	1,098
Cash and cash equivalents	336	504	490
Net financial debt	1,782	1,613	1.881[8]
Leverage ratio[7]	3.3	2.4	2,4[8]

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.
2 EBITDA before reconciling items.
3 Net income attributable to shareholders of ProSiebenSat.1 Media SE before the amortization and impairments from purchase price allocations as well as impairments of goodwill, adjusted for the reconciling items. These include valuation effects recognized in other financial result, valuation effects of put option 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 Annual Report 2022, page 131.
4 For a definition of the adjusted operating free cash flow, please refer to the Annual Report 2022, page 129.
5 Germany: ProSiebenSat.1 Group; AGF Videoforschung; AGF SCOPE 1.2; January 1, 2022–June 30, 2023, market standard: TV; evaluation type TV time interval; product-related; target group: 14–49 years.
6 Full-time equivalent positions.
7 Ratio net financial debt to adjusted EBITDA in the last twelve months.
8 Before reclassification of cash and cash equivalents of assets held for sale.

» **INFORMATION**

Due to rounding, it is possible that certain figures do not exactly add up to the total shown and that percentage figures given do not exactly reflect the absolute figures to which they relate.

SIGNIFICANT EVENTS

Information on the Matter of German Payment Services Supervision Act

ProSiebenSat.1 Group reported as part of the Annual Report for financial year 2022, published on April 28, 2023, in detail on the business activities of Jochen Schweizer GmbH and mydays GmbH with regard to the German Payment Services Supervision Act ("Zahlungsdiensteaufsichtsgesetz" – "ZAG") and the related processes. At the time of the resolution on the preparation of the Half-Yearly Financial Report 2023, there is no material new information available in this respect. For a comprehensive presentation of the matter, we therefore refer to the Annual Report.
→ Annual Report 2022, "Significant Events and Changes in the Scope of Consolidation"

Personnel Change on the Executive Board

Martin Mildner has been a member of the Executive Board and Chief Financial Officer (Group CFO) of ProSiebenSat.1 Media SE since May 1, 2023. He succeeds Ralf Peter Gierig, who resigned from his office as Chief Financial Officer on April 27, 2023, prior to the resolution on the preparation of the Annual and Consolidated Financial Statements for financial year 2022, by mutual agreement with the Supervisory Board of ProSiebenSat.1 Media SE and left the Executive Board.

Most recently, Martin Mildner was Chief Financial Officer of the MDAX-listed United Internet AG and had successfully taken the Group subsidiary IONOS public. Prior to this, he spent many years as General Counsel and Global Head of M&A at Otto Group, where he was responsible, among other things, for the setup of the online fashion retailer ABOUT YOU Holding SE ("ABOUT YOU") and the preparation for its IPO in 2021.

In June 2023, Wolfgang Link, former Chief Entertainment Officer and CEO of Seven.One Entertainment Group GmbH, decided to leave the Group by best mutual agreement as of July 15, 2023, after 14 years with ProSiebenSat.1. Due to the strategic realignment of the Group and the focus on the core business Entertainment, ProSiebenSat.1 Group CEO Bert Habets takes charge of the Entertainment segment.

Personnel Changes on the Supervisory Board

On June 16, 2023, ProSiebenSat.1 announced that Erik Huggers, member of the Supervisory Board of ProSiebenSat.1 Media SE, has decided to step down from his mandate after nine years on June 30, 2023. In accordance with the statutory requirements, the Company intends, in order to regulate the succession of Erik Huggers, to apply for the court appointment of a new member of the Supervisory Boardand to propose Klara Brachtlova to the court as successor to Erik Huggers. She has many years of experience as a media manager and is Chief External Affairs of the Central and Eastern European media group Central European Media Enterprise Ltd. ("CME"), which belongs to the Czech PPF Group.

On June 30, 2023, the Annual General Meeting of ProSiebenSat.1 Media SE elected Katharina Behrends, Dr. Katrin Burkhardt, Thomas Ingelfinger and Prof. Dr. Cai-Nicolas Ziegler as new members of the ProSiebenSat.1 Supervisory Board by a clear majority. The Annual General Meeting thus followed the proposals of the Supervisory Board. The mandates were up for election as the regular terms of office of Dr. Marion Helmes, Vice Chairwoman of the Supervisory Board, as well as Lawrence A. Aidem and Dr. Antonella Mei-Pochtler, members of the Supervisory Board, each expired at the end of the Annual General Meeting. A further seat had become vacant due to the transition of Bert Habets from the Supervisory Board to the Group's Executive Board as of November 1, 2022.

Katharina Behrends has more than 25 years of experience in management positions at global media groups. Since October 2022, she has been General Manager for the German-speaking region at MFE-MEDIAFOREUROPE N.V. ("MFE"). Dr. Katrin Burkhardt is a member of the Supervisory Board of the private bank ODDO BHF SE ("ODDO BHF") and has extensive experience in the fields of accounting, risk management and compliance. Most recently, Thomas Ingelfinger was responsible for the cosmetics business in Europe on the Executive Board of Beiersdorf AG ("Beiersdorf"). He has many years of leadership experience from a listed, internationally operating company as well as expertise in brand management of some of the world's best-known consumer brands. Prof. Dr. Cai-Nicolas Ziegler is CEO of the health tech company doctari group ("doctari group") and an informatics professor specializing in Artificial Intelligence. He has in-depth knowledge of digital business development, digital product management, data and advertising technologies.

The proposals of Supervisory Board candidates are the result of an extensive selection process initiated by the Supervisory Board of ProSiebenSat.1 Media SE in the middle of last year, which also considered ProSiebenSat.1 Media SE's ownership structure. At the same time, they also take the skills profile into account: The new members will support ProSiebenSat.1 in its digital transformation due to their years of experience and wide range of qualifications.
→ www.prosiebensat1.com/company/supervisory-board

Dividend Payment for the Financial Year 2022

Besides the election of Supervisory Board members, the shareholders at the Annual General Meeting of ProSiebenSat.1 Media SE on June 30, 2023, approved that a significantly reduced dividend of EUR 0.05 per share will be distributed to the holders entitled to dividends for financial year 2022 (previous year: EUR 0.80). The dividend totaling EUR 11 million was paid on July 5, 2023.
→ ProSiebenSat.1 Media SE Share

With the reduced dividend payment, ProSiebenSat.1 is laying the foundation for the Company's long-term, healthy growth and solid financial structure. This target also reflects the adjusted dividend policy, which was communicated on April 27, 2023, and applies from the financial year 2023 onwards. Besides the general economic environment and the adjusted net income as a reference basis for distributions to shareholders, the Group from now takes into particular focus an appropriate level of financial leverage when determining distributions to shareholders. Furthermore, ProSiebenSat.1 also takes into account requirements for investments into the business. Taking into account the aforementioned criteria, the Group will generally aim to pay out 25% to 50% of adjusted net income in the future.

ProSiebenSat.1 aligns organization consistently with growth strategy

On July 18, 2023, ProSiebenSat.1 Group announced to take the next step in its realignment: After the Group fully acquired the streaming platform Joyn as of October 31, 2022, putting it at the center of its entertainment activities, a realignment of the organization is now taking place, particularly in the Entertainment segment. The aim is to achieve a more efficient structure, a competitive cost base, and processes clearly geared to digital transformation. This is a priority in order to continue investing consistently in the future of the Group, especially in content and digital offerings.

Against this backdrop, also a reduction in the number of jobs in the Group has become necessary: This will affect around 400 full-time positions. The job cuts will be made in a socially responsible manner through a voluntary program in order to avoid compulsory redundancies as far as possible. The company had agreed this in talks with employee representatives. As the key aspects of the voluntary program were communicated to the Works Council at the end of the second quarter, the Group recognized a provision of EUR 58 million as of June 30, 2023.
→ Group Earnings

First effects of the reduced material and personnel costs across the Group will become visible in the fourth quarter of this year and are expected to amount to a low double-digit million EUR amount for 2023. ProSiebenSat.1 has already taken this into account in the financial outlook for 2023. The full cost effect for 2024 will amount to a mid double-digit million EUR amount.

→ Company Outlook

BUSINESS PERFORMANCE OF PROSIEBENSAT.1 GROUP

GROUP ENVIRONMENT

Economic Developments

After the **global economy** faced major challenges in 2022, it is now on a slow path of recovery. However, the upturn currently has little momentum and is subject to many uncertainties. Despite the falling raw material prices in the first half of 2023 and easing tensions in supply chains, inflation remained at a high level globally. Against this backdrop, the US Federal Reserve (Fed) and the European Central Bank (ECB) continued to raise their key interest rates. Nevertheless, the US economy grew moderately at the start of the year, supported among other things by higher private consumer spending. Stronger growth impetus mainly came from China following the end of COVID-19 measures.

The European economy was dampened in particular by the weak development in **Germany**. Here, real economic output again declined by 0.3% in the first quarter of 2023 compared with the previous quarter, having already decreased by 0.5% in the last quarter of 2022. The German economy therefore fell into a recession in the winter half-year 2022/23. As a result of the high inflation, private consumption in particular declined in the first quarter of 2023 – as in the previous quarter – by 1.2%. Inflation continued to fall at the beginning of the second quarter, but one-off effects resulting from the relief packages with which the German government offered support in the previous year caused a slight increase to 6.4% in June. For comparison, the inflation rate in May was 6.1%. All of this continued to significantly reduce purchasing power. According to current forecasts, economic output in the second quarter is likely to stagnate at the previous quarter's level.
→ Future Business and Industry Environment

Developments of Relevant Market Environments

ENTERTAINMENT

We are transforming our Entertainment core business with a focus on digital growth. ProSiebenSat.1 continues to drive forward the digitalization of advertising and is creating increasingly tailored solutions for customers under the umbrella of "Advanced TV" – both in the TV advertising environment and on the streaming platform Joyn. In doing so, the Group is consistently combining the advantages of traditional TV – such as its high reach – with the advantages of digital advertising, such as data-based targeting. The various Addressable TV products are an example of this, which enable a targeted, contextual adaptation of advertising on TV. Another area in which ProSiebenSat.1 has strongly invested recently is Programmatic TV. The aim here is to automate the process from booking to placement in linear TV advertising space.

While our digital & smart advertising revenues are growing despite economically difficult times, revenues from TV advertising have declined. According to Nielsen Media Research, ProSiebenSat.1 Group's gross TV advertising revenues declined to EUR 1.27 billion in the second quarter of 2023 (previous year: EUR 1.48 billion). This corresponds to a market share for ProSiebenSat.1 Group of 35.6% (previous year: 38.0%). In the first half of the year, ProSiebenSat.1 Group generated gross advertising revenues of EUR 2.38 billion (previous year: EUR 2.77 billion). This resulted in a market share of 34.5% (previous year: 36.5%). Based on gross data from Nielsen Media Research, the overall German TV advertising market declined by 8.4% to EUR 3.57 billion (previous year: EUR 3.90 billion).

In the first half of the year, the market volume decreased by 9.1% to EUR 6.90 billion (previous year: EUR 7.59 billion). This shows how closely the ongoing uncertainty among consumers correlates with the cautious use of TV advertising budgets.
→ Group Earnings

» **INFORMATION**

The data from Nielsen Media Research are important indicators for assessing the development of the advertising market. However, they are gathered on a gross revenue basis, meaning that neither discounts and own advertising nor agency commission are taken into account. In addition, the figures include TV spots from media-for-revenue and media-for-equity deals. The advertising revenues of major US digital corporations such as Google LLC ("Google") also are not reflected in the Nielsen figures, which therefore do not represent the entire gross advertising market. This also results in differences from the development of the TV advertising market on a net basis.

Digitalization is making media usage more diverse, more individual, and more flexible. Video content can be accessed anytime and anywhere. But it is not just the ways to consume media that are becoming increasingly diverse. The diversity of additional offerings – e.g., audio formats such as podcasts – also promotes the trend toward consistently high media usage. ProSiebenSat.1 is therefore consistently pursuing its aim to offer content via as many distribution channels as possible and thus to serve different user interests. We are placing Joyn at the center of our entertainment strategy and connecting the streaming platform with all our channels and brands and thus aiming to increase our reach.

In addition to the aim of offering content across platforms, ProSiebenSat.1 Group is focusing its programming on local, relevant and live content and consistently expanding its share. For example, ProSieben and SAT.1 increased the share of local formats in prime time by 10.5% year-on-year in both the second quarter and first half of 2023. With our own local content, we are sharpening our brand profile while enhancing our position versus multinational streaming providers. This is an increasingly important competitive advantage.

The ProSiebenSat.1 station family stands for successful entertainment and infotainment and underscored its leading position among private providers in prime time in the second quarter of 2023: Here, the audience share in the German market increased to 26.1% (previous year: 25.2%); in the six-month period, the market share was 25.0% (previous year: 25.2%). In addition to the success format "Germany's Next Topmodel – by Heidi Klum" with an average market share of 17.2% among viewers aged 14 to 49, our shows "Wer stiehlt mir die Show?" (Stealing the Show) and "Joko & Klaas gegen ProSieben" (Beat the Channel) were a particular success with prime time shares of up to 21.9% and 21.3% respectively (viewers aged 14 to 49).

Overall, the ProSiebenSat.1 stations' audience shares in the 14- to 49-year-old target group in Germany amounted to 25.4% in the second quarter of 2023 (previous year: 25.5%). On a half-year basis, ProSiebenSat.1 achieved a market share among viewers aged 14 to 49 of 24.8% (previous year: 25.2%). The market shares in both periods thus remained below the previous year.

AUDIENCE SHARES OF PROSIEBENSAT.1 GROUP IN GERMANY, AUSTRIA UND SWITZERLAND

in %

	Q2 2023	Q2 2022	H1 2023	H1 2022
Germany	25.4	25.5	24.8	25.2
Austria	26.5	26.1	26.5	25.7
Switzerland	17.1	14.5	16.2	15.9

Germany: A: 14-49; ProSiebenSat.1 Group: SAT.1, ProSieben, Kabel Eins, sixx, SAT.1 GOLD, ProSieben MAXX, Kabel Eins Doku; sources: AGF Videoforschung; AGF SCOPE 1.2; January 1, 2022–June 30, 2023, market standard: TV; evaluation type TV time interval; product-related.
Austria: A 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, 2022–June 30, 2023; 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; D-CH; total signal; source: Mediapulse TV Data. Mediapulse switched to a hybrid TV measurement system on July 1, 2022 and adjusted the data retroactively for 2022.

ProSiebenSat.1 makes an important contribution to the diversity of media and opinion. Because independent reporting and objective contextualization of information are becoming increasingly important in the digital world, the Group launched its own newsroom at the beginning of the year. Since June 2023, all news formats – whether on TV or via digital channels – have been combined under the umbrella brand :newstime. ProSiebenSat.1 has thus created a cross-platform brand in the news landscape in order to provide information about current and relevant topics reliably and quickly. The Group’s clear goal here is to address various audience groups at eye level and to establish :newstime as a quality seal of understandable, objective quality journalism.

COMMERCE & VENTURES

In the Commerce & Ventures segment, ProSiebenSat.1 Group bundles its investments in e-commerce companies. Via media-for-revenue or media-for-equity deals, the Group invests available advertising time and thus participates in the growth of the companies. By using our reach, we can thus consistently expand our digital portfolio without major cash investments.

ProSiebenSat.1’s investment strategy is focusing increasingly on sustainable companies that are suited to sales via our high-reach TV and digital channels and simultaneously offer direct added value for end customers. Thus, ProSiebenSat.1 has been cooperating with the food company NEXT GEN FOODS Pte. Ltd. (“Next Gen Foods”) since June 2023 through SevenVentures GmbH (“SevenVentures”) via a media-for-equity deal. The company develops plant-based foods and sells them internationally. Another example of a recent media-for-equity investment is KoRo Handels GmbH (“KoRo”), an innovative provider of vegan and vegetarian foods. The focus of both investments is to raise awareness of the respective brands via advertising on ProSiebenSat.1 platforms.

SevenVentures’ media-for-equity and media-for-revenue businesses are currently influenced by the difficult advertising market environment. In addition, there are rising interest rates and growing pressure on start-ups to be profitable, which currently results in reduced marketing spending as expected. In parallel, the subdued consumer sentiment in Germany at mid-year is making itself felt in online retail which revenues fell in total by around 14% year-on-year in the first half of 2023. Compared with the first half of 2019, i.e., before the outbreak of the COVID-19 pandemic, online retail recorded a revenue increase of nearly 15% across all sectors.
→ Economic Developments

At the same time, ProSiebenSat.1 is concentrating on improving the operational performance of the majority investments. For example, the online comparison portal Verivox (Consumer Advice) optimized its product range during the energy price crisis and installed a price alarm, which notifies the user as soon as cheaper offers and opportunities for consumers to switch providers are available. When prices for electricity and gas decreased at the start of the year, Verivox immediately benefited from the revived competition on the energy market and grew significantly again. This trend continued in the second quarter of 2023. In addition to Verivox, ProSiebenSat.1 Group's majority investments also include the car rental comparison portal billiger-mietwagen.de (Consumer Advice), the experience and leisure business of Jochen Schweizer mydays (Experiences), and the online beauty provider flaconi (Beauty & Lifestyle).

DATING & VIDEO

In the Dating & Video segment, we have a wide product range in the online dating and social entertainment market with the online platforms of ParshipMeet Group. In this way, ParshipMeet Group supports people find entertainment, friendships, love and partnerships. In addition to the offerings for diverse target groups and interests, ParshipMeet Group is also widely diversified in terms of revenue sources and geographical presence. The group comprises eight consumer brands and is present on three continents. The Group now generates around two-thirds of its revenues outside of the German-speaking region (Germany, Austria and Switzerland).

Accordingly, the factors influencing business performance are also extremely diverse, including both macroeconomic factors in various countries as well as technological and social trends. For example, the consumer restraint in the German-speaking region, which continued in the second quarter of 2023, had a negative effect on the development of ParshipMeet Group's revenue in Europe. In addition, legal changes, such as the Fair Consumer Contracts Act, are influencing the Dating & Video segment. The law, adopted in Germany in March 2022, provides for tighter regulation of contracts with longer terms and had significant implications for the revenue development of the online dating platforms Parship and ElitePartner for the first time in the second quarter of 2023. At the same time, usage of video offerings in the US has normalized after the dynamic growth during the contact restrictions in response to the COVID-19 pandemic and is declining, albeit at a high level.

Against this backdrop, ParshipMeet Group is optimizing its portfolio so that the brands better complement each other with regard to products, target groups and user intentions. This step is associated with efficiency measures such as the consolidation of the technical infrastructure of the social dating platforms.

GROUP EARNINGS

Revenues

In the second quarter of 2023, **Group revenues** of EUR 868 million were 17% below the previous year's figure (previous year: EUR 1,043 million). As expected, this development reflects the continuing challenging economic environment, with investments in advertising continued to decline in the second quarter of 2023. In addition to the Entertainment segment, this was also visible in the business of SevenVentures. Consolidation effects also had a negative impact on the Group's revenue development. Adjusted for currency effects and portfolio changes, revenues in the second quarter of 2023 amounted to EUR 846 million (previous year: EUR 944 million), a decrease of 10%.

From January to June 2023, the Group recorded revenues of EUR 1,683 million (previous year: EUR 1,983 million) and thus a 15% decline compared to the same period of the previous year. In this period, too, revenue development was significantly impacted by macroeconomic conditions and consolidation effects. Adjusted for currency effects and portfolio changes, Group revenues in the first half of the year were 9% below the previous year's figure.
→ Group Environment

» **INFORMATION**

ProSiebenSat.1 Group generates the majority of its revenues in Germany and thus in the eurozone. The remaining share of revenues is mainly attributable to the US, so exchange rate changes primarily result from the translation of US dollar into euro.

EXTERNAL REVENUES BY SEGMENT

in EUR m

	Q2 2023	Q2 2022[1]	Absolute change	Change in %
Entertainment	592	748	−156	−20.9
Commerce & Ventures	169	164	4	2.5
Dating & Video	107	130	−23	−17.6
Revenues	**868**	**1,043**	**−175**	**−16.8**
	H1 2023	H1 2022[1]	Absolute change	Change in %
Entertainment	1,119	1,410	−292	−20.7
Commerce & Ventures	340	311	29	9.4
Dating & Video	225	262	−37	−14.3
Revenues	**1,683**	**1,983**	**−300**	**−15.1**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.

REVENUE SHARE BY SEGMENT

	Q2 2023	Q2 2022[1]	**H1 2023**	H1 2022[1]
Entertainment				
Advertising revenues DACH	48%	44%	47%	45%
Other Entertainment revenues	20%	27%	19%	26%
Commerce & Ventures	19%	16%	20%	16%
Dating & Video	12%	13%	13%	13%

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.

External revenues in the **Entertainment** segment amounted to EUR 592 million in the second quarter of 2023 and were thus 21% or EUR 156 million below the previous year's figure. This is attributable on the one hand to the weaker macroeconomic environment, which had a significant effect on advertising revenues in the second quarter of 2023, albeit somewhat less pronounced than in the first quarter of 2023. Against this backdrop, advertising revenues in the Entertainment segment in the German-speaking region (Germany, Austria, Switzerland) decreased by 9% or EUR 41 million in the second quarter of 2023, as expected. The decline in TV advertising revenues in the German-speaking region was partially compensated by the growth in digital & smart advertising revenues. These recorded a plus of 5% in the German-speaking region, which, in addition to the streaming platform Joyn, is attributable to the growing audio segment. The past quarters have shown how closely the advertising market correlates with the development of private consumption. Also against this backdrop, the Group is expanding its portfolio in a targeted manner and addressing different media usage interests.

→ Group Environment

The decline in segment revenues is also mainly characterized by a consolidation effect in the content business (program production and sales). Here, revenues in the second quarter of 2023 decreased by 79% or EUR 110 million: As part of its focus on the German-speaking region, the Group sold the US production business of Red Arrow Studios as of July 1, 2022. This business had contributed revenues of EUR 75 million in the second quarter of the previous year. Adjusted for currency effects and portfolio changes, revenues in the Entertainment segment accordingly decreased by 13% or EUR 82 million.

These effects also influenced the segment's revenue development in the first half of the year: The segment's external revenues decreased by 21% to EUR 1,119 million (previous year: EUR 1,410 million). The main reason for the decline in revenues – in addition to the 10% or EUR 102 million decrease in advertising revenues – was the disposal of the US production business of Red Arrow Studios. In the same period of the previous year, this business had contributed EUR 135 million to revenues. Adjusted for currency effects and portfolio changes, the segment's external revenues decreased by 13% or EUR 163 million on a half-year basis.

The growth in the **Commerce & Ventures** segment continued in the second quarter of 2023, with **external revenues** increasing by 3% to EUR 169 million (previous year: EUR 164 million). Adjusted for currency effects and portfolio changes, the growth likewise amounted to 3%. The key growth driver was the online comparison portal Verivox (Consumer Advice). Since the beginning of the year, Verivox has benefited significantly from the improvement in the energy markets and has returned to very dynamic growth since then. Moreover, the Beauty & Lifestyle business with flaconi saw a noticeable increase in revenues despite ongoing consumer restraint in the German-speaking region. The experience and leisure business of Jochen Schweizer mydays (Experiences) also increased its contribution to segment revenues. In contrast, the media-for-revenue and media-for-equity business of SevenVentures declined significantly in the second quarter of 2023 compared to the previous year's quarter, which is attributable among other things to the current downturn in the advertising market.
→ Group Environment

On a half-year basis, the segment's revenues recorded significant growth of 9% or EUR 29 million to EUR 340 million. Here, too, the clear growth in the Digital and Commerce portfolio, driven in particular by Verivox and flaconi, more than compensated for the decline in revenues at SevenVentures. Adjusted for currency effects and portfolio changes, the segment's external revenues were 10% or EUR 31 million higher than in the previous year's period.

External revenues in the **Dating & Video** segment amounted to EUR 107 million in the second quarter of 2023. This represents a year-on-year decline of 18% or EUR 23 million, or of 16% or EUR 21 million adjusted for currency effects. Stricter regulations regarding fair consumer contracts came into force in Germany last year, affecting in particularly the subscription models of the Parship and ElitePartner platforms. These regulations had a significant impact on revenue development for the first time in the second quarter of 2023. Moreover, the Dating unit is characterized by the ongoing consumer restraint in the German-speaking region. In total, revenues from the Dating unit in the second quarter of 2023 were therefore 9% or EUR 6 million below the previous year. The Video unit posted a decline of 26% or EUR 17 million for this quarter. After the video business benefited during the COVID-19 pandemic from more intense usage and stimulus payments in the US, it is now declining at a high level in an intensely competitive environment.
→ Group Environment

Against this backdrop, the segment's external revenues decreased to EUR 225 million in the first half of 2023, which is a decline of 14% or EUR 37 million. Adjusted for currency effects, this is a minus of 15% or EUR 39 million.

EXTERNAL REVENUES
in EUR m

	Entertainment		Commerce & Ventures		Dating & Video		**Total Group**	
	Q2 2023	Q2 2022	**Q2 2023**	Q2 2022[1]	**Q2 2023**	Q2 2022	**Q2 2023**	Q2 2022[1]
Advertising revenues	**484**	**535**	**21**	**43**	**—**	**—**	**505**	**578**
DACH[2]	421	462	21	43	—	—	442	505
Rest of the world	63	72	—	—	—	—	63	72
Distribution	**44**	**46**	**—**	**—**	**—**	**—**	**44**	**46**
Content	**30**	**139**	**—**	**—**	**—**	**—**	**30**	**139**
Europe	27	62	—	—	—	—	27	62
Rest of the world	3	78	—	—	—	—	3	78
Digital Platform & Commerce	**—**	**—**	**147**	**121**	**—**	**—**	**147**	**121**
Consumer Advice	—	—	58	44	—	—	58	44
Experiences	—	—	8	5	—	—	8	5
Beauty & Lifestyle	—	—	80	71	—	—	80	71
Dating & Video	**—**	**—**	**—**	**—**	**107**	**130**	**107**	**130**
Dating	—	—	—	—	60	66	60	66
Video	—	—	—	—	47	64	47	64
Other revenues	**34**	**27**	**1**	**1**	**—**	**—**	**34**	**28**
Total	**592**	**748**	**169**	**164**	**107**	**130**	**868**	**1,043**

	Entertainment		Commerce & Ventures		Dating & Video		**Total Group**	
	H1 2023	H1 2022	**H1 2023**	H1 2022[1]	**H1 2023**	H1 2022	**H1 2023**	H1 2022[1]
Advertising revenues	**916**	**1,018**	**49**	**79**	**—**	**—**	**964**	**1,097**
DACH[2]	796	889	49	79	—	—	845	968
Rest of the world	119	129	—	—	—	—	119	129
Distribution	**90**	**90**	**—**	**—**	**—**	**—**	**90**	**90**
Content	**58**	**255**	**—**	**—**	**—**	**—**	**58**	**255**
Europe	54	115	—	—	—	—	54	115
Rest of the world	4	141	—	—	—	—	4	141
Digital Platform & Commerce	**—**	**—**	**290**	**230**	**—**	**—**	**290**	**230**
Consumer Advice	—	—	116	87	—	—	116	87
Experiences	—	—	13	8	—	—	13	8
Beauty & Lifestyle	—	—	161	135	—	—	161	135
Dating & Video	**—**	**—**	**—**	**—**	**225**	**262**	**225**	**262**
Dating	—	—	—	—	125	134	125	134
Video	—	—	—	—	100	128	100	128
Other revenues	**55**	**47**	**2**	**2**	**—**	**—**	**56**	**49**
Total	**1,119**	**1,410**	**340**	**311**	**225**	**262**	**1,683**	**1,983**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.
2 DACH = German-speaking region (Germany, Austria, Switzerland).

Adjusted EBITDA

As expected, due to the decline in revenues **adjusted EBITDA** in the second quarter of 2023 was also significantly lower than in the previous year: It decreased by 49% to EUR 79 million (previous year: EUR 155 million). The costs included in adjusted EBITDA amounted to EUR 794 million and were thus 11% below the previous year's figure (previous year: EUR 891 million). In addition to cost adjustments, currency and portfolio effects also had an impact. Adjusted for currency effects and portfolio changes, adjusted EBITDA decreased by 41% or EUR 59 million.

For the first half of the year, the Group's adjusted EBITDA amounted to EUR 133 million – down 50% or EUR 135 million year-on-year. Adjusted for currency effects and portfolio changes, the decline amounted to 43% or EUR 108 million. This development reflects ProSiebenSat.1's expectations in a very challenging market environment: In particular, the highly profitable but at the same time very cyclically sensitive advertising business impacted earnings significantly in the first and second quarter of 2023.

The development of the individual segments is as follows:

ADJUSTED EBITDA BY SEGMENT

in EUR m

	Q2 2023	Q2 2022[1]	Absolute change	Change in %
Entertainment	61	134	−73	−54.4
Commerce & Ventures	2	1	0	22.0
Dating & Video	18	25	−8	−30.4
Reconciliation (Holding & other)	−1	−5	4	−82.7
Total adjusted EBITDA	**79**	**155**	**−76**	**−48.9**
	H1 2023	H1 2022[1]	Absolute change	Change in %
Entertainment	92	225	−133	−59.1
Commerce & Ventures	6	4	2	61.0
Dating & Video	39	47	−8	−17.7
Reconciliation (Holding & other)	−4	−9	5	−54.2
Total adjusted EBITDA	**133**	**267**	**−135**	**−50.3**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.

The **Entertainment** segment recorded an **adjusted EBITDA** of EUR 61 million in the second quarter of 2023, and thus a year-on-year decline of 54% (previous year: EUR 134 million). This reflects the negative development of the high-margin advertising business due to the economic situation. The Group has responded to this with a more efficient management of programming expenses, which were slightly below the previous year at EUR 242 million in the second quarter of 2023 (previous year: EUR 250 million). In addition to the decline in revenues, consolidation effects had a negative impact on earnings: The full consolidation of Joyn as of October 31, 2022, resulted in a negative effect of EUR 14 million in the second quarter of 2023. In addition, the US production business of Red Arrow Studios had still contributed EUR 3 million to earnings in the previous year's period. These developments also influenced the half-year period: Here, adjusted EBITDA totaled EUR 92 million and was thus 59% below the previous year (previous year: EUR 225 million).

The **adjusted EBITDA** of the **Commerce & Ventures** segment increased to EUR 2 million in the second quarter of 2023 (previous year: EUR 1 million). This positive development reflects the segment's revenue growth and is accordingly influenced by opposing effects, whereby growth in the Consumer Advice, Beauty & Lifestyle and Experiences units compensated for the declining earnings of SevenVentures. On a half-year basis, adjusted EBITDA increased to EUR 6 million (previous year: EUR 4 million). This corresponds to growth of 61% compared to the previous year's period. This is primarily attributable to the profitable revenue development at Verivox.

The **adjusted EBITDA** in the **Dating & Video** segment amounted to EUR 18 million in the second quarter of 2023 and was thus 30% or EUR 8 million below the previous year's figure. Cost savings, particularly in the segment's Video business, partially offset the decline in revenues. In addition to the revenue decline, adjusted EBITDA in the second quarter of 2023 was also affected by an impairment on a contract asset. On a half-year basis, the segment's adjusted EBITDA amounted to EUR 39 million (previous year: EUR 47 million).

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME

in EUR m

	Q2 2023	Q2 2022[1]	Absolute change	Change in %
Adjusted EBITDA	79	155	−76	−48.9
Reconciling items	−73	−18	−55	~
EBITDA	**7**	**138**	**−131**	**−95.2**
Depreciation, amortization and impairments	−51	−104	53	−50.7
thereof from purchase price allocations	−7	−13	6	−44.8
Operating result (EBIT)	**−44**	**34**	**−79**	**~**
Financial result	−15	−38	23	−61.4
Income taxes	3	−26	30	~
Net income	**−56**	**−30**	**−26**	**84.4**
	H1 2023	H1 2022[1]	Absolute change	Change in %
Adjusted EBITDA	133	267	−135	−50.3
Reconciling items	−88	−19	−69	~
EBITDA	**44**	**248**	**−204**	**−82.1**
Depreciation, amortization and impairments	−103	−157	54	−34.6
thereof from purchase price allocations	−15	−24	9	−37.1
Operating result (EBIT)	**−59**	**91**	**−150**	**~**
Financial result	−32	−60	28	−46.5
Income taxes	4	−42	46	~
Net income	**−86**	**−11**	**−76**	**~**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.

The described developments of adjusted EBITDA resulted in a significant decline in **EBITDA** at Group level: EBITDA decreased to EUR 7 million in the second quarter of 2023 (previous year: EUR 138 million); on a half-year basis, it amounted to EUR 44 million (previous year: EUR 248 million).

The Group's EBITDA is mainly characterized by the revenue development. In addition it included **reconciling items** totaling minus EUR 73 million (previous year: EUR -18 million) in the second quarter of 2023. The reconciling items include **expense adjustments** of EUR 73 million (previous year: EUR 25 million), of which EUR 58 million are attributable to the recognition of a restructuring provision as part of the realignment of the Group. Furthermore, this position includes expenses from other one-time items of EUR 9 million (previous year: EUR 1 million), which particularly relate to the clarification of the matter regarding the ZAG and the related processes at Jochen Schweizer and mydays. Expenses also resulted particularly from changes in the Group's Executive Board. In contrast, the previous year's figure mainly includes M&A expenses from the disposal of the US production business of Red Arrow Studios as of July 1, 2022. In the second quarter of 2023, **income adjustments** amounted to EUR 0 million after EUR 7 million in the previous year.

In the first half of 2023, reconciling items amounted to minus EUR 88 million (previous year: EUR -19 million). The largest single item is reorganization expenses of EUR 69 million (previous year: EUR 2 million), which, in addition to the restructuring expenses as part of the realignment of the Group, relate to the US-headquartered The Meet Group. Furthermore, they include expenses from other one-time items amounting to EUR 12 million (previous year: EUR 1 million) from the matters described before.

Here, too, this is mainly in contrast to the reconciling items from M&A expenses in connection with the sale of the US production business in the previous year. In the six-month period, income adjustments amounted to EUR 0 million (previous year: EUR 13 million).

PRESENTATION OF RECONCILING ITEMS WITHIN ADJUSTED EBITDA

in EUR m

	Q2 2023	Q2 2022[1]	H1 2023	H1 2022[1]
Adjusted EBITDA	**79**	**155**	**133**	**267**
Income from changes in scope of consolidation	—	3	—	3
Income from other one-time items	0	1	0	2
Fair value adjustments of share-based payments	0	3	0	8
Income adjustments	**0**	**7**	**0**	**13**
M&A-related expenses	−2	−24	−5	−28
Reorganization expenses	−60	0	−69	−2
Expenses from changes in scope of consolidation	−2	—	−2	0
Expenses from other one-time items	−9	−1	−12	−1
Valuation effects relating to strategic realignment of business units	—	0	—	−1
Expense adjustments	**−73**	**−25**	**−89**	**−32**
Reconciling items	**−73**	**−18**	**−88**	**−19**
EBITDA	**7**	**138**	**44**	**248**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.

Depreciation, amortization and impairments amounted to EUR 51 million in the second quarter of 2023 (previous year: EUR 104 million) and to EUR 103 million in the first half of 2023 (previous year: EUR 157 million). The change compared to the previous year relates to the disposal of the US production business of Red Arrow Studios as of July 1, 2022, and is mainly attributable to the adjustment of the net carrying amounts to the selling price.

Financial result

The **financial result** significantly improved by 61% to minus EUR 15 million in the second quarter of 2023 (previous year: EUR -38 million). This was due to different and in part opposing effects:

While the **interest result** developed negatively due to the higher interest rate level and amounted to minus EUR 16 million (previous year: EUR -9 million), the **result from investments accounted for using the equity method** improved to EUR 0 million in the second quarter of 2023 (previous year: EUR -8 million). This is attributable to the full consolidation of Joyn. In the previous year, the 50% share in net profit or loss of the streaming platform was recognized in the financial result as a negative result from investments accounted for using the equity method.

The **other financial result** also improved. It amounted to EUR 1 million after minus EUR 20 million in the previous year. The previous year's figure is characterized by valuation effects from other financial instruments of minus EUR 20 million. Here, the largest valuation effects in the previous year resulted from the investment in the online fashion retailer ABOUT YOU (EUR -15 million) and a fund investment (EUR -13 million).

These opposing developments also characterized the first half of 2023, in which the financial result improved to a total of minus EUR 32 million after minus EUR 60 million in the previous year.

Net Income and Adjusted Net Income

In the second quarter of 2023, income from **income taxes** amounted to EUR 3 million (previous year: income tax expenses of EUR 26 million). On a half-year basis, income from income taxes amounted to EUR 4 million (previous year: income tax expenses of EUR 42 million).

→ Notes to Consolidated Financial Statements, note 4 "Income taxes"

INFORMATION

Income from income taxes is mainly influenced by the decline in earnings before taxes. The income from income taxes is relatively low compared to the Group's earnings before taxes, primarily due to the lack of opportunity to recognize deferred tax assets on losses. In the first half of 2022, income from income taxes was mainly influenced by non-tax-deductible valuation effects and the result from investments accounted for using the equity method.

Net income in the second quarter of 2023 was minus EUR 56 million (previous year: EUR -30 million). The recognition of a restructuring provision of EUR 58 million in connection with the realignment of the Group had a significant impact on this. This was partly offset by the improvement in the financial result. Against this backdrop, net income for the first half of the year declined to minus EUR 86 million (previous year: EUR -11 million).

Adjusted net income decreased in the second quarter of 2023 to EUR 4 million (previous year: EUR 64 million); in a half-year comparison, it declined to minus EUR 11 million (previous year: EUR 101 million). The reason for the significant decline is the development of adjusted EBITDA, which was partially compensated for by the improved financial result and income taxes. As a result, **adjusted earnings per share** also decreased significantly. It amounted to EUR 0.02 in the second quarter of 2023 (previous year: EUR 0.28) and minus EUR 0.05 in the first half of 2023 (previous year: EUR 0.45).

The reconciliation of net income to adjusted net income is as follows:

RECONCILIATION OF ADJUSTED NET INCOME

in EUR m

	Q2 2023	Q2 2022[1]	Absolute change	Change in %
Net income	**−56**	**−30**	**−26**	**84.4**
Reconciling items within EBITDA	73	18	55	~
Depreciation, amortization and impairments from purchase price allocations	8	14	−6	−44.0
Valuation effects in other financial result	0	21	−21	−98.9
Valuation effects of put-options and earn-out liabilities[2]	−1	−3	2	−58.8
Impairments of goodwill	—	47	−47	~
Other effects	1	−2	3	~
Tax effects on adjustments	−23	−4	−19	~
Subtotal	**2**	**60**	**−58**	**−97.4**
Net income attributable to non-controlling interests	2	3	0	−15.1
Adjustments attributable to non-controlling interests	0	1	−1	−95.4
Adjusted net income attributable to non-controlling interests	**2**	**4**	**−2**	**−44.9**
Adjusted net income	**4**	**64**	**−60**	**−94.1**
Adjusted earnings per share (in EUR)	**0.02**	**0.28**		

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.
2 Including compounding effects of EUR 0 million (previous year: EUR 1 million).

	H1 2023	H1 2022[1]	Absolute change	Change in %
Net income	**−86**	**−11**	**−76**	**~**
Reconciling items within EBITDA	88	19	69	~
Depreciation, amortization and impairments from purchase price allocations	15	24	−9	−36.3
Valuation effects in other financial result	4	27	−23	−84.8
Valuation effects of put-options and earn-out liabilities[2]	−1	−4	2	−58.5
Impairments of goodwill	—	47	−47	~
Other effects	2	−5	7	~
Tax effects on adjustments	−30	−3	−27	~
Subtotal	**−8**	**94**	**−102**	**~**
Net income attributable to non-controlling interests	5	7	−2	−28.2
Adjustments attributable to non-controlling interests	−8	0	−8	~
Adjusted net income attributable to non-controlling interests	**−3**	**7**	**−10**	**~**
Adjusted net income	**−11**	**101**	**−112**	**~**
Adjusted earnings per share (in EUR)	**−0.05**	**0.45**		

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.
2 Including compounding effects of EUR 1 million (previous year: EUR 1 million).

FINANCIAL PERFORMANCE OF THE GROUP

Total assets amounted to EUR 5,780 million as of June 30, 2023 (December 31, 2022: EUR 6,005 million), thus decreasing by 4% compared to the end of the previous year. Key developments compared to the reporting date on December 31, 2022, are described below:

FINANCIAL PERFORMANCE
in EUR m

	06/30/2023	12/31/2022	Absolute change	Change in %
ASSETS				
Goodwill	1,992	1,997	−6	0
Programming assets	910	912	−2	0
Other intangible assets	806	809	−3	0
Property, plant and equipment	516	490	26	5
Other	332	345	−14	-4
Non-current assets	**4,556**	**4,555**	**1**	**0**
Programming assets	165	174	−9	-5
Trade receivables	414	471	−57	-12
Other	310	302	8	3
Cash and cash equivalents	336	504	−168	-33
Current assets	**1,224**	**1,451**	**−226**	**-16**
Total assets	**5,780**	**6,005**	**−225**	**-4**
EQUITY AND LIABILITIES				
Equity	**1,651**	**1,774**	**−123**	**-7**
Non-current financial debt	2,118	2,117	1	0
Other	644	653	−10	-1
Non-current liabilities	**2,761**	**2,770**	**−9**	**0**
Other	1,367	1,461	−94	-6
Current liabilities	**1,367**	**1,461**	**−94**	**-6**
Total equity and liabilities	**5,780**	**6,005**	**−225**	**−4**

Goodwill amounted to EUR 1,992 million (December 31, 2022: EUR 1,997 million). The change compared to the previous year’s figure is based on foreign currency effects.
→ Notes to Consolidated Financial Statements, note 5 “Goodwill”

Programming assets also did not change significantly and amounted to EUR 1,074 million (December 31, 2022: EUR 1,086 million). The slight decline reflects the Group-wide programming strategy of investing more in local, relevant and live content. Programming assets developed as follows:

STATEMENT OF CHANGES IN PROGRAMMING ASSETS
in EUR m

	H1 2023	H1 2022
Carrying amount as of 01/01	**1,086**	**1,145**
Additions	417	431
Disposals	−3	−4
Consumption	−426	−473
Other change	—	−1
Carrying amount as of 06/30	**1,074**	**1,098**

EARNINGS EFFECTS OF PROGRAMMING ASSETS
in EUR m

	H1 2023	H1 2022
Consumption	426	473
Change in provision for onerous contracts	−3	−11
Consumption including change in provision for onerous contracts	**423**	**462**

» **INFORMATION**
Programming assets include rights to feature films, series, commissioned productions, digital content, and advance payments for these rights and sports rights. They are recognized as a separate item due to their special significance for the Group's assets, liabilities, financial position and profit or loss. 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. In contrast, in-house formats are primarily produced with a view to broadcasting in the near future. For this reason, they are recognized immediately as an expense in cost of sales.

Property, plant and equipment increased by 5% or EUR 26 million to EUR 516 million. This is mainly due to advance payments in connection with the new campus building in Unterföhring.

Other non-current assets amounted to EUR 332 million. This is a decline of 4% or EUR 14 million, which is primarily attributable to the value performance of long-term foreign currency hedges in US dollars. **Other current assets** totaled EUR 310 million. This represents an increase of EUR 8 million compared to December 31, 2022.

Current trade receivables declined by 12% to EUR 414 million as of the reporting date (December 31, 2022: EUR 471 million).

Cash and cash equivalents amounted to EUR 336 million (December 31, 2022: EUR 504 million). The decline of 33% primarily reflects the negative free cash flow, which amounted to minus EUR 143 million in the first half of 2023 (previous year: EUR 140 million).

Equity decreased by 7% to EUR 1,651 million (December 31, 2022: EUR 1,774 million); the equity ratio was 28.6% (December 31, 2022: 29.5%). In addition to earnings development, the currency translation of financial statements of foreign subsidiaries and the value performance of long-term foreign currency hedges in US dollars had an impact on the equity base. In addition, the Annual General Meeting of ProSiebenSat.1 Media SE on June 30, 2023 agreed to pay a dividend totaling EUR 11 million for financial year 2022. The dividend was paid on July 5, 2023, and thus after the reporting period.

Non-current financial debt was stable year-on-year and amounted to EUR 2,118 million (December 31, 2022: EUR 2,117 million).

Other non-current liabilities decreased by 1% to EUR 644 million (December 31, 2022: EUR 653 million). **Other current liabilities** likewise decreased and amounted to EUR 1,367 million (December 31, 2022: EUR 1,461 million). This 6% decline is primarily attributable to lower trade and other payables, which mainly relate to programming assets. Lower tax liabilities and lower liabilities from put options also had an impact.

Net working capital

NET WORKING CAPITAL
in EUR m

	06/30/2023	12/31/2022
Inventories	38	41
Receivables	419	479
Trade and other payables	902	982
Net working capital	**–445**	**–462**

The **net working capital** of ProSiebenSat.1 Group amounted to minus EUR 445 million as of June 30, 2023 (December 31, 2022: EUR -462 million).

GROUP FINANCIAL POSITION AND LIQUIDITY

Borrowings and Financing Structure

ProSiebenSat.1 Group practices active financial management and uses various financing instruments. As of June 30, 2023, debt accounted for 71.4% of total equity and liabilities (December 31, 2022: 70.5%).

→ Financial Performance of the Group

Current and non-current financial debt accounted for the majority of debt at EUR 2,118 million or 51% (December 31, 2022: EUR 2,117 million or 50%). The terms and volumes of the financing instruments are as follows:

- The unsecured syndicated loan comprises two term loan tranches and a revolving credit facility (RCF). One loan tranche of EUR 400 million was extended in May 2023 and now matures in April 2026. Under certain conditions, this loan tranche can be extended by an additional year. The second tranche of EUR 800 million has a term until April 2027. The RCF with a volume of EUR 500 million likewise matures in April 2027. The RCF was not utilized in the first half of the current financial year.

- In addition, ProSiebenSat.1 has promissory notes totaling EUR 925 million in its portfolio, of which EUR 225 million from 2016 with a term of ten years and EUR 700 million from 2021 with terms of four, six, eight and ten years.

DEBT FINANCING INSTRUMENTS AND DURATIONS AS OF JUNE 30, 2023

Debt financing instruments	in EUR m	Maturity
Promissory loans 2021	226	October 2025
Term loan	400	April 2026
Promissory loans 2016	225	December 2026
Term loan	800	April 2027
Promissory loans 2021	346	October 2027
Promissory loans 2021	80	October 2029
Promissory loans 2021	48	October 2031

Excluding revolving credit facility (currently undrawn) totaling EUR 500 million (maturing in April 2027) as well as other loans and borrowings.

The Group’s financing instruments are not subject to financial covenants. Interest payable on the loan tranches and the revolving credit facility is variable and based on Euribor money market rates (base rate) plus a credit margin, whereby the credit agreement provides for a floor of 0% for the base rate. Parts of the promissory notes also bear interest based on Euribor money market rates.

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.

ProSiebenSat.1 holds interest rate options with a nominal volume of EUR 700 million. The interest rate options have a term until 2025 (EUR 50 million) and until 2027 (EUR 650 million). As of June 30, 2023, the proportion of fixed interest was 62% of the entire long-term financing portfolio (December 31, 2022: 86%). The average interest rate cap of the interest rate options was 1.5% per annum as of June 30, 2023.

→ Financial Performance of the Group

Financing Analysis

The Group's **net financial debt** amounted to EUR 1,782 million as of June 30, 2023 (December 31, 2022: EUR 1,613 million; June 30, 2022: EUR 1,881 million[1]). This figure thus improved by EUR 99 million compared to the end of the previous year's quarter but deteriorated by EUR 169 million as against December 31, 2022. This is particularly due to the development of the Group's cash flow and its usual seasonality.

NET FINANCIAL DEBT

in EUR m

	06/30/2023	12/31/2022	06/30/2022
Financial debt			
Term loan	1,194	1,194	1,193
Promissory note	924	923	1,198
Other loans	—	—	50
Financial debt	**2,118**	**2,117**	**2,442**
Cash and cash equivalents	336	504	561[1]
Net financial debt	**1,782**	**1,613**	**1,881[1]**

1 Before reclassification of cash and cash equivalents of assets held for sale.

The leverage ratio amounted to 3.3x and is therefore, as expected, during the year above the target range of 2.5x to 3x forecast for the end of 2023 (December 31, 2022: 2.4x; June 30, 2022: 2.4x[1]) This is mainly attributable to the decline in 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 June 30, 2023, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities of EUR 171 million (December 31, 2022: EUR 178 million; June 30, 2022: EUR 185 million) or real estate liabilities of EUR 154 million (December 31, 2022: EUR 133 million; June 30, 2022: EUR 107 million).

1 This includes cash and cash equivalents of EUR 70 million, which were reclassified to "assets held for sale" as of June 30, 2022, in connection with the sale of the US production business of Red Arrow Studios.

Analysis of Liquidity and Capital Expenditure

ADJUSTED OPERATING FREE CASH FLOW

in EUR m

	Q2 2023	Q2 2022[1]	H1 2023	H1 2022[1]
Adjusted EBITDA	79	155	133	267
Consumption of programming assets incl. change in provision for onerous contracts	219	232	423	462
Change in provisions	44	14	50	14
Change in working capital	–12	1	–21	–33
Investments	–308	–285	–580	–459
programming assets	–254	–226	–474	–366
other investments	–54	–58	–106	–94
Other[2]	–55	–8	–63	3
Adjusted operating free cash flow	**–33**	**109**	**–57**	**254**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.
2 Mainly includes adjustments from reconciling items within EBITDA and proceeds from the disposal of programming assets.

The decline in adjusted EBITDA also had a significant impact on ProSiebenSat.1 Group's **adjusted operating free cash flow**: It decreased to minus EUR 33 million in the second quarter of 2023 (previous year: EUR 109 million).

In the first half of 2023, adjusted operating free cash flow amounted to minus EUR 57 million (previous year: EUR 254 million). In addition to the lower earnings, this was also affected by the deferred timing of investments in licensed programming.
→ Financial Performance of the Group

CASH FLOW STATEMENT

in EUR m

	Q2 2023	Q2 2022	H1 2023	H1 2022
Cash flow from operating activities	**213**	**332**	**438**	**604**
Cash flow from investing activities	**–313**	**–295**	**–581**	**–464**
Free cash flow	**–99**	**37**	**–143**	**140**
Cash flow from financing activities	**–1**	**–199**	**–23**	**–199**
Effect of foreign exchange rate changes on cash and cash equivalents	0	17	–2	26
Change in cash and cash equivalents	**–100**	**–145**	**–168**	**–34**
Cash and cash equivalents at beginning of reporting period	436	706	504	594
Cash and cash equivalents classified to assets held for sale	—	–70	—	–70
Cash and cash equivalents at end of reporting period	**336**	**490**	**336**	**490**

Cash flow from operating activities amounted to EUR 213 million in the second quarter of 2023 (previous year: EUR 332 million) and to EUR 438 million in the first half of the year (previous year: EUR 604 million). This reflects the Group's earnings performance.

ProSiebenSat.1 Group reports **cash flow from investing activities** of minus EUR 313 million for the second quarter of 2023 (previous year: EUR -295 million). On a half-year basis, this amounted to minus EUR 581 million (previous year: EUR -464 million), with the following individual cash flows:

- The cash outflow for the acquisition of programming assets amounted to EUR 474 million (previous year: EUR 366 million). Programming investments are subject to temporary fluctuations.
- EUR 63 million were spent on other intangible assets (previous year: EUR 65 million). These primarily comprise internally generated intangible assets, licenses for sales of digital offerings, and software. Investments in property, plant and equipment amounted to EUR 43 million (previous year: EUR 29 million) and included technical facilities and the new campus building at the Unterföhring site.
- Proceeds from the disposal of non-current assets amounted to EUR 6 million in the first half of 2023, compared to EUR 18 million in the previous year. As in the previous year, the cash inflow in the current financial year primarily relates to fund investments.

The developments described above also characterize the second quarter of 2023.

The inflows and outflows resulted in **free cash flow** of minus EUR 99 million in the second quarter of 2023 (previous year: EUR 37 million) and minus EUR 143 million in the first half of the year (previous year: EUR 140 million).

Cash flow from financing activities amounted to minus EUR 1 million in the second quarter of 2023 (previous year: EUR -199 million) and to minus EUR 23 million in the first half of 2023 (previous year: EUR -199 million). In the previous year, cash flow from financing activities was mainly influenced by the dividend payment of EUR 181 million. In the current year, the dividend for the financial year 2022 in the amount of EUR 11 million was only paid out on July 5, 2023, and thus after the reporting period.
→ Significant Events

As expected, the cash flows described above resulted in a decline in **cash and cash equivalents** to EUR 336 million as of June 30, 2023 (December 31, 2022: EUR 504 million; June 30, 2022: EUR 490 million).

PROSIEBENSAT.1 MEDIA SE SHARE

PROSIEBENSAT.1 MEDIA SE ON THE CAPITAL MARKET

The German stock market made a positive start into 2023 thanks to initially declining concerns over recession and inflation at the beginning of the year. Moreover, the German stock market was supported by optimistic expectations for the year 2023. In March, however, Silicon Valley Bank's difficulties in the US had a negative effect on the entire banking sector and the international stock markets, albeit only for a short time. In the further course of the first half of the year, the German stock market's performance was volatile in light of the ongoing macroeconomic uncertainty and the development of key interest rates in Germany and abroad.

→ Group Environment

After the German leading index DAX, reached a new all-time high of 16,427.4 points on June 16, 2023, emerging concerns over general economic development led to a slight downward movement at the end of the first half of the year. At the end of the first half of 2023, the DAX was up 15.8% compared to the end of 2022 at 16,147.9 points. The MDAX, which also includes the ProSiebenSat.1 Media SE share, closed the first half of the year up 9.9% at 27,610.5 points. The Stoxx Media, which includes other media stocks in addition to TV companies, closed the first half of 2023 up 9.1% compared to the end of 2022.

While the ProSiebenSat.1 share outperformed the benchmark indices in the initial months of the year, the announcement of a reduced dividend payment and the subdued outlook for the results of the first quarter in particular had a negative impact on the share price at the end of April. Although the share price recovered significantly in the further course of May and June, the share closed weaker than the comparative indices at EUR 8.54, up 2.3% compared to the end of 2022.

The analysts' average price target (median) as of the end of the first half of 2023 was EUR 9.00. 15 brokerage houses and financial institutions actively valued the ProSiebenSat.1 share and published research reports. 27% of analysts recommended the ProSiebenSat.1 share as a buy, while 40% were in favor of holding the share and 33% gave a sell recommendation.

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 well as private shareholders. The largest individual shareholder is MFE-MEDIAFOREUROPE N.V. ("MFE") with its registered office in Amsterdam, Netherlands, which holds – according to the voting rights notification dated May 9, 2023 – 25.73% of the shares in ProSiebenSat.1 Media SE. Via instruments within the meaning of Section 38 (1) No. 1 and No. 2 WpHG, MFE also has the option to acquire shares amounting to 3.14%. MFE's shareholding in shares and instruments thus totals 28.87% at the end of the reporting period.

According to the voting rights notification we received on July 13, 2023, and thus after the end of the reporting period, MFE now holds 26.58% of the shares in ProSiebenSat.1 Media SE and 2.29% in instruments as defined by Section 38 (1) No. 2 of the German Securities Trading Act (WpHG) with the option to acquire shares in the amount of 2.29%. The amount of the total shareholding is unchanged compared to June 30, 2023.

PPF Group N.V. (“PPF”), Amsterdam, Netherlands, holds – according to the voting rights notification dated June 1, 2023 – 11.60% of the shares in ProSiebenSat.1 Media SE via PPF IM Ltd. (formerly: Acolendo Limited), Nicosia, Cyprus. In addition, there is an option to acquire a further 3.43% of the share capital or voting rights via instruments within the meaning of Section 38 (1) No. 1 WpHG, so that the stake in shares and instruments amounts to 15.04%. PPF is thus the second largest individual shareholder of ProSiebenSat.1 Media SE.

In total, 59.9% of the shares in ProSiebenSat.1 Media SE were held in free float on June 30, 2023 (December 31, 2022: 74.5%). This includes 28.5% held by private shareholders (December 31, 2022: 29.9%). 2.8% (6,514,679 shares) were held in treasury (December 31, 2022: 2.8%).

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2022

The Annual General Meeting of ProSiebenSat.1 Media SE for the financial year 2022 took place in virtual form on June 30, 2023. This means that the shareholders eligible to attend and their proxies were able to follow the Annual General Meeting live and in full picture and sound via the online shareholder portal. The participants were able to exercise their rights in exactly the same way as at a physical event: The shareholders or their proxies who were connected to the meeting registered their speech at a virtual table and made their contributions and asked questions live. A total of 140 questions were received, which were answered by the Executive Board and Supervisory Board. The attendance rate at the Annual General Meeting was around 58% of the share capital.

The agenda of the Annual General Meeting included new elections to the Supervisory Board: The shareholders elected Katharina Behrends, Dr. Katrin Burkhardt, Thomas Ingelfinger and Prof. Dr. Cai-Nicolas Ziegler to the Supervisory Board of ProSiebenSat.1 Media SE. The Annual General Meeting thus followed the Company’s proposals with a clear majority. Following the meeting, the Supervisory Board elected Prof. Dr. Rolf Nonnenmacher as the new Vice Chairman of the Board.
→ Significant Events

In addition to the election of Supervisory Board members, the shareholders of ProSiebenSat.1 Media SE approved the distribution of a significantly reduced dividend of EUR 0.05 per share to the holders entitled to dividends for financial year 2022 (previous year: EUR 0.80).
→ Significant Events

Following the announcement of the convening of the Annual General Meeting, the Supervisory Board decided to discharge the Supervisory Board members individually for financial year 2022. In this vote, all Supervisory Board members with the exception of the former Supervisory Board Chairman Dr. Werner Brandt were granted discharge by a majority. All other proposed resolutions requiring approval were adopted by the Annual General Meeting by a clear majority.

RISK AND OPPORTUNITY REPORT

ProSiebenSat.1 Group's **overall risk situation** is unchanged compared to the end of 2022. This also applies to the risks from economic and geopolitical environment: The prospects for the German economy are modest, but real incomes are expected to increase again in the second half of the year and stimulate private consumption. Although the German economy is not expected to grow in full-year 2023 due to the weak start, ProSiebenSat.1 as an early-cyclical company should benefit quickly from this economic recovery expected during the course of the year.
→ Economic Developments → Future Business and Industry Environment

All other reported risks are likewise unchanged in terms of both likelihood of occurrence and possible impact compared to the end of 2022. Moreover, we estimate that there are currently no risks that, individually or in combination with other risks, could have a material or lasting adverse effect on the earnings, financial position and performance of the Group. The identified risks pose no threat to the Group as a going concern, even looking into the future. The opportunity situation has likewise not changed compared to the end of 2022.

We systematically monitor all risks covered by the risk management process. These are not necessarily the only risks that the Group faces. However, we are currently not aware of any additional risks that could affect our business activities, or we do not consider them relevant in the context of this report. Our risk assessment is based on the data on the general economic situation known before the publication of this Half-Yearly Financial Report on August 3, 2023.
→ Company Outlook

» **INFORMATION**

ProSiebenSat.1 Media SE has a comprehensive risk management system to systematically identify, assess, manage and monitor risks. Risks are defined in this report as potential future developments or events that could significantly influence our business situation and result in a negative deviation from targets or forecasts. Therefore, risk indicators that we have already taken into account in our financial planning or in the Interim Consolidated Financial Statements as of June 30, 2023, are not covered by this definition and are consequently not explained in this Risk Report. The relevant risks are described in the Annual Report 2022 from page 174 onwards. The organizational requirements for risk and opportunity management are also explained here.
→ Annual Report 2022, “Risk and Opportunity Report”

OUTLOOK

FUTURE BUSINESS AND INDUSTRY ENVIRONMENT

The **global economy** is still facing numerous challenges in the middle of 2023. Inflation remains high, although it is now declining. Many central banks are therefore continuing their interest rate hikes. In turn, inflation and the interest rates are dampening the purchasing and investing activity of private households and businesses, especially in the largest national economies. The global economy is likely to grow in 2023, but at a low level: According to current forecasts by the OECD (Organization for Economic Cooperation and Development), the growth rate of the **global economy** is 2.7% (previous year: +3.3%). The US economy is expected to grow by 1.6% in real terms. For the eurozone, only a slight increase of 0.9% is expected for the current year.

The **German economy** entered recession in the winter half-year 2022/23. This was primarily due to the decline in private consumer spending as a result of high inflation rates and the associated fall in real incomes. For the second half of the year, the economic institutes' latest forecasts still assume that, with declining inflation and high wage increases, real incomes are likely to grow again and stimulate private consumption. Visibility remains limited, however, as the geopolitical tensions, not least in connection with the Russia/Ukraine war, continue to persist and dampen global economic momentum. After the weak start to the year, economists therefore expect the German economy to decline slightly in full-year 2023. The forecasts currently range between minus 0.5% (Deutsche Bundesbank) and minus 0.2% (German Institute for Economic Research) in real terms. Much depends on the further development of inflation.
→ Economic Developments

The uncertainties are also apparent in the forecasts of media agencies, which diverge significantly: For the full-year, Magna Global forecasts growth of 1.5% (December 2022: 1.6%) for the **overall advertising market in Germany**. While TV advertising investments are expected to decline by 7.7% (previously: 5.1%), growth of 4.9% (previously: 4.2%) is forecast in the digital advertising market. In contrast, ZenithOptimedia's forecast is more optimistic: Growth of 3.1% (December 2022: 2.9%) is expected for the net advertising market. At the same time, the agency still expects growth in the online advertising market of 8%, whereas TV advertising investments are forecast to decline by 3%. The forecast published by the German Association of Private Media ("VAUNET") for 2023 also anticipates dynamic growth in the online advertising market: Net investments in in-stream video advertising, which are shown online before, after or during a video stream, are expected to continue growing dynamically at a rate of 15% in 2023.

COMPANY OUTLOOK

The macroeconomic development in ProSiebenSat.1 Group's core markets is currently still subject to uncertainty also in the financial year 2023, particularly in the context of the Russia/Ukraine war and its consequences, such as economic restraint. ProSiebenSat.1 confirms the Group's forecast[2] for the financial year 2023 on the assumption that the economy in the German-speaking region (Germany, Austria, Switzerland) will recover in the second half of 2023 in line with the current expectations of economic research institutes. As an early-cyclical company, the Group is likely to benefit from this forecast economic recovery in the second half of 2023, as high-margin advertising revenues in particular correlate closely with macroeconomic developments. In this context, the last four months of the year are particularly crucial, as these are the strongest period for

2 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 2023 of c. 16% and for adjusted EBITDA of c. 14%. 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 c. EUR 6 million and adjusted EBITDA by c. EUR 1 million. For the outlook regarding all of the key figures described, the Group uses a EUR/USD exchange rate of USD 1.05 to the euro in financial year 2023.

ProSiebenSat.1's advertising business in terms of revenues and earnings. Adverse effects on the business that could arise from a further escalation of geopolitical tensions, for example, are not reflected in this outlook.

On this basis, ProSiebenSat.1 Group continues to forecast the following results – excluding further portfolio changes – for the financial year 2023:

Revenues

ProSiebenSat.1 continues to aim for a stable revenue development in 2023 and anticipates **revenues** of around EUR 4.10 billion with a variance of plus/minus EUR 150 million. Adjusted for currency effects and for the portfolio changes in the financial year 2022, such as the disposal of the US production business of Red Arrow Studios and the complete takeover of the streaming platform Joyn, ProSiebenSat.1 is aiming for revenue growth in the low single-digit percentage range. The corresponding figure for the previous year, adjusted for currency and portfolio effects, was EUR 4.02 billion.[3]

The revenue target is particularly influenced by the development of the Entertainment advertising revenues in the German-speaking region: For the TV advertising revenues included here, ProSiebenSat.1 anticipates a decline in the mid single-digit percentage range for the full-year. This is expected to be partially compensated for by strong growth of the digital portfolio. The Group expects the development of advertising revenues during the year to be divided into two parts: After a decrease in TV advertising revenues in the first half of 2023, ProSiebenSat.1 anticipates a significant recovery in its important advertising business in the second half of the year, parallel to the forecast economic development.

Earnings Performance and Cash Flow

Against the background of the portfolio changes in 2022 and the anticipated decline in high-margin TV advertising revenues, the Group continues to expect an **adjusted EBITDA** of around EUR 600 million with a variance of plus/minus EUR 50 million for full-year 2023 (previous year's figure adjusted for currency and portfolio effects: EUR 623 million[4]). These expectations include negative consolidation effects in the mid two-digit million EUR amount from the complete takeover of the streaming platform Joyn. Opposing effects with a pro rata impact in 2023 from a cost reduction program initiated by the Group at the beginning of the year are also reflected here. In line with the revenue development forecast, ProSiebenSat.1 assumes significant catch-up effects in the second half following the negative effects on adjusted EBITDA in the first half of 2023.

The Group's total programming costs will amount to c. EUR 1 billion in 2023 (previous year: EUR 1.029 billion). This also includes programming costs from the full consolidation of Joyn. A significant part of the total programming costs will continue to relate to local content which will also benefit the streaming platform Joyn.

The **adjusted net income** of ProSiebenSat.1 is mainly determined by the development of adjusted EBITDA. Furthermore, this key figure is influenced by the financial result and by income taxes. On this basis, the Group continues to expect adjusted net income for the full-year 2023 to be in a mid two-digit million EUR amount below the previous year's level of EUR 301 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. Accordingly, ProSiebenSat.1 continues to assume that the adjusted operating free cash flow for full-year 2023 – for reasons of comparability

3 Based on revenues in financial year 2022 translated at the exchange rates used for planning purposes in financial year 2023 less the revenues of companies deconsolidated in 2022, in particular of the US production business of Red Arrow Studios totaling EUR 135 million. The revenue contribution in particular of Joyn GmbH, which has been fully consolidated since November 2022, was proforma for the months January to October 2022. This results in a change in the Group's external revenues of minus EUR 4 million.
4 Based on adjusted EBITDA in financial year 2022 translated at the exchange rates used for planning purposes in financial year 2023 less the adjusted EBITDA of the companies deconsolidated in 2022, in particular of the US production business of Red Arrow Studios in a nonsignificant amount. The adjusted EBITDA contribution in particular of Joyn GmbH, which has been fully consolidated since November 2022, was proforma for the months January to October 2022. This results in a change in the Group's adjusted EBITDA of minus EUR 55 million.

adjusted for the change in investments in relation to the construction of the new campus at the premises in Unterföhring – will be in a low three-digit million EUR amount below the previous year's figure of EUR 492 million.

Capital Efficiency

ProSiebenSat.1 measures the mid-term financial success of the company on the basis of **P7S1 ROCE** (return on capital employed). Due to the expected decline in adjusted EBITDA, the Group continues to expect P7S1 ROCE in the financial year 2023 to be slightly below the previous year's level of 12.4%.

Capital Structure

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 the respective year. However, due to the expected decline in adjusted EBITDA in the full-year, the Group continues to expect the leverage ratio to be between 2.5x and 3x as of the end of 2023 (previous year: 2.4x), reaching the midpoint of the adjusted EBITDA target.

CONSOLIDATED INCOME STATEMENT

in EUR m	Q2 2023	Q2 2022[1]	H1 2023	H1 2022[1]
Revenues	868	1,043	1,683	1,983
Cost of sales	−619	−674	−1,174	−1,286
Gross profit	**249**	**368**	**510**	**697**
Selling expenses	−182	−157	−351	−316
Administrative expenses	−115	−139	−226	−258
Other operating expenses	−2	−47	−2	−47
Other operating income	6	8	10	15
Operating result	**−44**	**34**	**−59**	**91**
Interest and similar income	5	1	9	7
Interest and similar expenses	−21	−10	−37	−20
Interest result	−16	−9	−28	−12
Result from investments accounted for using the equity method	0	−8	−1	−19
Other financial result	1	−20	−3	−28
Financial result	**−15**	**−38**	**−32**	**−60**
Result before income taxes	**−59**	**−4**	**−90**	**31**
Income taxes	3	−26	4	−42
Net income	**−56**	**−30**	**−86**	**−11**
Attributable to shareholders of ProSiebenSat.1 Media SE	**−54**	**−28**	**−81**	**−3**
Attributable to non-controlling interests	−2	−3	−5	−7
Earnings per share in EUR				
Basic earnings per share	−0.24	−0.12	−0.36	−0.01
Diluted earnings per share	−0.24	−0.13	−0.36	−0.03

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	Q2 2023	Q2 2022[1]	H1 2023	H1 2022[1]
Net income	**−56**	**−30**	**−86**	**−11**
Foreign currency translation adjustment	1	32	−9	52
Measurement of cash flow hedges	−4	21	−20	23
Income taxes	1	−6	5	−6
Items that may be reclassified subsequently to profit or loss	**−2**	**47**	**−23**	**69**
Remeasurement of defined benefit obligations	0	6	0	5
Income taxes	0	−2	0	−1
Items that will not be reclassified subsequently to profit or loss	**0**	**4**	**0**	**4**
Other comprehensive income	**−2**	**51**	**−23**	**72**
Total comprehensive income	**−57**	**21**	**−110**	**62**
Attributable to shareholders of ProSiebenSat.1 Media SE	**−56**	**15**	**−101**	**55**
Attributable to non-controlling interests	−2	6	−8	6

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in EUR m	**06/30/2023**	12/31/2022
ASSETS		
Goodwill	1,992	1,997
Programming assets	910	912
Other intangible assets	806	809
Property, plant and equipment	516	490
Investments accounted for using the equity method	22	29
Other financial assets	288	294
Other receivables and non-current assets	2	3
Deferred tax assets	20	20
Non-current assets	**4,556**	**4,555**
Programming assets	165	174
Inventories	38	41
Other financial assets	76	93
Trade receivables	414	471
Current tax assets	105	87
Other receivables and current assets	91	81
Cash and cash equivalents	336	504
Current assets	**1,224**	**1,451**
Total assets	**5,780**	**6,005**

in EUR m	**06/30/2023**	12/31/2022
EQUITY AND LIABILITIES		
Subscribed capital	233	233
Capital reserves	1,046	1,046
Consolidated equity generated	265	358
Treasury shares	−60	−60
Accumulated other comprehensive income	52	72
Other equity	−209	−141
Total equity attributable to shareholders of ProSiebenSat.1 Media SE	1,327	1,508
Non-controlling interests	324	266
Equity	**1,651**	**1,774**
Non-current financial debt	2,118	2,117
Other non-current financial liabilities	300	287
Trade and other payables	62	73
Other non-current liabilities	7	6
Provisions for pensions	1	2
Other non-current provisions	7	9
Deferred tax liabilities	266	277
Non-current liabilities	**2,761**	**2,770**
Other current financial liabilities	109	124
Trade and other payables	839	909
Other current liabilities	228	258
Current tax liabilities	55	78
Other current provisions	136	92
Current liabilities	**1,367**	**1,461**
Total equity and liabilities	**5,780**	**6,005**

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	Measurement of cash flow hedges	Remeasurement of defined benefit obligations	Deferred taxes	Other equity	Attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Equity
December 31, 2021[1]	233	1,046	534	−62	22	47	−15	−9	−140	1,657	310	1,968
Net income[1]	—	—	−3	—	—	—	—	—	—	−3	−7	−11
Other comprehensive income[1]	—	—	—	—	39	23	5	−8	—	59	14	72
Total comprehensive income[1]	**—**	**—**	**−3**	**—**	**39**	**23**	**5**	**−8**	**—**	**55**	**6**	**62**
Dividends	—	—	−181	—	—	—	—	—	—	−181	—	−181
June 30, 2022[1]	**233**	**1,046**	**350**	**−62**	**61[2]**	**70**	**−10**	**−17**	**−140**	**1,531**	**317**	**1,849**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.
2 Includes foreign currency translation effects of EUR 19 million associated with assets and liabilities of the US production entities of Red Arrow Studios that were held for sale on June 30, 2022 and sold on July 1, 2022.

in EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Measurement of cash flow hedges	Remeasurement of defined benefit obligations	Deferred taxes	Other equity	Attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Equity
December 31, 2022	233	1,046	358	−60	38	57	−10	−13	−141	1,508	266	1,774
Net income	—	—	−81	—	—	—	—	—	—	−81	−5	−86
Other comprehensive income	—	—	—	—	−6	−20	0	5	—	−20	−3	−23
Total comprehensive income	**—**	**—**	**−81**	**—**	**−6**	**−20**	**0**	**5**	**—**	**−101**	**−8**	**−110**
Dividends	—	—	−11[1]	—	—	—	—	—	—	−11	−2	−13
Other changes	—	0	—	—	—	—	—	—	−69	−69	69	0
June 30, 2023	**233**	**1,046**	**265**	**−60**	**32**	**37**	**−9**	**−8**	**−209**	**1,327**	**324**	**1,651**

1 The dividend appproved by the Annual General Meeting of ProSiebenSat.1 Media SE on June 30, 2023 was paid on July 5, 2023.

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	**Q2 2023**	Q2 2022[1]	**H1 2023**	H1 2022[1]
Net income	−56	−30	−86	−11
Income taxes	−3	26	−4	42
Financial result	15	38	32	60
Depreciation, amortization and impairments of goodwill, other intangible assets and property, plant and equipment	51	104	103	157
Consumption of programming assets incl. change in provision for onerous contracts	219	232	423	462
Change in provisions	44	14	50	14
Gain/loss on the sale of assets	2	−3	2	−3
Change in working capital	−12	1	−21	−33
Dividends received	6	6	6	6
Income tax paid	−35	−49	−41	−76
Interest paid	−24	−7	−33	−14
Interest received	6	0	7	1
Cash flow from operating activities	**213**	**332**	**438**	**604**
Proceeds from disposal of non-current assets	2	8	6	18
Payments for the acquisition of other intangible assets and property, plant and equipment	−54	−58	−106	−94
Payments for investments including investments accounted for using the equity method	−4	−15	−5	−19
Payments for the acquisition of programming assets	−254	−226	−474	−366
Proceeds from the repayment of loan receivables	0	0	0	1
Payments for obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	0	−4	0	−4
Proceeds from losing control of subsidiaries or other businesses (net of cash and cash equivalents disposed of)	−2	0	−2	−1
Cash flow from investing activities	**−313**	**−295**	**−581**	**−464**
Dividend paid	—	−181	—	−181
Proceeds from issuance of financial liabilities	13	—	22	11
Repayment of lease liabilities	−11	−11	−22	−22
Payments for transactions with non-controlling interests	—	0	−20	0
Payments in connection with refinancing measures	−1	−6	−1	−6
Dividend payments to non-controlling interests	−2	—	−2	—
Cash flow from financing activities	**−1**	**−199**	**−23**	**−199**
Effect of foreign exchange rate changes on cash and cash equivalents	0	17	−2	26
Change in cash and cash equivalents	**−100**	**−145**	**−168**	**−34**
Cash and cash equivalents at beginning of reporting period	436	706	504	594
Cash and cash equivalents at end of reporting period	**336**	**561**	**336**	**561**
Cash and cash equivalents classified under assets held for sale at end of reporting period	—	−70	—	−70
Cash and cash equivalents at end of reporting period (consolidated statement of financial position)	**336**	**490**	**336**	**490**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 / General information

The Interim Consolidated Financial Statements of ProSiebenSat.1 Media SE and its subsidiaries (together "the Group" or "ProSiebenSat.1 Group") as of June 30, 2023 have been prepared in accordance with the IFRS applicable to interim financial reporting as issued by the IASB and adopted by the EU, and should be read in conjunction with the Consolidated Financial Statements as of December 31, 2022. The Interim Consolidated Financial Statements were authorized for issue by the Executive Board on August 2, 2023.

The accounting principles applied by the Group to the Interim Consolidated Financial Statements as of June 30, 2023, are the same as those applied for the Consolidated Financial Statements for the financial year 2022. Generally, an exception to this is the application of revised standards that are mandatory for the Group since the beginning of the financial year on January 1, 2023. However, their application has no material impact on the Group's assets, liabilities, financial position and profit or loss.

In preparing the Interim Consolidated Financial Statements as of June 30, 2023, the continuing tense overall economic situation as a result of the ongoing Russia/Ukraine war and the associated uncertainties were taken into account when making assumptions, estimates and judgments. Information on the consequences of macroeconomic developments for the Group can be found in the
→ Interim Group Management Report

Material business models in the Entertainment and Commerce & Ventures segments are subject to seasonal fluctuations typical to the business. Therefore, the results for the first six months of the financial year 2023 do not necessarily permit predictions as to future business performance.

Due to rounding, numbers may not add exactly to the totals provided and percentages presented may not precisely reflect the absolute figures to which they relate.

2 / Retrospective adjustment of accounting for voucher sales in financial year 2022

In the financial year 2022, ProSiebenSat.1 Group revised its accounting for voucher sales and has since treated the upfront payments received from voucher purchasers in accordance with the provisions of IFRS 9. For unredeemed vouchers the Group recognizes the payments received as revenue at the time the right to redeem the voucher expires. The agency commission for redeemed vouchers is recognized as revenue at the time an experience is booked. For further details, please refer to note 3 "Changes in reporting standards and accounting policies" in the Notes to the Consolidated Financial Statements in the Annual Report 2022.

The impact of the retrospective restatement on the Consolidated Income Statement in the second quarter and for the first six months of the financial year 2022 is illustrated in the tables below:

CONSOLIDATED INCOME STATEMENT

in EUR m

		Q2 2022 after adjustments	adjustments	Q2 2022 before adjustments
Revenues	[3]	1,043	−13	1,055
Gross profit		**368**	**−13**	**381**
Selling expenses		−157	1	−158
Administrative expenses		−139	1	−139
Operating result		**34**	**−11**	**45**
Other financial result		−20	0	−20
Financial result		**−38**	**0**	**−38**
Result before income taxes		**−4**	**−11**	**7**
Income taxes	[4]	−26	4	−30
Net income		**−30**	**−7**	**−23**
Attributable to shareholders of ProSiebenSat.1 Media SE		**−28**	**−4**	**−23**
Attributable to non-controlling interests		−3	−3	1
Earnings per share in EUR				
Basic earnings per share		−0.12	−0.02	−0.10
Diluted earnings per share		−0.13	−0.02	−0.11

CONSOLIDATED INCOME STATEMENT

in EUR m

		H1 2022 after adjustments	adjustments	H1 2022 before adjustments
Revenues	[3]	1,983	−26	2,009
Gross profit		**697**	**−26**	**723**
Selling expenses		−316	3	−319
Administrative expenses		−258	1	−259
Operating result		**91**	**−22**	**113**
Other financial result		−28	−4	−24
Financial result		**−60**	**−4**	**−56**
Result before income taxes		**31**	**−26**	**57**
Income taxes	[4]	−42	7	−49
Net income		**−11**	**−18**	**8**
Attributable to shareholders of ProSiebenSat.1 Media SE		**−3**	**−11**	**8**
Attributable to non-controlling interests		−7	−7	0
Earnings per share in EUR				
Basic earnings per share		−0.01	−0.04	0.03
Diluted earnings per share		−0.03	−0.05	0.02

3 / Revenues

in EUR m

	Entertainment		Commerce & Ventures		Dating & Video		**Total Group**	
	Q2 2023	Q2 2022	**Q2 2023**	Q2 2022[1]	**Q2 2023**	Q2 2022	**Q2 2023**	Q2 2022[1]
Advertising revenues	**484**	**535**	**21**	**43**	**—**	**—**	**505**	**578**
DACH[2]	421	462	21	43	—	—	442	505
Rest of the world	63	72	—	—	—	—	63	72
Distribution	**44**	**46**	**—**	**—**	**—**	**—**	**44**	**46**
Content	**30**	**139**	**—**	**—**	**—**	**—**	**30**	**139**
Europe	27	62	—	—	—	—	27	62
Rest of the world	3	78	—	—	—	—	3	78
Digital Platform & Commerce	**—**	**—**	**147**	**121**	**—**	**—**	**147**	**121**
Consumer Advice	—	—	58	44	—	—	58	44
Experiences	—	—	8	5	—	—	8	5
Beauty & Lifestyle	—	—	80	71	—	—	80	71
Dating & Video	**—**	**—**	**—**	**—**	**107**	**130**	**107**	**130**
Dating	—	—	—	—	60	66	60	66
Video	—	—	—	—	47	64	47	64
Other revenues	**34**	**27**	**1**	**1**	**—**	**—**	**34**	**28**
Total	**592**	**748**	**169**	**164**	**107**	**130**	**868**	**1,043**

	Entertainment		Commerce & Ventures		Dating & Video		**Total Group**	
	H1 2023	H1 2022	**H1 2023**	H1 2022[1]	**H1 2023**	H1 2022	**H1 2023**	H1 2022[1]
Advertising revenues	**916**	**1,018**	**49**	**79**	**—**	**—**	**964**	**1,097**
DACH[2]	796	889	49	79	—	—	845	968
Rest of the world	119	129	—	—	—	—	119	129
Distribution	**90**	**90**	**—**	**—**	**—**	**—**	**90**	**90**
Content	**58**	**255**	**—**	**—**	**—**	**—**	**58**	**255**
Europe	54	115	—	—	—	—	54	115
Rest of the world	4	141	—	—	—	—	4	141
Digital Platform & Commerce	**—**	**—**	**290**	**230**	**—**	**—**	**290**	**230**
Consumer Advice	—	—	116	87	—	—	116	87
Experiences	—	—	13	8	—	—	13	8
Beauty & Lifestyle	—	—	161	135	—	—	161	135
Dating & Video	**—**	**—**	**—**	**—**	**225**	**262**	**225**	**262**
Dating	—	—	—	—	125	134	125	134
Video	—	—	—	—	100	128	100	128
Other revenues	**55**	**47**	**2**	**2**	**—**	**—**	**56**	**49**
Total	**1,119**	**1,410**	**340**	**311**	**225**	**262**	**1,683**	**1,983**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.
2 DACH = German-speaking region (Germany, Austria, Switzerland).

The tables show the breakdown of revenues by category. The categories Advertising revenues and Content are broken down into geographical regions. The allocation is based on the country of domicile of the subsidiary that recognizes the revenues. A distinction is made between the regions Germany (D), Austria (A), and Switzerland (CH) (together DACH) or Europe on the one hand and the rest of the world on the other. 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 company. The same category in the Commerce & Ventures segment includes revenues from media-for-equity and media-for-revenue transactions amounting to EUR 9 million in the second quarter of 2023 (previous year: EUR 28 million) and of EUR 24 million in the first half of 2023 (previous year: EUR 56 million). The category Advertising revenues Rest of the World mainly includes revenues of the Studio71 companies in the United States (USA). The Beauty & Lifestyle category includes revenues from the sale of goods of EUR 69 million in the second quarter of 2023 (previous year: EUR 59 million) and EUR 139 million in the first half of 2023 (previous year: EUR 112 million).

For more detailed information on the development of revenues, please refer to the
→ Interim Group Management Report chapter "Group Earnings"

4 / Income taxes

Income taxes for interim periods are recognized on the basis of the estimated weighted average income tax rate expected for the full financial year. Tax effects relating to singular events are recognized in full in the relevant interim period.

The income tax gain of EUR 4 million in the first half of 2023 (previous year adjusted: income tax expense of EUR 42 million) is primarily attributable to the decline in earnings before taxes. The income tax gain is relatively low compared to Group earnings before taxes mainly because the conditions for recognizing deferred tax assets on tax losses were not met. The comparative period was mainly impacted by non-tax-deductible measurement effects and the result from investments accounted for using the equity method.

5 / Goodwill

The continuing tense overall economic situation and persistent consumer restraint as a result of the ongoing Russia/Ukraine war provide sufficient evidence, among other things, for performing an indicator-based impairment test for the goodwill of the cash-generating unit NuCom Group as of June 30, 2023, especially as, following recognition of an impairment loss, the value in use and the carrying amount of the NuCom Group at the end of the previous year were the same. Moreover, the revenue performance of the cash-generating unit Video was negatively impacted by the consequences of ongoing consumer restraint and a normalization in the use of video offerings following the lifting of the COVID-19 contact restrictions. As a result, the Group also had to perform an indicator-based impairment test of the goodwill of the cash-generating unit Video.

For the Group's other cash-generating units, there was no need to perform indicator-based goodwill impairment tests as of June 30, 2023: that is because the values in use were significantly higher than the carrying amounts at the end of the financial year 2022 and there have been no indications that the surplus value in use could be eroded.

The recoverable amount of the cash-generating units relevant for the impairment test was determined in the form of a value in use. The calculation takes into account several probability-weighted scenarios that reflect various cash flow developments over the five-year planning period. The expected cash flows take into account the development of sales and earnings in the first six months of the current financial year and reflect current estimates of future business performance. The forecast EBITDA margin used for the period after the end of the planning period is 11.3% for the cash-generating unit NuCom Group and 21.7% for the cash-generating unit Video. Furthermore, the pre-tax discount rates applicable at the measurement date of December 31, 2022 have increased by the half-year reporting date from 13.0% for NuCom Group and 11.4% for Video to 13.1% and 11.9%, respectively.

The impairment tests as of June 30, 2023 for the goodwill of the cash-generating units NuCom Group and Video did not identify any need for impairment. The recoverable amounts determined for these cash-generating units exceed their carrying amounts by EUR 64 million for NuCom Group and EUR 192 million for Video. If the EBITDA margin of the cash-generating unit NuCom Group were to decrease by 2.7 percentage points or the pre-tax discount rate were to increase by 1.6 percentage points after the end of the planning period, the recoverable amount determined would be equal to the carrying amount of this cash-generating unit. If the EBITDA margin of the cash-generating unit Video after the end of the planning period were to decrease by 10.5 percentage points or if the pre-tax discount rate were to increase by 6.5 percentage points, the recoverable amount would be equal to the carrying amount of this cash-generating unit.

6 / Shareholders' equity

On June 30, 2023, the Annual General Meeting of ProSiebenSat.1 Media SE resolved to pay a dividend of EUR 11 million (EUR 0.05 per common share bearing dividend rights) for the financial year 2022. The dividend was paid on July 5, 2023 and thus after the reporting period.

The shift between the share attributable to shareholders of ProSiebenSat.1 Media SE and the share of non-controlling interests in the amount of EUR 69 million, recorded directly in equity, reflects the intra-Group sale of the shares in Jochen Schweizer mydays Holding GmbH from NCG – NUCOM GROUP SE to ProSiebenSat.1 Media SE on March 13, 2023. As a result of the sale, the former indirect minority interest of General Atlantic PD B.V., Amsterdam (as legal successor to General Atlantic PD GmbH, Munich) in this entity no longer exists.

7 / Other financial obligations

The following table contains the other financial obligations not recognized in the statement of financial position:

in EUR m

	06/30/2023	12/31/2022
Purchase commitments for programming assets	1,478	1,702
Distribution	73	83
Lease and rental commitments	0	4
Miscellaneous other	225	235
Total	**1,777**	**2,025**

The decrease of purchase commitments for programming assets primarily reflects the shift of the programming structure to local and live content and seasonal factors.

8 / Financial instruments

The following table presents the carrying amounts and fair values as well as the fair value hierarchy level of the input factors primarily used in the fair value measurement:

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

in EUR m

		06/30/2023					12/31/2022				
				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											
Equity instruments	Other financial assets	228	228	13	—	216	222	222	16	—	206
Hedge derivatives	Other financial assets	36	36	—	36	—	58	58	—	58	—
Derivatives for which hedge accounting is not applied	Other financial assets	46	46	—	46	—	48	48	—	48	—
Total		**310**	**310**	**13**	**82**	**216**	**328**	**328**	**16**	**106**	**206**
FINANCIAL LIABILITIES											
Measured at fair value											
Liabilities from put options	Other financial liabilities	27	27	—	—	27	49	49	—	—	49
Hedge derivatives	Other financial liabilities	1	1	—	1	—	0	0	—	0	—
Derivatives for which hedge accounting is not applied	Other financial liabilities	6	6	—	6	—	17	17	—	17	—
Measured at amortized cost											
Loans and borrowings	Financial debt	1,194	1,239	—	1,239	—	1,194	1,196	—	1,196	—
Promissory notes	Financial debt	924	859	—	859	—	923	837	—	837	—
Real estate financing	Other financial liabilities	154	156	—	156	—	133	134	—	134	—
Total		**2,306**	**2,289**	**—**	**2,261**	**27**	**2,316**	**2,233**	**—**	**2,184**	**49**

ProSiebenSat.1 Group's statement of financial position includes other financial instruments which are not presented in the table above and measured at amortized cost. Their carrying amounts represent appropriate proxies for their fair values.

The change in the carrying amount of Level 3 equity instruments mainly results from additions to investments from media-for-equity transactions.

The loans and borrowings amounting to EUR 1,194 Mio Euro consist of an unsecured syndicated loan with two term loan tranches (term loan) and a revolving credit facility (RCF). The first loan tranche of EUR 400 million was extended in May 2023 by one year to April 2026. It can be extended by a further year under certain conditions. The second tranche of EUR 800 million is due in April 2027. The RCF has a volume of EUR 500 million and will also be due in April 2027. It was not utilized in the first half of the current financial year.

To hedge the syndicated loan against interest rate increases, the Group holds interest rate options with a nominal volume of EUR 700 million. The interest rate options have a term until 2025 (EUR 50 million) and until 2027 (EUR 650 million). The average interest rate cap of the interest rate options is 1.5% per annum as of June 30, 2023.

The following table provides a reconciliation of the financial instruments measured at fair value primarily on the basis of level 3 input factors during the reporting period:

RECONCILIATION OF LEVEL 3 FAIR VALUES - CURRENT YEAR
in EUR m

	Equity instruments	Liabilities from put options
Balance as of January 1, 2023	**206**	**49**
Gains or losses recognized in the income statement during the reporting period[1]	4	–1
Additions	12	—
Disposals/Payments	–6	–20
Balance as of June 30, 2023	**216**	**27**

1 Of the gains and losses recognized in the reporting period, gains of EUR 4 million on equity instruments and gains of EUR 0 million on put option liabilities were unrealized.

During the first six months of the previous year, the fair values of financial instrument measured at fair value primarily on the basis of level 3 input factors changed as follows:

RECONCILIATION OF LEVEL 3 FAIR VALUES - PREVIOUS YEAR
in EUR m

	Equity instruments	Liabilities from put options[1]
Balance as of January 1, 2022	**270**	**60**
Gains or losses recognized in the income statement during the reporting period[2]	–12	–3
Additions	12	—
Disposals/Payments	–14	–9
Balance as of June 30, 2022	**256**	**48**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.
2 Of the gains and losses recognized in the reporting period, losses of EUR 11 million on equity instruments and gains of EUR 4 million on put option liabilities were unrealized.

Apart from effects from the unwinding of discounts, 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 4 million recognized for equity instruments in the reporting period mainly relate to the revaluations of fund investments and media-for-equity investments. The additions of EUR 12 million relate primarily to investments acquired as part of media-for-equity transactions, while the disposals of EUR 6 million mainly relate to sales of fund investments.

With respect to the liabilities from put options, the disposals/payments of EUR 20 million reported in the first half-year of 2023 relate to payouts made in the Dating & Video segment.

When measuring the liabilities from put options, the underlying earnings figures for the respective instruments and the risk-adjusted borrowing rates used are significant input factors that cannot be observed on the market. A 5% improvement in the underlying earnings figures would increase the (negative) fair value of the put options at the reporting date by EUR 1 million, while a 5% decrease would reduce it by EUR 1 million. In contrast, an interest rate change of plus or minus one percentage point would have no significant effect.

9 / Segment reporting

ProSiebenSat.1 Group has three reporting segments: Entertainment, Commerce & Ventures and Dating & Video.

The reconciliation column (Holding & other) contains the holding functions as well as effects of the elimination and consolidation of intra-group transactions between the segments. As in previous periods, the amounts presented in the second quarter of 2023 and the first half of 2023 relate to the holding functions, except for internal revenues.

The following table contains segment information for the ProSiebenSat.1 Group:

SEGMENT INFORMATION Q2 2023

in EUR m

	Entertainment	Commerce & Ventures	Dating & Video	Total Segments	Reconciliation (Holding & other)	**Total Group**
Revenues	602	169	107	879	–11	868
External revenues	592	169	107	868	—	868
Internal revenues	10	1	0	11	–11	—
Adjusted EBITDA	61	2	18	80	–1	79
Reconciling items	–55	–5	0	–59	–13	–73
Depreciation, amortization and impairments	25	13	8	47	4	51
Investments	281	6	3	289	19	308
thereof programming assets	254	—	—	254	—	254

SEGMENT INFORMATION Q2 2022

in EUR m

	Entertainment	Commerce & Ventures[1]	Dating & Video	Total Segments[1]	Reconciliation (Holding & other)	Total Group[1]
Revenues	771	165	130	1,066	–24	1,043
External revenues	748	164	130	1,043	—	1,043
Internal revenues	23	1	—	24	–24	—
Adjusted EBITDA	134	1	25	160	–5	155
Reconciling items	–12	–1	–1	–14	–4	–18
Depreciation, amortization and impairments	73	18	7	99	5	104
Investments	261	8	3	272	13	285
thereof programming assets	226	—	—	226	—	226

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.

SEGMENT INFORMATION H1 2023

in EUR m

	Entertainment	Commerce & Ventures	Dating & Video	Total Segments	Reconciliation (Holding & other)	**Total Group**
Revenues	1,142	341	225	1,708	–25	1,683
External revenues	1,119	340	225	1,683	—	1,683
Internal revenues	24	1	0	25	–25	—
Adjusted EBITDA	92	6	39	137	–4	133
Reconciling items	–54	–7	–7	–68	–20	–88
Depreciation, amortization and impairments	51	27	16	94	8	103
Investments	526	13	5	544	36	580
thereof programming assets	474	—	—	474	—	474

SEGMENT INFORMATION H1 2022

in EUR m

	Entertainment	Commerce & Ventures[1]	Dating & Video	Total Segments[1]	Reconciliation (Holding & other)	Total Group[1]
Revenues	1,455	312	262	2,029	–46	1,983
External revenues	1,410	311	262	1,983	—	1,983
Internal revenues	45	1	—	46	–46	—
Adjusted EBITDA	225	4	47	276	–9	267
Reconciling items	–16	–2	3	–15	–4	–19
Depreciation, amortization and impairments	101	32	15	148	10	157
Investments	420	14	6	440	19	459
thereof programming assets	366	—	—	366	—	366

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.

For more detailed information on the development of revenues and adjusted EBITDA, please refer to the

→ **Interim Group Management Report section "Group Earnings".**

The adjusted EBITDA of the segments is reconciled to net income as follows:

RECONCILIATION OF SEGMENT RESULT

in EUR m

	Q2 2023	Q2 2022[1]	**H1 2023**	H1 2022[1]
Adjusted EBITDA of reportable segments	80	160	137	276
Eliminations and other reconciliations	–1	–5	–4	–9
Adjusted EBITDA of the Group	**79**	**155**	**133**	**267**
Reconciling items	–73	–18	–88	–19
Financial result	–15	–38	–32	–60
Depreciation, amortization and impairments	–51	–104	–103	–157
Income taxes	3	–26	4	–42
Net income	**–56**	**–30**	**–86**	**–11**

1 Prior-year figures partly adjusted, see Annual Report 2022, Notes to the Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies" and note 2 "Retrospective adjustment of accounting for voucher sales in financial year 2022" of this half-yearly financial report.

The reconciling items, which are taken into account when determining adjusted EBITDA, are distributed among the following categories:

PRESENTATION OF RECONCILING ITEMS

in EUR m

	Q2 2023	Q2 2022[1]	**H1 2023**	H1 2022[1]
Income from changes in scope of consolidation	—	3	—	3
Income from other one-time items	0	1	0	2
Fair value adjustments of share-based payments	0	3	0	8
Income adjustments	**0**	**7**	**0**	**13**
M&A-related expenses	−2	−24	−5	−28
Reorganization expenses	−60	0	−69	−2
Expenses from changes in scope of consolidation	−2	—	−2	0
Expenses from other one-time items	−9	−1	−12	−1
Valuation effects relating to strategic realignment of business units	—	0	—	−1
Expense adjustments	**−73**	**−25**	**−89**	**−32**
Reconciling items	**−73**	**−18**	**−88**	**−19**

Reorganization expenses contain a restructuring provision of EUR 58 million for an upcoming workforce reduction program, which was communicated to the employees affected by the measures on July 18, 2023. The recognition of a provision as of June 30, 2023 was necessary because the Works Council (Betriebsrat), as the employee representative body, had already been informed in the second quarter about the key points of the program and had reason to expect that the program would be implemented as planned.

10 / 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.

In the first half of 2023, the members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE, associates and joint ventures of ProSiebenSat.1 Group and, since June 30, 2023, MFE - MEDIAFOREUROPE N.V., Amsterdam, Netherlands, ("MFE") and its subsidiaries and joint ventures were identified as related parties. As of June 30, 2023, MFE holds 25.73% of the voting rights of the Company as well as instruments under Section 38 (1) No. 1 and 2 of the German Securities Trading Act (WpHG) amounting to 3.14%. In addition, MFE is represented on the ProSiebenSat.1 Supervisory Board since the Annual General Meeting on June 30, 2023. There are no receivables or liabilities with MFE and its subsidiaries and joint ventures as of the reporting date.

On June 16, 2023 ProSiebenSat.1 Media SE announced that Erik Huggers, member of the Company's Supervisory Board, will resign from his mandate as of June 30, 2023. In accordance with legal requirements, the Company intends to file an application for the court appointment of a new member of the Supervisory Board to arrange the succession and to propose Klara Brachtlova.

In addition, the Annual General Meeting of ProSiebenSat.1 Media SE on June 30, 2023 elected Katharina Behrends, Dr. Katrin Burkhardt, Thomas Ingelfinger and Prof. Dr. Cai-Nicolas Ziegler as new members of the ProSiebenSat.1 Supervisory Board with a clear majority. The mandates were up for election because the regular terms of office of Dr. Marion Helmes, Deputy Chairwoman of the Supervisory Board, and Lawrence A. Aidem and Dr. Antonella Mei-Pochtler, members of the Supervisory Board, each expired at the Annual General Meeting. A further seat had become vacant due to the transfer of Bert Habets from the Supervisory Board to the Group's Executive Board as of November 1, 2022.

Since May 1, 2023, Martin Mildner has been a member of the Executive Board & Chief Financial Officer (Group CFO) of ProSiebenSat.1 Media SE and succeeds Ralf Peter Gierig, who resigned from his office as Chief Financial Officer on April 27, 2023, by mutual agreement with the Supervisory Board of ProSiebenSat.1 Media SE, prior to the adoption of a resolution on the preparation of the Annual and Consolidated Financial Statements for the financial year 2022. In June 2023, Wolfgang Link, former Executive Board Member Entertainment and CEO of Seven.One Entertainment Group GmbH, resigned from his position by mutual agreement with the Supervisory Board of ProSiebenSat.1 Media SE and left the Executive Board effective July 15, 2023.

ProSiebenSat.1 Group maintains relationships in the ordinary course of business with some of its joint ventures and associates. In doing so, the relevant Group entities generally buy and sell products and services on market terms. The following table presents the volume of transactions with joint ventures and associates:

VOLUME OF TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES

in EUR m

	H1 2023 and 06/30/2023			H1 2022 and 12/31/2022		
	Associates	Joint ventures	**Total**	Associates	Joint ventures	Total
Income statement						
Revenues from goods sold and services rendered	55	1	56	56	17	74
Expenses from goods purchased and services received	12	1	12	10	14	24
Statement of financial position						
Receivables	19	0	20	17	1	17
Payables	4	0	4	7	0	7

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the Interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim 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 material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Unterföhring, August 2, 2023

Bert Habets
Chairman of the Executive Board (Group CEO)

Martin Mildner
Member of the Executive Board & Chief Financial Officer (Group CFO)

Christine Scheffler
Member of the Executive Board & Chief Human Resources Officer (CHRO)

REVIEW REPORT

TO PROSIEBENSAT.1 MEDIA SE

We have reviewed the interim condensed consolidated financial statements of ProSiebenSat.1 Media SE, Unterföhring, which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated cash flow statement as well as selected explanatory notes, and the interim group management report for the period from 1 January to 30 June 2023, which are part of the half-year financial report pursuant to Sec. 115 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The executive directors of the Company are responsible for the preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and of the interim group management report in compliance with German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of the Company's employees and analytical assessments, and therefore does not provide the assurance obtainable from an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor's report.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Berlin, 2 August 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Schlebusch	Mielke
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

FINANCIAL CALENDAR

Date	Event
August 3, 2023	Publication of the Half-Yearly Financial Report of 2023
November 14, 2023	Publication of the Quarterly Statement for the Third Quarter of 2023

Changes in dates cannot be ruled out. We thus recommend to check the dates on the ProSiebenSat.1 website.

→ **www.prosiebensat1.com/en/investor-relations/presentations-events/financial-calendar**

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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,” “pursues the goal,” 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.