FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022 AND MANAGEMENT REPORT

PROSIEBENSAT.1 MEDIA SE

UNTERFÖHRING

MANAGEMENT REPORT OF PROSIEBENSAT.1 MEDIA SE FOR FINANCIAL YEAR 2022

PROSIEBENSAT.1 MEDIA SE

ProSiebenSat.1 Media SE, headquartered in Unterföhring (Germany), is a managing holding company with its own operational businesses. In particular, it generates revenue from the intercompany charges of holding services and from the sale of programming assets including ancillary rights. The company is responsible for management functions such as corporate strategy and risk management for the ProSiebenSat.1 Group, management of investments, central financing and other service functions. At ProSiebenSat. 1 Media SE we distinguish between three basic tasks. Firstly, the holding function, which is also shown separately in the consolidated financial statements, in which overarching funcitons that are not directly attributable to the segments such as Group communication, Investor Relations, Group controlling and accounting or the Group strategy are located. In addition, there are so-called “Center of Excellence” that are used by all segments and the holding company, charged according to performance and thus cost-efficiently making the establishment of special units in the respective Group companies unnecessary. A third essential function is represented by the shared service center, in which volume transactions and comprehensive accounting competencies are bundled and efficiently provided for main parts of the Group.

ProSiebenSat.1 Media SE controls the significant operational investments it directly holds in Seven.One Entertainment Group GmbH, Unterföhring, NCG-NUCOM GROUP SE, Unterföhring, ParshipMeet Holding GmbH, Hamburg and Seven.One Studios GmbH, Unterföhring, (formerly: Red Arrow Studios GmbH, Unterföhring) as well as indirectly those held by these companies. ProSiebenSat.1 Media SE receives investment income from these investments in the form of profit transfers or dividends. The net assets, financial position and results of operations of ProSiebenSat.1 Media SE are strongly influenced by this investment result and thus significantly by the business development of the entire ProSiebenSat.1 Group.

The Management Declaration according to section 289f HGB is publicly available on the Company’s website (https://www.prosiebensat1.de/investor-relations/corporate-governance/erklaerung-zur-unternehmensfuehrung).

ORGANIZATION AND GROUP STRUCTURE

BUSINESS ACTIVITIES AND SEGMENTS

The economic situation of ProSiebenSat.1 Media SE as the Group's top holding company is largely determined by the Group activities described below.

Corporate Profile and Business Activities

ProSiebenSat.1 Group is more than just a media company: We use the multi-million reach of our leading TV brands to establish strong consumer brands in other industries as well and, especially, to tap into digital revenue markets. Our focus is particularly on the German-speaking region (Germany, Austria, Switzerland) as our core market. We are driving our digital transformation on the basis of this growth strategy. ProSiebenSat.1 is divided into the three segments Entertainment, Dating & Video and Commerce & Ventures:

In the Entertainment segment, we combine leading linear and digital entertainment platforms with the production, distribution and sales business. Our programming strategy focuses on local content, which we broadcast live and on-demand across all platforms in a targeted way. This strengthens our competitive position and sets us apart from multinational providers. The Dating & Video segment offers a wide range of dating platforms and video-based social entertainment offerings. Here, we are concentrating on establishing a complementary platform ecosystem. We bundle ProSiebenSat.1 Group's investment activities in the Commerce & Ventures segment. We use media services and the power of our entertainment offerings to build digital consumer brands.

Segments and Brand Portfolio

Entertainment: ProSiebenSat.1 operates 15 free and pay TV stations in Germany, Austria and Switzerland. These include the free TV stations ProSieben, SAT.1, Kabel Eins, sixx, ProSieben MAXX, SAT.1 Gold and Kabel Eins Doku in Germany and the free TV stations PULS4, ATV and Puls 8, among others, in Austria and Switzerland. In Germany, ProSiebenSat.1 is the leader in the TV audience and advertising market (14- to 49-year-old viewers) and generates most of its revenues by selling advertising time.

With our station portfolio, we address different, complementary target groups in order to consistently increase our reach and expand our opportunities for monetization. This applies to both linear television and our digital offerings. In this context, we fully acquired the streaming platform Joyn GmbH ("Joyn") as of October 31, 2022. Joyn offers access to all live TV offerings of the ProSiebenSat.1 station family, a comprehensive media library and exclusive previews and catch-ups of all our formats on demand. Joyn is primarily an advertising-financed offering and is thus available to audiences free of charge; in contrast, global platforms are most financed by subscriptions. The local flavor also provides a competitive advantage that we will successively expand upon. With Joyn as a fully integrated part of the Group-wide entertainment offering, we can strengthen our marketable total reach and especially address young target groups. With Seven.One Audio which is part of Seven.One Entertainment Group GmbH ("Seven.One Entertainment Group"), we are also focusing on young target groups and at the same time into tapping additional revenue sources in podcasting sales.

In addition, the digital media & entertainment company Studio71 is also part of ProSiebenSat.1's digital entertainment offering. Studio71 sells and distributes a broad portfolio of content creators and their content on digital platforms such as YouTube, Facebook and Instagram. Studio71 has a presence in North America, Germany, and the UK. Since June 2022, the full-service agency Buzzbird GmbH ("Buzzbird") has supplemented the portfolio in the area of influencer marketing. All these audience brands are bundled under the umbrella of Seven.One Entertainment Group GmbH ("Seven.One Entertainment Group"), which also includes Seven.One Audio, Studio71 and Buzzbird.

Our goal is to consistently increase the share of local programming produced in-house on our stations. With this strategy, we are sharpening the profile of our brands and at the same time operating more independently in the market. Since November 2022, ProSiebenSat.1's program production and distribution business has therefore been pooled under the umbrella brand Seven.One Studios GmbH ("Seven.One Studios," formerly: Red Arrow Studios). This comprises eight production companies in Europe and Israel, including four companies in Germany, namely RedSeven Entertainment GmbH ("Redseven Entertainment"), Pyjama Pictures GmbH ("Pyjama

Pictures”), Cheerio Entertainment GmbH (“Cheerio Entertainment”) and Flat White Productions GmbH (“Flat White Productions”). The global programming distribution house Red Arrow Studios International GmbH (“Red Arrow Studios International”) is also part of the Group with its broad fiction, factual and format portfolio.

The ProSiebenSat.1 brands stand for entertainment — any time, anywhere, and on any device. Addressing viewers via multiple platforms also benefits ProSiebenSat.1 in the advertising market. With cross-platform offerings, we create added value in sales. With its subsidiaries Seven.One Media GmbH (“Seven.One Media”) and Seven.One AdFactory GmbH (“Seven.One AdFactory”), the Group can also support advertising customers and agencies from finding ideas to conception and implementation. At the same time, ProSiebenSat.1 is investing in the fields of AdTech and data to create additional opportunities of monetization and to target advertising ever more precisely to specific target groups.

The range of our portfolio covers the complete value creation process in the entertainment sector, from production to distribution and sales. In addition to revenues from advertising-financed TV and digital offerings, distribution revenues and revenues from the content business (program production and sales) also play an important role here. This diversification strengthens our business model. At the same time, the companies are managed as wholly owned subsidiaries. This is a competitive advantage over other TV companies, as we benefit from synergies within the Group and enjoy advantages with respect to program exploitation.

Dating & Video: ParshipMeet Group was created out of a successful Commerce & Ventures business and now contributes to our diversified Group portfolio in the Dating & Video segment. The initial investment was made in 2012 via a media-for-revenue deal with Parship Group GmbH (“Parship Group”). The establishment of a predominantly German-language portfolio around Parship Group’s dating business was followed by value-enhancing acquisitions with a focus on the US, including the acquisition of the online dating service eHarmony Inc. (“eharmony“) in 2018 and The Meet Group, Inc. („The Meet Group“) in 2020. Today, ParshipMeet Group is one of the leading online dating and social entertainment providers in the world. In addition to ProSiebenSat.1, General Atlantic PD GmbH (“General Atlantic”) acts as a financial investor and holds a 45.0% share in ParshipMeet Holding GmbH (“ParshipMeet Holding”).

Under the motto “Meet – Date – Fall in Love,” we cover a broad spectrum in the online dating as well as social entertainment market with the brands of ParshipMeet Group. The Company is also diversified geographically: Online dating platforms such as eharmony, Parship, ElitePartner and LOVOO help singles in Europe, North America, and Australia to find a partner. Video-based social entertainment apps such as MeetMe, Skout, Tagged and GROWLr enable their users to socialize and be entertained worldwide. In this way, ParshipMeet Group can make various target groups a comprehensive offer for their search for friendships, flirting or a relationship.

The revenue model is likewise very diversified and includes long- and short-term subscriptions as well as one-off purchases such as in-app purchases of virtual products, marketing services and services for third-party platforms. The Dating & Video portfolio is a classic platform business and therefore easy to scale internationally. In particular, ParshipMeet Group’s live-video-streaming know-how opens up additional potential here: With its own live-streaming technology Livebox (formerly: vPaaS – video-Platform-as-a-Service) we give creators the ability to reach a wide audience across platforms, to extend their reach and thus to monetize their activities in the best way possible. We use this solution not only for our own online dating and social entertainment offerings, but also make it available to third-party companies. The Livebox platforms benefit from a wide range of services – from the technology to support for streamers and the moderation of livestreams.

Commerce & Ventures: In the Commerce & Ventures segment, the Group bundles its investments in digital commerce companies with a strong consumer focus. ProSiebenSat.1 pursues various investment models and can thus help companies develop successfully at different stages of growth:

SevenVentures GmbH ("SevenVentures") offers a flexible investment model of minority investments and media cooperations. Here, we make targeted use of advertising time as an investment currency and offer high-growth companies with consumer-focused business models individually tailored support. Based on the principle of "reach meets idea", we invest advertising time and in return participate in the company's growth (in the form of media-for-revenue or media-for-equity deals). In this way, we tap into new markets without high business risk. SevenVentures' offering is supplemented by SevenAccelerator, which focuses on early-phase, scalable start-ups. Especially young companies at an early stage of development benefit from start-up financing in the form of TV advertising. As part of the Commerce & Ventures segment, Seven Growth also uses a mix of cash and media volume to invest in digital companies with proven business models that are on the road to profitability.

In addition, the segment comprises the companies of NCG – NUCOM GROUP SE ("NuCom Group"), in which our partner General Atlantic holds a share of 28.41% as a financial investor. NuCom Group comprises entities that operate in the fields of Consumer Advice, Experiences, and Beauty & Lifestyle. These include the online comparison portal Verivox GmbH ("Verivox," Consumer Advice), the experiences provider Jochen Schweizer mydays Holding GmbH ("Jochen Schweizer mydays," Experiences), the car rental comparison portal billiger-mietwagen.de (SilverTours GmbH ("SilverTours"), Consumer Advice), and the online beauty shop Flaconi GmbH ("Flaconi," Beauty & Lifestyle).

PROSIEBENSAT.1 GROUP SEGMENTS IN FINANCIAL YEAR 2022

ENTERTAINMENT	DATING & VIDEO	COMMERCE & VENTURES
The Entertainment segment comprises Seven.One Entertainment Group with its sales and distribution business, the strong TV brands such as ProSieben and SAT.1, entertainment platforms such as Joyn and other digital offerings, as well as the production and program distribution business of Seven.One Studios. We thus cover the entire value chain in the entertainment business.	**In the Dating & Video segment, we cover a broad spectrum from online dating to social entertainment offerings with ParshipMeet Group.**	**In the Commerce & Ventures segment, we bundle our investments in digital commerce companies with a strong consumer focus. We support these companies with our investment options at various stages of growth.**

CORPORATE STRUCTURE AND INVESTMENTS

The economic development of ProSiebenSat.1 Group is determined primarily by the subsidiaries, held both directly and indirectly. ProSiebenSat.1 Media SE is the ultimate parent company of the Group. In this function, its tasks include central financing, Group risk management and the ongoing development of the corporate strategy.

STRATEGY AND MANAGEMENT SYSTEM

STRATEGY AND OBJECTIVES

ProSiebenSat.1 is the home of popular entertainment and infotainment and a leading entertainment player in the German-speaking region. Our key entertainment brands focus around our 15 free and pay TV channels as well as our digital streaming platform Joyn.

Our Entertainment portfolio is complemented by digital consumer brands in our Commerce & Ventures and Dating & Video segments. We operate these consumer brands both in our core German-speaking markets but also abroad with a particular focus on the North American region.

Our strategy is centered around our Entertainment offerings with advertising income being the key monetization element. Our guiding principle is “Viewers and Users First”: We put our viewers and users at the center of everything we do. That is why we gear our offerings entirely to their needs, so that they can enjoy our content, consume our products and ultimately spend a lot of time with us. That is why our Entertainment business forms the core of ProSiebenSat.1 Group.

Our aim is to grow profitably across the Group and to create value for all stakeholders, amongst other viewers, users, advertising customers, institutional and private shareholders, politics and employees. We are focusing on maximizing our reach by providing local, relevant and live content on our broad array of platforms and by offering modern digital services and products via our commerce businesses. With diversified revenue streams, we monetize our reach through advertising as well as through our Commerce & Ventures businesses where also our Dating & Video segment has its origins.

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

Our Focus

In the **Entertainment** segment, we concentrate on our core markets of Germany, Austria and Switzerland. We have already made progress in recent years with our focus on local, relevant and live content that we broadcast across all platforms – live and on-demand – and that we produce more and more ourselves via our own production network. This way, we also make an important contribution to the formation and diversity of opinion. Now, we want to fully leverage the highly dynamic market environment by transforming the Entertainment segment in a platform-independent as well as data-driven business. We concentrate on further expanding our digital offering, e.g. by integrating our streaming platform Joyn as the center of our digital entertainment activities, in order to address multiple target groups in a consumer-centric way. Our innovative, digital advertising technologies under the Advanced TV umbrella should increase the digital share of our advertising revenues. In order to create meaningful scale, we consider partnerships and cooperation with industry players an important part of our strategy. Our Entertainment growth ambition is also complemented by regular reviews of opportunities for inorganic portfolio additions.

We use the reach of our Entertainment offerings to make brands well known and create environments in which they can grow sustainably. That is why our **Commerce & Ventures** business has a strategic closeness to our Entertainment business. Since more than ten years, we have been supporting the development of aspiring digital companies with our brand building power. We will continue this path by investing in attractive young companies with a strengthened focus on our media-for-equity/revenue model.

Our **Dating & Video** segment with ParshipMeet Group emanated from a successful investment in the Commerce & Ventures business. The initial investment in the area of online matchmaking was made via a media-for-revenue participation in Parship in 2012. In the subsequent years, ProSiebenSat.1 acquired a majority stake and bought further online dating brands – most recently The Meet Group in 2020. Today, ParshipMeet Group offers a diversified revenue base consisting of subscription business, virtual gifting as well as Livebox, our live-streaming solution, all contributing to the financial profile of ProSiebenSat.1.

Our Objectives

ProSiebenSat.1 Group will continue to operate financially disciplined with a clear focus on earnings and cash flow. We have set ourselves the ambition to grow revenues organically in the mid-single digit percentage range on average in the medium- to long-term. We thus aim to grow profitably across the Group and to deliver on our mid-term financial targets: to achieve a P7S1 ROCE (return on capital employed) of over 15% and to maintain a financial leverage ratio between 1.5x and 2.5x. Besides the general economic environment and the adjusted net income as 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, including the realization of strategic growth opportunities, particularly in the Entertainment core business.

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

PLANNING AND MANAGEMENT

The control parameter for ProSiebenSat.1 Media SE as the parent company is the balance sheet profit. The implementation of the dividend policy is to be ensured, in particular, through the investment result in the form of profit transfers and distributions from affiliated companies. Therefore, controlling the entire Group is essential for ProSiebenSat.1 Media SE.

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

Intragroup Management System

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

OVERVIEW OF THE MOST IMPORTANT PERFORMANCE INDICATORS AS OF DECEMBER 31, 2022

MOST IMPORTANT NON-FINANCIAL PERFORMANCE INDICATORS
Entertainment segment
– audience shares[1]

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

Most important non-financial performance indicators: The development of audience shares is an important criterion in programming and media planning in the advertising-financed TV business. In addition, this data is used as a benchmark for the calculation of advertising time prices: The market share expresses the average number of viewers of a broadcast as a percentage of the number of viewers of the entire TV market. The data indicate what proportion of the entire TV audience a broadcast has reached. The focus is on audience shares in prime time, as prime time from 8:15 p.m. to 11:00 p.m. in particular represents the main advertising period.

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

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

The earnings figure **adjusted EBITDA** stands for adjusted earnings before interest, taxes, depreciation and amortization (adjusted operating result). Reconciling items, such as M&A-related expenses, reorganizations and legal claims, are not taken into account in the adjusted operating result, so this figure provides the Executive Board as the chief operating decision maker with the appropriate performance measure to assess the operating profitability of the Group. **Adjusted net**

1 Market share of ProSiebenSat.1 Group’s TV stations in Germany among viewers aged 14 to 49.

income is the adjusted net income attributable to the shareholders of ProSiebenSat.1 Media SE; it serves as a basis for calculating the dividend. In addition to the adjustments from adjusted EBITDA, impairments of goodwill, depreciation, amortization and impairments from purchase price allocations, and other reconciling items in particular are adjusted for in the calculation.

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

To further focus on the segments' operating cash flow management, the Group uses **adjusted operating free cash flow** as the most important financial performance indicator. Adjusted operating free cash flow is defined as operating free cash flow before interest and taxes and is calculated as adjusted EBITDA corrected for non-cash expenses and income and less investments (programming and other investments) along with changes in net working capital.

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

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

A capital-efficient **leverage ratio** is a key performance indicator for the Group's financial planning. The leverage ratio indicates the level of net financial debt in relation to LTM adjusted EBITDA – the adjusted EBITDA that ProSiebenSat.1 Group has generated in the last twelve months (LTM = last twelve months). The target is a **factor of between 1.5x and 2.5x at the end of the relevant year**. Due to the importance of the fourth quarter and seasonal fluctuations during the year, the leverage ratio is only defined as a target value for the end of the respective year. During the year, reporting is provided for reasons of transparency and informational purposes. Cyclical influences or discretionary liquidity outflows — for example due to important strategic investments — may under certain circumstances lead to the target corridor valid for the year-end being exceeded. However, this does not put the general target range into question.

Financial and non-financial performance indicators are the foundation for corporate management. It is therefore logical to use them as a basis for determining target-oriented variable compensation. The performance bonus is relevant for employees at senior management levels as well as selected sales functions. It is based on the Company's success and on the most important financial performance indicators revenues, adjusted EBITDA and adjusted operating free cash flow. Various financial performance indicators served as a variable basis for determining the Executive Board's compensation in the financial year 2022; ESG targets are set in addition to these indicators.

DEFINITION OF SELECTED NON-IFRS FIGURES

ADJUSTED EBITDA

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

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

ADJUSTED NET INCOME

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

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

REPORTING AND USE OF NON-IFRS FIGURES

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

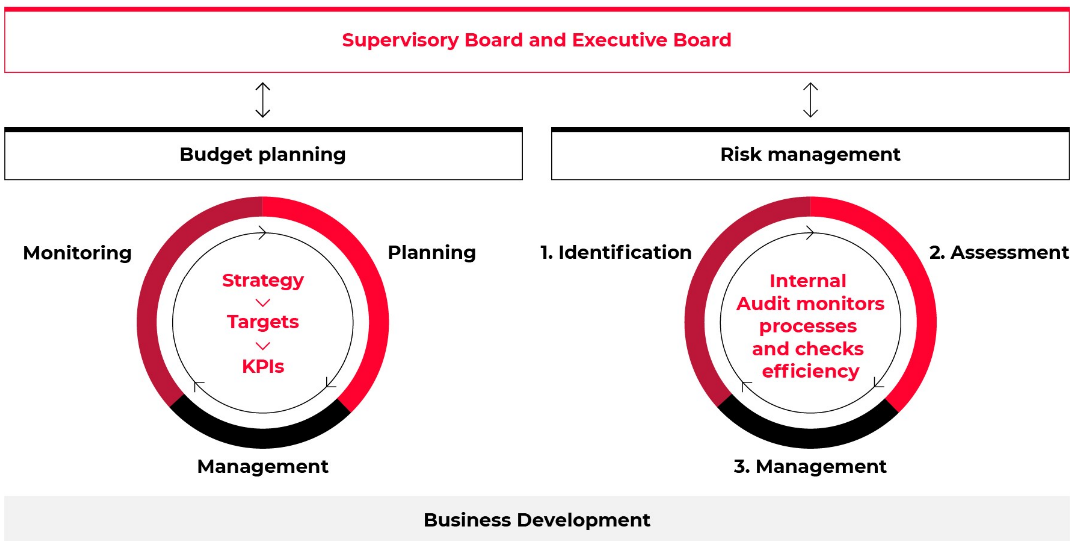
For its financial, strategic and operating decisions, ProSiebenSat.1 Media SE uses primarily non-IFRS figures as the basis of decision-making. These also provide investors with additional information which allow a multi-year performance comparison, as they are adjusted for specific factors. These figures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

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

Operational and Strategic Planning

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

BUDGET PLANNING AND RISK MANAGEMENT AT PROSIEBENSAT.1 GROUP



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

Monthly reporting and trend projections: Trend projections are an important tool in planning during the year. They allow the expected performance for the year to be calculated on the basis of the economic performance to date and to be compared with the target figures that were originally budgeted. The aim is to identify potential discrepancies between the target and actual figures immediately and to implement the necessary countermeasures promptly. In 2022, the Executive Board also outlined the Company's short-term and long-term economic performance to the Supervisory Board.

In addition to monthly reporting, potential risks are reported to the Group Risk Officer on a quarterly basis. In particular, any changes to the early warning risk indicators during the year and over time are analyzed here. For example, the development of audience shares is an important early warning indicator. As soon as the probability of occurrence of risks exceeds 50%, they are taken into account in budget planning. Additional opportunities and therefore possible positive deviations from projected targets are analyzed in parallel with risk management and taken into account in budget planning if their probability of occurrence is more than 50%.

CONDITIONS AND ENVIRONMENT OF PROSIEBENSAT.1 MEDIA SE

ProSiebenSat.1 Media SE bundles all central administration services for the entire Group. For this reason, the same general conditions apply to the company as to the entire Group. As a result, the further explanations are explained at Group level.

DEVELOPMENT OF ECONOMY AND ADVERTISING MARKET

The economy faced major challenges in 2022: After the **global economy** clearly recovered from the effects of the COVID-19 pandemic in 2021 and the economic institutes assumed solid growth for 2022 in their January forecasts, the situation changed significantly due to the Russia/Ukraine war.

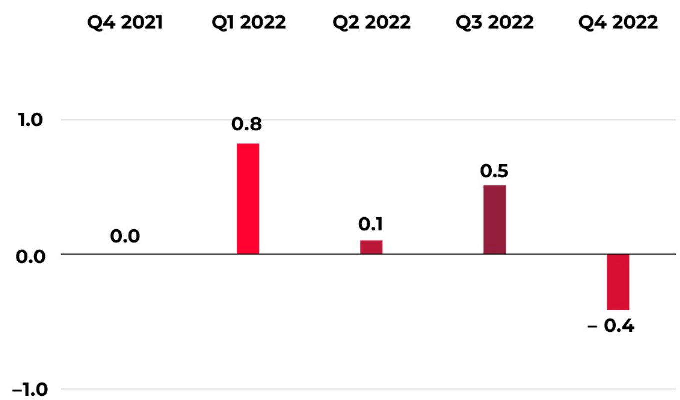
The continuing strains of the pandemic such as supply chain disruption were exacerbated by raw material and energy shortages and the sharp rise in inflation. Against this backdrop, the US Federal Reserve (Fed) and the European Central Bank (ECB) began to raise interest rates significantly after years of expansionary monetary policy. This further dampened the economic development. For the **US**, the growth rate of 4.0% forecast by the International Monetary Fund (IMF) in January 2022 was most recently reduced to a plus of 2.1%. For the global economy, the IMF determined an increase of 3.4% instead of the initially expected plus 4.4%. In 2021, the global economy grew strongly by 6.3%.

For **Germany**, growth was still projected at the beginning of the year. In particular, private consumption was expected to develop dynamically following the gradual end of COVID-19 restrictions. After growing slightly in the first quarter of 2022 (+0.8% in real terms vs. previous quarter, Destatis), the German economy deteriorated considerably over the rest of the year as a result of the Russia/Ukraine war. In the second quarter of 2022, gross domestic product nearly stagnated at 0.1% versus the previous quarter, so the German economy was expected to enter a recession.

Contrary to expectations, real economic output increased by 0.5% in the third quarter of 2022. As in the two previous quarters, the main factor was private consumption, which benefited from the easing of pandemic-related restrictions and grew significantly compared with the previous quarter. Thus, consumers used the easing of COVID-19 restrictions to travel and go out more, for example. In contrast to previous quarters, the economy in the fourth quarter of 2022 was not supported by private consumption and recorded a decline of minus 0.4% compared with the previous quarter, with inflation at a high level of over 8.0%.

The volatility of expectations is high, and concerns about a recession persist – but economists expect the economic decline to be milder than anticipated during the year. Concerns about a gas shortage are decreasing; the order backlog in industry is high. Moreover, there are signs of improvement in the supply chains. There is also government support, which is intended not only to curb inflation but also to stabilize business and consumer climate. Overall, however, the downward forces dominate: Inflation and the loss of purchasing power are expected to remain high despite the relief packages. At the same time, the COVID-19 catch-up effects in the consumer-related service sectors are gradually running out.

DEVELOPMENT OF GROSS DOMESTIC PRODUCT IN GERMANY IN %, CHANGE VS. PREVIOUS QUARTER



Chained, adjusted for price, seasonal and calendar effects. Source: Federal Statistical Office (Destatis), national accounts as of February 24, 2023.

ProSiebenSat.1 Group's business largely depends on the development of the advertising market. We currently see three major influencing factors: the Russia/Ukraine war and the resulting energy crisis, high inflation and the lowered economic outlook. The consequence is clearly visible over the course of the year:

While gross TV advertising investment grew by 4.6% in the first quarter, it was almost at the previous year's level in the second quarter. In the second half of the year, however, advertising investment recorded a significantly decline (Q3 2022: -9.6%; Q4 2022: -12.1%). Overall, gross TV advertising investment fell by 5.5% to EUR 17.15 billion for full-year 2022, according to Nielsen Media Research (previous year: EUR 18.14 billion).

This development reflects investment behavior of our advertising customers, even though ProSiebenSat.1 Group continued its market leadership on the German TV advertising market in 2022: According to Nielsen Media Research, ProSiebenSat.1 Group's TV advertising revenues declined by 7.4% to EUR 6.31 billion in 2022 (previous year: EUR 6.82 billion). This corresponds to a market share of 36.8% (previous year: 37.6%) for ProSiebenSat.1 Group. The macroeconomic uncertainties particularly affected the fourth quarter of 2022, which is traditionally important for ProSiebenSat.1. Here, the Group's TV advertising revenues were significantly lower than in the previous year, decreasing by 16.5% to EUR 2.10 billion (previous year: EU 2.52 billion). In view of the strained consumer climate, advertising spending for media was already reduced or postponed before a recession has actually occured.

The trend is comparable on a net basis: According to the current forecast by the German Advertising Federation (Zentralverband der deutschen Werbewirtschaft, "ZAW"), the media sector's net advertising revenues increased slightly at 1.9% over the year. However, this is due to the disproportionately high growth of digital advertising. The forecasts published by the media agencies ZenithOptimedia and Magna Global in December 2022 also show this development for 2022. As expected, total net advertising spending in Germany increased by 4.5% or 2.4%, respectively, due to the dynamic growth of investments in online advertising. At the same time, investment in TV advertising is likely to decline by 7.0% or 4.7%, respectively.

Online advertising is becoming an increasingly important revenue market for ProSiebenSat.1. By selling in-stream video ads, which are shown online before, after or during a video stream, ProSiebenSat.1 Group generated gross revenues of EUR 390.2 million in the full-year (previous year:

EUR 329.4 million). This is a sharp rise of 18.4% compared with the previous year, which significantly exceeds market growth. The market volume for advertising budgets in in-stream video ads in Germany recorded growth of 9.6% to EUR 1,070.2 million gross (previous year: EUR 976.6 million). These revenues do not include global platform providers such as Alphabet Inc. ("Alphabet")/Google and Meta Platforms, Inc. ("Meta")/Facebook.

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

in %

	Development of the TV advertising market in Q4 2022 (Change against previous year)	**Development of the TV advertising market in 2022 (Change against previous year)**
Germany	−12.1	−5.5
Austria	−2.1	+0.9
Switzerland	−3.2	−3.3

	Market shares ProSiebenSat.1 Group Q4 2022	Market shares ProSiebenSat.1 Group Q4 2021	**Market shares ProSiebenSat.1 Group 2022**	Market shares ProSiebenSat.1 Group 2021
Germany	36.9	38.8	36.8	37.6
Austria	41.9	40.5	41.3	40.3
Switzerland	25.7	25.4	25.8	25.1

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

DEVELOPMENT OF PROSIEBENSAT.1 GROUP'S RELEVANT MARKET ENVIRONMENTS

Entertainment

Digitalization continues to bring lasting change to the media landscape: 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 offerings also promotes the trend toward consistently high media usage. Two fundamental developments are emerging that we have aligned our strategy to:

TV is the medium that is used for the longest periods of time. According to the study "Media Activity Guide 2022" by our advertising time marketer Seven.One Media, TV has the biggest share in daily media usage among 14- to 69-year-old viewers, amounting to 213 minutes based on the latest wave of survey in 2022. 35% of daily media usage is thus attributable to TV, including both live and on-demand content. A multi-year comparison is also important for our strategy. The latest ViewTime Report in cooperation with forsa shows that daily usage of live TV offerings has declined at a high level, at the same time the usage of advertising-financed streaming offerings has gained significantly in importance and almost tripled since 2015. This high and growing popularity is a peculiarity of the German TV market, which also characterizes our portfolio: Our streaming platform Joyn is freely available and is primarily financed by advertising.

In addition to the strong usage time, television is also characterized by very high reach. This quality feature is reflected in the medium's advertising effectiveness. TV advertising is particularly effective and has great potential compared with other media. Video advertising can have a stronger emotional impact on a brand than any other medium. This is important for brand loyalty and ultimately for the sale of products. According to the study "Media Activity Guide 2022," for example, no other medium motivates people to research products online more strongly than television. Accordingly, the majority of advertising budgets is spent on TV advertising: According to gross data from Nielsen Media Research, 46.1% of advertising investments in 2022 went on TV advertising (2021: 47.1%), followed in second place by Print at 22.5% (previous year: 22.5%).

In this competitive environment, ProSiebenSat.1 Group's TV stations make it the leader among private – i.e. advertising-financed – providers: The ProSiebenSat.1 station family achieved a market share of 24.9% among viewers aged 14 to 49 in Germany over the full year (previous year: 25.5%). The market shares are thus lower than in the previous year, but this reflects our expectations in a very challenging market environment. The audience market in 2022 was influenced by two developments: While the start of the Russia/Ukraine war in the first quarter and the associated increased demand for information allowed primarily the public stations to increase their market shares, the broadcast of the Men's Soccer World Cup in November and December had a negative impact on the development of ProSiebenSat.1's market share in the fourth quarter of 2022.

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

in %

	Audience Shares Q4 2022	Audience Shares Q4 2021	**Audience Shares 2022**	Audience Shares 2021
Germany	24.3	26.5	24.9	25.5
Austria	26.0	27.0	26.1	27.4
Switzerland	14.0	15.6	15.2	14.3

Germany: A 14 - 49; ProSiebenSat.1 Group: ProSieben, SAT.1, Kabel Eins, sixx, ProSieben MAXX, SAT.1 GOLD, Kabel Eins Doku/AGF Videoforschung in cooperation with GfK; VIDEOSCOPE 1.4; January 1, 2021 - December 31, 2022; market standard: TV.
Austria: E 12 - 49; ProSieben Austria, SAT.1 Österreich, 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, 2021 - December 31, 2022; weighted for number of people; including VOSDAL/time shift; standard.
Switzerland: Figures are based on 24 hours (Mon - Sun), all platforms, overnight +7. ProSieben Schweiz, SAT.1 Schweiz, Kabel Eins Schweiz, sixx Schweiz, ProSieben MAXX Schweiz, SAT.1 Gold Schweiz, Puls 8; advertising-relevant target group: 15- to 49-year-olds; market shares relate to German-speaking Switzerland D-CH; total signal; source: Mediapulse TV Data.

In the German media landscape, ProSiebenSat.1 makes an important contribution to the diversity of media and opinion and addresses socially relevant topics, especially in young target groups. In this context, independent reporting is increasingly important to meet the growing demand for current information and reliable contextualization of news. ProSiebenSat.1 Group is increasingly fulfilling this social responsibility with its own newsroom: Since January 1, 2023, we have been producing news in-house, which we broadcast live from Unterföhring and from our capital city studio very close to the German government at Potsdamer Platz in Berlin. The aim is to act flexible with regard to current reporting, to broadcast content across platforms and to reach young target groups in a targeted manner. We are thus consistently pursuing our strategy of investing more in local, relevant and live content.

At the same time, ProSiebenSat.1 stands for big entertainment formats, especially in prime time, which is particularly relevant for the advertising industry. In 2022, for example, we achieved our highest market share in 14 years with established formats such as "Germany's Next Topmodel – by Heidi Klum" (average of 21.0%; viewers aged 14 to 49) and were successful with new entertainment formats like "Wer stiehlt mir die Show?" (Stealing the Show, average of 21.0%, viewers aged 14 to 49).

In 2022, the big TV stations ProSieben and SAT.1 recorded an increase in local program content in prime time of 10.8% year-on-year. This is an increasingly important competitive advantage: With our own content, we are sharpening our brand profile while at the same time strengthening our position versus multinational streaming providers. In addition to the focus on local and live content, the core of our programming strategy is to offer content via as many distribution channels as possible and thus to serve differing user interests. ProSiebenSat.1 Group is already reaching more than 60 million people a month via its free and pay TV stations in Germany, its own online channels are used by almost 12 million unique users.

ProSiebenSat.1 is consistently implementing its strategy of providing content across all platforms. In October 31, 2022, the Group acquired the outstanding 50% of the shares in the streaming platform

Joyn from Discovery Communications Europe Limited ("Discovery"). From the start, Joyn has focused on an attractive, free, and thus advertising-financed offering. With over 30 million app downloads and more than 4 million unique users a month, the German streaming platform has firmly established itself on the market after just three years.

Studio71 is also part of ProSiebenSat.1's digital offering. Here we develop and distribute a broad portfolio of content creators on digital platforms such as YouTube, Facebook and Instagram – and thus address the young target group between 18 and 25 in particular. In the financial year 2022, Studio71 generated 11.8 billion video views a month on YouTube alone, with around 1,250 channels (previous year: 10.7 billion video views). With innovative ideas for the future, such as virtual influencers, we are successively building on our competitive position and investing in new growth areas. Since June 2, 2022, for example, the full-service agency Buzzbird has complemented our portfolio as a wholly owned subsidiary. This makes us one of the largest providers of influencer marketing in Germany.

Digitalization is making media usage more diverse, more individual, and more flexible. Consequently, this means we are also successively strengthening and monetizing our reach beyond traditional advertising financing. The distribution of programs in HD quality is an example of how ProSiebenSat.1 Group generates additional revenues while simultaneously diversifying its revenue profile. Here, ProSiebenSat.1 Group participates in the technical service fees that end customers pay to the respective providers for programs in HD quality. In Germany, ProSiebenSat.1 Group's HD stations had 11.6 million users in the reporting period, 4.2% more than in the previous year.

Cooperations highlight our goal of increasing our reach. An important step in this context was an extensive Addressable TV cooperation agreement with Deutsche Telekom AG ("Deutsche Telekom"). Together with the platform partner, in 2022 we laid the technological foundations to offer targeted advertising campaigns on MagentaTV and thus beyond our own platforms and to further increase the reach base of Addressable TV and AVoD (advertising-financed video-on-demand).

Dating & Video

The popularity of online dating is high: In ParshipMeet Group's two largest geographical markets – the German-speaking region (Germany, Austria, Switzerland) and North America – dating platforms are now a normal way to meet people. Around 40% of all relationships in the US and around 36% of all relationships in Germany start online (as of 2021). The high relevance is accompanied by a growing number of single people. Digitalization is also providing opportunities, with the COVID-19 pandemic in particular accelerating structural changes: Due to the restrictions on social contacts, opportunities to get to know people on digital platforms – e.g. via live video formats in particular – recorded growth. At the same time, the social entertainment sector is becoming more important thanks to a growing willingness to pay for virtual goods.

On this basis, online dating and interactive live-streaming have become global megatrends in recent years. Thus, at the beginning of 2022 – based on an external study by the consulting firm OC&C Strategy Consultants LLP ("OC&C Strategy Consults") – we estimated the volume of the overall market for online dating and video-based social entertainment offerings in the German-speaking region (Germany, Austria, Switzerland) and North America to be around EUR 3 billion.

ParshipMeet Group operates in this dynamic market environment and has broad-based revenue sources. ParshipMeet Group is also geographically diversified, whereby the company generates most of its revenues in North America and thus outside the eurozone. The factors influencing business performance in the Dating & Video segment are accordingly diverse. Alongside societal trends, these include technological developments and regulatory changes, such as the Law on Fair Consumer Contracts in force from July 2022. Currency effects can also influence the business performance of the Dating & Video segment. In financial year 2022, the US portfolio benefited from the strong performance of US dollar compared to the euro.

Economic conditions are also highly important, whereby business performance closely correlates with private consumer spending. This is very clear in 2022: The macroeconomic challenges and above all a decline in purchasing power influenced ParshipMeet Group's revenue development in the German-speaking region (Germany, Austria, Switzerland). But the various consequences of the development of private consumption for the Dating & Video segment can also be felt in the US. In this context, private households received a stimulus payment from the US government in spring 2021, from which our US offerings benefited, especially one-time purchases of virtual goods. There was no such US government stimulus in 2022. Particularly with regard to the video offering, ParshipMeet Group must therefore measure up to a very strong previous year. In addition, the trend toward video meetings has stabilized as contact restrictions have been lifted.

An IPO of ParshipMeet Group was planned for the first half of the year in 2022. However, due to the uncertain and difficult capital market environment, the transaction was not realized in 2022.

Commerce & Ventures

Even before the COVID-19 pandemic and the associated restrictions in public life, purchasing decisions were increasingly being made online. Online shopping is now part of our everyday lives. Services such as consumer advice are also often provided virtually. We are exploiting this trend in our Commerce & Ventures portfolio. Here, we support e-commerce companies at various growth stages with the aim of raising awareness of their brands and thus increasing revenues and profitability. As it turns out, online portals with a strong consumer focus benefit in particular from TV advertising as a growth lever. Our investment strategy is focusing increasingly on sustainable companies that are suited for sales in the high-reach medium TV and simultaneously offer direct added value for end customers.

In our investment business with SevenAccelerator and SevenVentures, we again invested successfully in up-and-coming start-ups with our media currency in 2022 despite difficult market conditions. Due to the focus on end consumers, a large proportion of our investments correlate directly with the development of private consumption. This becomes clearly visible in 2022, although at differing intensities depending on the sector.

According to the German e-commerce and distance selling association (Bundesverband E-Commerce und Versandhandel Deutschland e.V., bevh), Germans reduced their consumption of non-essential goods and services in 2022 in view of the rising cost of living and energy costs. After the easing and end of restrictions in public life due to the COVID-19 pandemic, things initially began to return to normal. However, the market environment weakened again toward the end of the year due to the dampended consumer sentiment caused by the effects of the Russia/Ukraine war. The implications of the Russia/Ukraine war were also particularly apparent in the energy market, where we operate with our online comparison portal Verivox. The wide-scale and sharp rise in energy prices negatively affected consumers' switching behavior, which is important for the Verivox business model.

REGULATORY DEVELOPMENTS

In addition to the topic of digital consumer protection in Germany, platform regulation was also in the spotlight in 2022: In summer 2022, important digital laws were adopted at European level in the form of the Digital Services Act (DSA) and the Digital Markets Act (DMA). These are groundbreaking for all digital companies that compete with big tech corporations, as they address important shortcomings in competition and ensure fairer play for all market participants in Europe. While the DSA addresses important problems of the platform economy such as disinformation, hate speech, piracy, and counterfeiting, the DMA is intended to prevent anti-competitive practices. The DMA entered into force on November 1, 2022, the DSA on November 16, 2022. The addressed companies must now implement the requirements and comply with the rules after certain transition periods.

RESEARCH AND DEVELOPMENT

ProSiebenSat.1 Group does not carry out research and development (R&D) in the conventional sense of an industrial manufacturing company.

Nevertheless, research has a high priority at ProSiebenSat.1 Group. We operate in a dynamic competitive environment and therefore conduct intensive market research in all areas that are relevant for the business or offer potential for growth. In 2022, expenses for Group-wide market research activities amounted to EUR 8 million (previous year: EUR 7 million). The various research units in the Group prepare investigations and analyses on advertising impact, on trends in the advertising market and digital industries, and on media usage and assess economic and market projections. The results of the market analyses are a basis for our operational and strategic planning. With its studies, ProSiebenSat.1 also provides valuable knowledge for marketing and advertising planning, which in turn constitutes an important basis for investment decisions for our advertising customers. In the program development phase, program research also plays a decisive role. An important task is the assessment of international TV trends with regard to their potential for the German television market. In addition, research teams regularly provide quantitative and qualitative studies and analyses of ProSiebenSat.1 stations' programming. Among other things, new formats are tested with the aid of survey and audience screenings. Tests are also carried out on shows that have already been broadcast. Based on the results, we can adjust formats in the development phase and optimize TV programs that have already been broadcast.

In the area of development, ProSiebenSat.1 is working in the Entertainment segment particularly on making advertising products smarter. The aim is to exploit the advantages of digital advertising, such as its data-based TV broadcast options. Here, ProSiebenSat.1 is relying on new technologies, and offers advertising customers various products in the area of Advanced TV. Addressable TV spots are just one example. These spots allow viewers to be addressed based on their interests and thus in a very targeted manner. The offer is based on an advertising technology that Seven.One Media developed and has applied for a European patent. In order to enable the reach generated by combined TV and video campaigns to be measured and evaluated using unified criteria despite increasingly fragmented media usage, ProSiebenSat.1 and the licensor Sky Media GmbH ("Sky Media") have jointly developed the CFlight concept for the German market. CFlight includes transparent, cross-media campaign reporting, which guarantees the comparability of TV and video advertising exposures. By strengthening TV with premium video, CFlight opens up expanded target group potential, especially in the younger target group segments. We have also developed Programmatic TV, a new and innovative offer, that makes linear television available to customers via digital channels and enables the automated and individualized buying and selling as well as the adaptation of advertising space in real time. We can thus tap into new customer groups for TV – such as advertisers that have previously advertised mainly online. In the Dating & Video segment, we are working to enhance our products in line with the wishes of our customers. At the same time, we have developed our own live-streaming technology Livebox (formerly: vPaaS), to better serve the growing needs of the creator economy. We also make this technology available to third-party companies. In the Commerce & Ventures segment, our goal is to continually develop our digital platforms and thus build leading consumer brands.

COMPARISON OF ACTUAL AND PROJECTED BUSINESS PERFORMANCE FOR THE GROUP

ProSiebenSat.1 Group closed financial year 2022 in line with the outlook updated in October 2022. The macroeconomic environment, triggered by the Russia/Ukraine war, was increasingly challenging in 2022 and was characterized by a very high degree of uncertainty among consumers. This particularly applies to the German-speaking region (Germany, Austria, Switzerland) as our core market.

Compared to the expected revenue and earnings development communicated on March 3, 2022, the disposal of the US production business of Red Arrow Studios and the full acquisition of the streaming platform Joyn also had a financial impact. Overall, the business performance in 2022 was thus considerably below the financial targets published at the beginning of the year.

After advertising revenues had developed dynamically at the beginning of 2022 – partly due to COVID-19 catch-up effects – the Group increasingly felt the effects of consumer uncertainty after the start of the Russia/Ukraine war on February 24. This had a direct impact over the rest of the year on the advertising industry and our advertising revenues, which react early and very sensitively to economic developments, as well as on the majority of our offerings in the segments Dating & Video and Commerce & Ventures. In addition, the effects of the energy crisis impacted the revenue and earnings performance of the previously profitable business of the portfolio company Verivox.

Against the backdrop of the Russia/Ukraine war and taking into account the disposal of the US production business of Red Arrow Studios as of July 1, 2022, the Group updated the full-year outlook for its revenue and earnings performance published on March 3, 2022 with the publication of the 2022 second quarter results on August 11, 2022. The announcement of the full acquisition of Joyn on September 13, 2022 led to an adjustment of the outlook. For 2022, this particularly related to the Group's adjusted EBITDA, as previously the 50% share in Joyn had been recognized in the financial result using the equity method.

On October 27, 2022, ProSiebenSat.1 Group updated its outlook, as there were signs of a more severe deterioration in the macroeconomic environment in the fourth quarter of 2022 than originally reflected in the previous full-year outlook of ProSiebenSat.1 Group.

Traditionally, the fourth quarter is the most important quarter of the year in terms of full-year revenues and contribution to earnings, as a large proportion of advertising bookings are made in the run-up to Christmas. In 2022, this period also included the Men's Soccer World Cup, which was held in November and December for the first time and was mostly broadcast on public stations. In addition, the now predicted persistently high inflation, the energy price crisis and the resulting reluctance to consume have affected the growth prospects of the Commerce & Ventures segment, as a large part of these businesses are directly dependent on the overall economic development due to their focus on end consumers.

On this basis, the Group expected to achieve revenues of around EUR 4.15 billion and adjusted EBITDA of around EUR 650 million for the full-year. In this adjusted outlook, ProSiebenSat.1 also expected adjusted net income to be lower than the previous year's figure of EUR 362 million.

The Group achieved revenues of EUR 4,163 million in 2022 (previous year's figure adjusted for currency and portfolio effects: EUR 4,333 million). At the same time, adjusted EBITDA decreased to

EUR 678 million (previous year's figure adjusted for currency and portfolio effects: EUR 833 million). For full-year 2022, adjusted net income came to EUR 301 million. The revenue and earnings figures were therefore in line with our most recent expectations for 2022 as communicated in October. The same applies to other most important key performance indicators such as the leverage ratio.

The leverage ratio increased to 2.4x as of the end of the year (previous year: 2.2x) and thus remained within the target range of 1.5x to 2.5x despite the higher dividend payment compared to the previous year and the decline in adjusted EBITDA. The Group practices active financial management with the aim of consistently optimizing its financing profile. At the same time, our cash flow management is effective. This is also reflected in the development of adjusted operating free cash flow, which – while adjusted EBITDA posted a decline of EUR 163 million – decreased by EUR 107 million to EUR 492 million. As such, this figure was down year-on-year but the decrease was comparatively smaller.

In addition to the financial performance indicators mentioned, the development of audience shares in Germany is the most important non-financial performance indicator for ProSiebenSat.1 Group: With a market share of 24.9% among viewers aged 14 to 49, the Group confirmed its competitive position and is the leader among private broadcasters (previous year: 25.5%).

The following table provides an overview of the adjusted outlooks for 2022; the various financial performance indicators are also evaluated and analyzed in the following sections.

COMPARISON OF ACTUAL AND PROJECTED BUSINESS PERFORMANCE FOR THE GROUP

	2021[1]	FY 2022 March 3, 2022	Second quarter 2022 August 11, 2022	Ad-hoc disclosure Full acquisition of Joyn September 13, 2022	Ad-hoc disclosure October 27, 2022	**2022**
Revenues[2] (in EUR m)	4,413[4]	Overall, the Group is targeting revenues of EUR 4.6 billion for full-year 2022 with a variance of plus/minus EUR 100 million.[3]	Overall, the Group is targeting revenues of around EUR 4.375 billion for full-year 2022 with a variance of plus/minus EUR 75 million[3] (previous year's figure: EUR 4.333 billion[2, 6]).	For the outlook of ProSiebenSat.1 Group's financial year 2022, revenues of around EUR 4.375 billion remain unchanged with a variance of plus/minus EUR 75 million[3] (previous year's figure adjusted for currency and portfolio effects: EUR 4.333 billion[2, 6]) despite the first-time full consolidation of Joyn in the fourth quarter.	The Group expects revenues of around EUR 4.15 billion for the full-year.[3] At the same time, ProSiebenSat.1 assumes the Group's high-margin advertising revenues in the German-speaking region of Germany, Austria and Switzerland to be presumably down around EUR 130 million or around 17% year-on-year in the fourth quarter (previous year: EUR 776 million) and around EUR 160 million or around 7% down year-on-year for the full-year (previous year: EUR 2,233 million).	4,163
Adjusted EBITDA[2] (in EUR m)	825[5]	Based on the revenue assumptions above, for the full-year of 2022, ProSiebenSat.1 anticipates a Group adjusted EBITDA of around EUR 840 million with a variance of plus/minus EUR 25 million.[3]	Based on the revenue assumptions above, ProSiebenSat.1 anticipates a Group adjusted EBITDA of around EUR 805 million with a variance of plus/minus EUR 25 million[3] (previous year's figure: EUR 833 million[2, 7]).	Due to the first-time full consolidation of Joyn, ProSiebenSat.1 expects an adjusted EBITDA of the Group of around EUR 780 million for the full-year, with an unchanged variance of plus/minus EUR 25 million.[3]	Based on the revenue assumptions above, ProSiebenSat.1 anticipates adjusted EBITDA of around EUR 650 million.[3] These expectations include negative consolidation effects from the full acquisition of the streaming platform Joyn as well as positive effects from cost measures.	678
Adjusted net income (in EUR m)	362	The Group expects adjusted net income for the full-year 2022 to be at or slightly above the previous year's level.[3]	The Group continues to expect adjusted net income for the full-year to be at or slightly above the previous year's level of EUR 362 million.[3]	The Group expects adjusted net income for financial year 2022 to be approximately at the level of the previous year.[3]	Following the update of adjusted EBITDA expectations, adjusted net income will thus be below the previously communicated target.[3]	301
Adjusted operating free cash flow[8] (in EUR m)	599	Reaching a midpoint of the adjusted EBITDA target range, the Group assumes that the adjusted operating free cash flow should develop at or slightly above the previous year's figure of EUR 599 million.	Reaching a midpoint of the updated adjusted EBITDA target range, the adjusted operating free cash flow should continue to be around the previous year's figure of EUR 599 million.		Following the update of adjusted EBITDA expectations, adjusted operating free cash flow will thus be below the previously communicated target.	492
P7S1 ROCE in % (return on capital employed)	14.1	In financial year 2022, ProSiebenSat.1 Group is targeting a P7S1 ROCE slightly higher than the previous year's level of 14.1%.	P7S1 ROCE is expected to remain slightly above the previous year's level of 14.1%.		Following the update of adjusted EBITDA expectations, P7S1 ROCE will thus be below the previously communicated target.	12.4
Leverage ratio[9] (net financial debt/LTM adjusted EBITDA)	2.2	For the leverage ratio, ProSiebenSat.1 generally targets a range of 1.5x to 2.5x. At the end of 2022, the Group anticipates a leverage ratio at or slightly below the previous year's level.	Due to the disposal of the US companies of Red Arrow Studios as of July 1, 2022, ProSiebenSat.1 assumes that the leverage ratio will improve to around 2.1x at the end of the year when reaching the midpoint of the updated ranges.		Following the update of adjusted EBITDA expectations, the leverage will thus be above the previously communicated target.	2.4

The figures for 2022 represent reported figures.
1 The figures for 2021 reflect the information published in the Annual Report 2021, chapter "Company Outlook", which was available as a basis for the 2022 outlook as of that date. The retrospective adjustment of the accounting policy for the Jochen Schweizer mydays vouchers business has not been considered here.
2 Adjusted for currency effects and portfolio changes.
3 Without any further portfolio changes.
4 Based on revenues in financial year 2021 translated at the exchange rates used for planning purposes in financial year 2022 less in particular revenues of the companies deconsolidated in 2021, Sonoma Internet GmbH (Amorelie), moebel.de Einrichten & Wohnen AG (moebel.de) and Gravitas Ventures LLC (Gravitas Ventures), at in total EUR 101 million.
5 Based on adjusted EBITDA in financial year 2021 translated at the exchange rates used for planning purposes in financial year 2022 less in particular the adjusted EBITDA of the companies deconsolidated in 2021, Amorelie, moebel.de and Gravitas Ventures, at in total EUR 17 million.
6 The figure is based on the revenues of the financial year 2021 adjusted for portfolio effects and translated at the current exchange rates used for planning purposes (mainly, a EUR/USD exchange rate of USD 1.10 was used for the financial year 2022). In particular, the portfolio effects include the revenues of Amorelie, moebel.de and Gravitas Ventures – deconsolidated in 2021 – totaling EUR 101 million and the second half of 2021 revenues of the US production companies of Red Arrow Studios – deconsolidated as of July 1, 2022 – totaling EUR 113 million.
7 The figure is based on the adjusted EBITDA of the financial year 2021 adjusted for portfolio effects and translated at the current exchange rates used for planning purposes (mainly, a EUR/USD exchange rate of USD 1.10 was used for the financial year 2022). In particular, the portfolio effects include adjusted EBITDA of Amorelie, moebel.de and Gravitas Ventures – deconsolidated in 2021 – totaling EUR 17 million and the second half of 2021 adjusted EBITDA of the US production companies of Red Arrow Studios – deconsolidated as of July 1, 2022 – totaling minus EUR 3 million.
8 For reasons of comparability corrected for the change of investments in relation to the construction of the new campus at the Unterföhring site.
9 Depending on business performance and excluding any portfolio changes.

COMPARISON OF ACTUAL AND PROJECTED BUSINESS PERFORMANCE OF PROSIEBENSAT.1 MEDIA SE

The forecast for the annual result for the 2022 financial year assumed stable to slightly increasing income from profit transfers and reduced dividend income. Overall, both a decline in investment income and a decline in net income compared to the previous year were expected. Earnings effects from the valuation of investments were not taken into account in the forecast because they are unforeseeable. In addition, impairments in business due to the negative effects of the Russia/Ukraine war on the Group's core markets could not yet be reflected at the time the forecast was prepared at the end of February 2022.

Due to the energy crisis triggered by the Russia/Ukraine war in the 2022 financial year and the associated high inflation, the investment result recorded a significant decline. In addition, an impairment of EUR 430 million on the investment in NCG – NUCOM GROUP SE, Unterföhring, had to be made mainly as a result of increasing customer reluctance in the e-commerce sector. Overall, ProSiebenSat.1 Media SE posted a net loss for the year of EUR 123 million (previous year: net income for the year of EUR 517 million).

SIGNIFICANT EVENTS AND CHANGES IN THE SCOPE OF CONSOLIDATION

Changes in the scope of consolidation

In 2022, ProSiebenSat.1 Group focused its entertainment offering even more specifically on the German-speaking region and developed its portfolio accordingly. Against this backdrop, ProSiebenSat.1 sold the US part of Red Arrow Studios' production business to Peter Chernin's The North Road Company, LLC ("The North Road Company"). The transaction took economic effect as of July 1, 2022 and thus at the beginning of the third quarter of 2022. This includes the companies Kinetic Content, LLC ("Kinetic Content"), Left/Right, LLC ("Left/Right"), 44 Blue Studios, LLC ("44 Blue Studios"), Half Yard Productions, LLC ("Half Yard Productions") and Dorsey Pictures, LLC ("Dorsey Pictures"). The disposal decision reflects the strategic alignment of our entertainment business to the production of local, relevant content that is broadcast live or on-demand across all platforms in the core markets of the German-speaking region (Germany, Austria and Switzerland). For the creation and production of own content, our German-speaking production business as well as the production companies CPL Productions Limited ("CPL Productions"), Endor Productions Limited ("Endor Productions"), Snowman Productions AB ("Snowman Productions") and July August Communications and Productions Ltd. ("July August") play an important role and, make a strong content contribution to our strategy. Therefore, these companies remain in the Group, as well as the distribution business Red Arrow Studios International. By founding the German production companies Flat White Productions on December 15, 2021, and Cheerio Entertainment on February 2, 2022, ProSiebenSat.1 Group is simultaneously strengthening its German-speaking production activities in the areas of factual entertainment and entertainment, thus complementing its German-speaking portfolio around Redseven Entertainment and Pyjama Pictures. In this context, Red Arrow Studios was renamed Seven.One Studios, with all eight production companies as well as the global program distribution business bundled under its umbrella since November 2022.

At the same time, ProSiebenSat.1 is further expanding its digital entertainment portfolio: By agreement dated September 13, 2022, and with economic effect as of October 31, 2022, ProSiebenSat.1 Media SE acquired the outstanding 50% of the shares in Joyn from Discovery Communications Europe Limited ("Discovery"). The Group is thus transferring the streaming platform as a wholly owned subsidiary to its Entertainment segment and is continuing its digital transformation. Joyn has since formed the cornerstone of our digital ecosystem and we want to develop Joyn into the largest, freely accessible streaming platform for premium video content in the German-speaking region. With Joyn, ProSiebenSat.1 is going new ways in addressing viewers interactively, expanding digital reach and community building. At the same time, we are integrating the single sign-on registration service 7Pass to address users in a very targeted manner using data-based offers.

Resolutions of the 2022 Annual General Meeting and changes in the composition of the Supervisory Board

At the Annual General Meeting on May 5, 2022, Dr. Andreas Wiele was confirmed as a member of the Supervisory Board of ProSiebenSat.1, succeeding Dr. Werner Brandt as Chairman of the Board. Dr. Werner Brandt did not stand for re-election again after eight years as Chairman of the Supervisory Board and two periods in office. Dr. Andreas Wiele was a member of the Executive Board of Axel Springer SE ("Axel Springer") for 20 years. Since leaving the company in 2020, he has been active as a company founder and, among other things, General Partner at Giano Capital Management S.à r.l. ("Giano Capital Management"). Bert Habets was elected as a new member of the Supervisory Board. Prof. Dr. Rolf Nonnenmacher's mandate was confirmed. In addition to the election of Supervisory Board members, the shareholders approved a dividend of EUR 0.80 per dividend-entitled common share at the Annual General Meeting. This represents an increase of 63% compared to the previous year (previous year: EUR 0.49). The dividend was paid on May 10, 2022. All other agenda items requiring approval were also approved by a majority of the shareholders.

Personnel changes on the Executive Board

On October 3, 2022, the Supervisory Board of ProSiebenSat.1 Media SE resolved on a change in the chair of the Executive Board of the Company. As of November 1, 2022, Bert Habets took over as chairperson of the Executive Board (Group CEO) of ProSiebenSat.1 Media SE. He had already been active as a member of the ProSiebenSat.1 Supervisory Board since May 2022. Born in the Netherlands, he has in-depth experience in managing global media companies as well as extensive expertise in launching and expanding video streaming services. Rainer Beaujean, former Group CEO of ProSiebenSat.1, resigned from his office with immediate effect on October 3, 2022 by mutual agreement with the Supervisory Board and left the Company as of October 31, 2022.

The vacant seat on the Supervisory Board due to Bert Habets' transition from the Supervisory Board to the Group's Executive Board is to be filled at the latest in the course of the next Annual General Meeting of ProSiebenSat.1.

Non-cash impairments on assets in the Commerce & Ventures segment

The Russia/Ukraine war and its consequences increasingly weighed on the economy in the German-speaking region in the third quarter of 2022 compared with the first half of 2022. The predicted persistently high inflation, the energy price crisis and the resulting reluctance to consume are also impacting the growth prospects of the Group's Commerce & Ventures segment as a large proportion of these businesses are directly dependent on macroeconomic developments due to their focus on end consumers. In addition, the applicability of the German Payment Services Supervision Act ("ZAG") to certain vouchers in the Jochen Schweizer mydays Group and the resulting changes in the product offering, including their impact on the projected cash inflows, had an impact. Against this background a non-cash impairment of assets was recognized, in particular of goodwill, of the cash-generating unit NuCom Group reported in the Commerce & Ventures segment, in an amount of EUR 124 million in the third quarter of 2022. In addition, the retrospective application of the adjusted accounting method to the carrying amounts has been considered with regard to the Jochen Schweizer mydays Group. The impairment loss was therefore lower than the EUR 312 million reported in the quarterly statement for the third quarter of 2022.

In the fourth quarter of 2022 a further non-cash impairment of goodwill of the NuCom Group cash-generating unit of EUR 43 million was recognized, mainly as a result of increased cost of capital and higher carrying amounts.

Financial Management

An important part of our strategy is active financial management. Thus, in May 2022, ProSiebenSat.1 already extended the maturities for its term loan and revolving credit facility (RCF): Under the existing senior facilities agreement, a term loan of EUR 800 million was extended until April 2027 and a term loan of EUR 400 million was extended until April 2025. The latter can also be extended until April 2027 under certain conditions. The RCF of EUR 500 million was extended (previously EUR 750 million) until April 2027. This reflects the lower financing requirement due to consistent cash flow management. Previously, ProSiebenSat.1 had a term loan with a total nominal volume of

EUR 1,200 million and a RCF with a volume of EUR 750 million. The majority of these credit facilities had a term until April 2024.

In addition, ProSiebenSat.1 Media SE repaid part of its promissory note loans totaling EUR 275 million ahead of maturity in December 2022 from existing cash and cash equivalents, thus further reducing its gross financial debt. The notes were originally due in December 2023. Following this repayment, the Group has no repayment obligation or need to refinance financial liabilities before 2025.

The transactions continue measures that ProSiebenSat.1 had already taken since 2021: the early repayment of a bond, the issue of new promissory note loans, and the subsequent repayment of a term loan.

Significant Events after the Reporting Date

Information on the matter of German Payment Services Supervision Act

On February 28, 2023, ProSiebenSat.1 Media SE issued an ad-hoc announcement stating that, following a notice received shortly before, it assumes on the basis of the results of an external assessment that the business activities of its two subsidiaries Jochen Schweizer GmbH ("Jochen Schweizer") and mydays GmbH ("mydays"), which mainly consist in the sale of vouchers, fall partly under the German Payment Services Supervision Act ("Zahlungsdiensteaufsichtsgesetz" – "ZAG").

Jochen Schweizer and mydays subsequently adjusted their product offering on March 13 / 14, 2023, in order to address the regulatory concerns mentioned in the ad-hoc announcement. In a letter dated April 6, 2023, the German Federal Financial Supervisory Authority ("Bundesanstalt für Finanzdienstleistungsaufsicht" – "BaFin") as the responsible supervisory authority informed Jochen Schweizer and mydays that for the continued operation of their product offering adjusted as of March 13 / 14, 2023, no authorization from BaFin is required.

At the same time, BaFin announced that, based on its current administrative practice, it assumes that Jochen Schweizer and mydays required authorization from BaFin under the ZAG to offer certain voucher products issued before March 13 / 14, 2023. Jochen Schweizer and mydays are currently coordinating the modalities of the settlement of the affected voucher products with BaFin.

The Supervisory Board of ProSiebenSat.1 Media SE initiated an independent internal investigation conducted by an external law firm immediately after publication of the ad-hoc announcement. The Executive Board of ProSiebenSat.1 Media SE fully supports this investigation. The investigation serves to clarify possible misconduct by members of the management bodies and employees of ProSiebenSat.1 Group, in particular with regard to obligations of the concerned companies under the ZAG.

At the same time, the Munich Public Prosecutor's Office I (Staatsanwaltschaft München I) has initiated a monitoring process ("Beobachtungsvorgang"), examining the initial suspicion of possible criminal acts. ProSiebenSat.1 Media SE and its affected subsidiaries are fully cooperating with the relevant authorities. The possible financial charges for the Group in connection with the official investigations cannot be estimated at present but could be significant.

The aforementioned circumstances have impacted the ongoing preparation and audit work for the Annual and Consolidated Financial Statements, with the result that the Annual Press Conference could not take place as planned on March 2, 2023. As a result of the later disclosure of the Annual and Consolidated Financial Statements, the date for the Annual General Meeting also had to be postponed.

In this context, ProSiebenSat.1 Media SE has retrospectively adjusted the accounting for Jochen Schweizer and mydays.

Personnel change on the Executive Board

Member of the Executive Board & Chief Financial Officer Ralf Peter Gierig left the Company on April 27, 2023, prior to the resolution on the preparation of the Annual and Consolidated Financial Statements for financial year 2022.

OVERALL ASSESSMENT OF THE COMPANY'S BUSINESS PERFORMANCE BY THE EXECUTIVE BOARD

ProSiebenSat.1 Media SE closed the 2022 financial year with a net loss of EUR 123 million (previous year: net income of EUR 517 million). The result from investments (consisting of the balance of income and expenses from profit transfers plus dividend payments) of EUR 404 million (previous year: EUR 747 million) fell, in particular due to the negative economic development of the advertising market in the 2022 financial year. The result from investments for the previous year includes a dividend in the amount of EUR 147 million from the subsidiary NCG – NUCOM GROUP SE, Unterföhring. In addition, in the 2022 financial year, an impairment of the investment book value of the subsidiary NCG - NUCOM GROUP SE, Unterföhring, in the amount of EUR 430 million had to be taken mainly as a result of the increasing customer reluctance in the e-commerce sector due to the energy crisis triggered by the Russia/Ukraine war and the associated high inflation. Taking into account a tax expense reduced by EUR 114 million, there was a net loss for the year of EUR 123 million (previous year: net income for the year of EUR 517 million). Equity decreased by EUR 303 million to EUR 3,186 million. The equity ratio declined slightly to 39 percent (previous year: 40%).

EARNINGS OF PROSIEBENSAT.1 MEDIA SE

STATEMENT OF INCOME ACCORDING TO GERMAN GAAP (HGB)

EUR m

	2022	2021
Revenues	123	114
Other operating income	102	73
Program and material expenses	53	50
Personnel expenses	63	56
Depreciation	9	8
Other operating expenses	124	101
Operating expenses	249	215
Investment result	404	747
Financial result	−451	−35
Taxes	53	167
Income after taxes	**−123**	**517**
Other taxes	0	0
Loss/profit of the year	**−123**	**517**

Revenues of ProSiebenSat.1 Media SE increased by EUR 9 million to EUR 123 million in the 2022 financial year. Intercompany sales (consisting of services for management and rental as well as other sales) increased by EUR 7 million to EUR 84 million, in particular due to the inclusion of Joyn GmbH, Munich, in the group. External revenue from the sale of programming assets and ancillary rights increased by EUR 2 million to EUR 27 million. Other sales with non-group companies remained constant.

Other operating income rose by EUR 29 million year-on-year to EUR 102 million. The reasons for this were, in particular, income from currency translation, which was EUR 21 million higher, and cost transfers that increased by EUR 6 million within the Group.

Operating expenses amounted to EUR 249 million (previous year: EUR 215 million). While programming and material expenses remained almost constant at EUR 53 million, personnel expenses increased by a total of EUR 7 million to EUR 63 million, in particular due to significantly higher expenses for severance payments at Management Board level. Of the personnel expenses, EUR 36 million (previous year: EUR 31 million) are attributable to the employees, including board members of the strategic holding. Other operating expenses rose by EUR 23 million to EUR 124 million. This was due to expenses for provisions for impending losses of EUR 16 million for financial instruments to hedge foreign currency risks that did not meet the requirements for a valuation unit, as well as legal and consulting expenses that increased by EUR 7 million in the course of the sale of the US production companies. ProSiebenSat.1 Media SE has concluded long-term leases for real estate used at the Unterföhring location, which are classified as operating leases. Rental expenses including ancillary costs amounted to EUR 20 million in the 2022 financial year (previous year: EUR 20 million).

The result from investments, which is the balance of income from profit and loss transfer agreements and income from investments less expenses from the assumption of losses, amounted to EUR 404 million (previous year: EUR 747 million). Income from profit transfers of EUR 432 million (previous year: EUR 611 million) originating almost exclusively from Seven.One Entertainment Group GmbH declined in particular due to the negative economic development of the advertising market triggered by the Russia/Ukraine war in the financial year 2022, partially offset by expenses from loss absorption totaling EUR 28 million (previous year: EUR 12 million) with Seven.One Studios GmbH, Unterföhring, (formerly: Red Arrow Studios GmbH, Unterföhring) and ProSiebenSat.1 Digital Data GmbH, Unterföhring. In the previous year, a dividend of EUR 147 million was also received from the subsidiary NCG – NUCOM GROUP SE, Unterföhring.

The financial result as the balance of interest income and interest expenses as well as depreciation on financial assets deteriorated by EUR 416 million to minus EUR 451 million in the 2022 financial year (previous year: EUR -35 million). The reason for this was the partial write-down on the investment book value of the subsidiary NCG - NUCOM GROUP SE, Unterföhring, in the amount of EUR 430 million which was mainly caused by the increasing customer reluctance in the e-commerce area due to the energy crisis triggered by the Russia/Ukraine war and the associated high inflation. The sale of interest rate options and the early repayment of promissory note loans had the opposite effect, leading to total income of EUR 19 million.

The developments described resulted in a net loss of EUR 123 million for the 2022 financial year. This corresponds to a year-on-year decline of EUR 640 million.

PERFORMANCE, FINANCIAL POSITION AND LIQUIDITY OF PROSIEBENSAT.1 MEDIA SE

BALANCE SHEET IN ACCORDANCE WITH GERMAN GAAP (HGB)

EUR m

	Dec 31, 2022	Dec 31, 2021
Assets		
Intangible assets	1	2
Properties	93	75
Financial assets	6,995	7,396
Non-current assets	**7,089**	**7,473**
Receivables and other assets	681	883
Cash and cash equivalents	357	297
Current assets	**1,038**	**1,180**
Prepaid expenses	5	5
Excess of plan assets over pension liability	0	0
Total assets	**8,132**	**8,658**
Liabilities and equity		
Equity	3,186	3,489
Provisions	136	218
Liabilities	4,783	4,950
Deferred tax liabilities	26	0
Total liabilities and equity	**8,132**	**8,658**

BALANCE SHEET

As of December 31, 2022, the total assets of ProSiebenSat.1 Media SE decreased by 6 percent or EUR 526 million to EUR 8,132 million.

Fixed assets declined by 5 percent or EUR 384 million year-on-year to EUR 7,089 million. This decline is due in particular to a write-down on the investment book value of the subsidiary NCG - NUCOM GROUP SE, Unterföhring, amounting to EUR 430 million mainly as a result of increasing customer reluctance in the e-commerce sector due to the energy crisis triggered by the Russia/Ukraine war and the associated high inflation.

Current assets fell by 12 percent or EUR 142 million to EUR 1,038 million. On the one hand, bank balances increased by EUR 60 million to EUR 357 million and tax receivables by EUR 39 million to EUR 54 million. In addition, other assets increased by EUR 21 million due to interest rate options purchased. On the other hand, intragroup receivables fell by EUR 221 million, in particular due to lower receivables from profit and loss transfers, and advance payments made for programming assets by EUR 40 million to EUR 28 million. Trade accounts receivable in the amount of EUR 27 million (previous year: EUR 29 million) represent another important item in current assets.

ProSiebenSat.1 Media SE concludes a significant part of its license agreements with production studios in the USA. In general, ProSiebenSat.1 Media SE meets its financial obligations from these program rights acquisitions in US dollars. In order to hedge against market-related exchange rate changes, the company uses derivative and original financial instruments in the form of currency forwards, currency swaps, currency options and currency holdings (currency spot position). As of December 31, 2022, the hedging ratio was 57 percent (previous year: 76%) based on the total volume of all future US dollar payments resulting from existing license agreements and which are due within a period of seven years as part of the implemented hedging strategy.

As of December 31, 2022, the equity of ProSiebenSat.1 Media SE fell by 9 percent or EUR 303 million to EUR 3,186 million. The equity ratio was 39 percent (previous year: 40%). In the 2022 financial year, a dividend of EUR 181 million was distributed from the unappropriated profit as of December 31, 2021. In addition, an amount of EUR 400 million from the unappropriated profit as of December 31, 2021 was transferred to other revenue reserves.

Provisions fell by EUR 82 million to EUR 136 million. The reasons for this were both the decrease in tax provisions by EUR 59 million to EUR 51 million and the utilization of the provisions for impending losses for the future acquisition of programming assets in the 2022 financial year.

At EUR 4,783 million, liabilities as of December 31, 2022 were EUR 167 million below the previous year's level of EUR 4,950 million. The decline resulted in particular from the early repayment of promissory note loans on December 1, 2022 in the amount of EUR 275 million and the scheduled repayment of a short-term loan in the amount of EUR 50 million. Liabilities to affiliated companies rose by EUR 139 million due to newly concluded intragroup cash pooling agreements. Trade payables in the area of programming assets also recorded a slight increase of EUR 11 million.

As of December 31, 2022, deferred tax liabilities of EUR 26 million (previous year: none) were also recognized.

FINANCIAL POSITION AND LIQUIDITY

Cash management of the ProSiebenSat.1 Group is carried out centrally in ProSiebenSat.1 Media SE, the Group-wide cash flows flow through the implemented cash pooling system for the most part in ProSiebenSat.1 Media SE as the parent company. In this respect, the cash flows of the entire ProSiebenSat.1 Group influence the liquidity of ProSiebenSat.1 Media SE to a very high degree. In the past fiscal year, the balance of cash pool receivables and cash pool liabilities deteriorated by EUR 137 million. The main reason for this was the inclusion of further companies with positive bank balances in the cash pooling during the course of the financial year.

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

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

– As of December 31, 2022, ProSiebenSat.1 Media SE has a syndicated loan agreement consisting of two term loans and a revolving credit facility (RCF). The credit agreement was extended in May 2022 and now includes a term loan of EUR 800 million and an RCF of EUR 500 million (previous year: EUR 750 million) with terms until April 2027, as well as a further term loan of EUR 400 million and a term until April 2025 (with extension options for a total of up to two more years). In addition, as of December 31, 2022, ProSiebenSat.1 Media SE had promissory note loans of EUR 700 million issued in 2021 with maturities in 2025, 2027, 2029 and 2031 and respective partial amounts of EUR 226 million, EUR 346 million, EUR 80 million and EUR 48 million are available. ProSiebenSat.1 Media SE also has a promissory note from 2016 with a term until 2026 (over EUR 225 million).

– In December 2022, ProSiebenSat.1 Media SE repaid the promissory note loans taken out in 2016 in the amount of EUR 275 million prematurely from liquid funds. The loans were originally due in December 2023 (EUR 225 million fixed interest rate and EUR 50 million variable interest rate). In addition, ProSiebenSat.1 Media SE repaid a short-term money market loan of EUR 50 million at the regular end of the term in October 2022.

The Group's financing instruments are not subject to compliance with key financial figures. The interest on the syndicated term loan and the syndicated revolving credit facility is variable at Euribor money market conditions plus a credit margin, with the agreement providing for a lower limit for the base interest rate of 0 percent. The Group uses derivative financial instruments in the form of interest rate swaps and interest rate options to hedge against market-related changes in interest rates. As of December 31, 2022, the fixed interest rate was 86 percent (previous year: 100%) of the entire long-term financing portfolio. As of December 31, 2022, the average upper limit of the interest rate caps was 1.5 percent per annum for the period up to 2027.

The promissory note issue placed in October 2021 is divided into four fixed-interest and three variable-interest tranches, with the fixed-interest tranches totaling around EUR 403 million (weighted average term: around 6.1 years) and the variable-interest tranches totaling around EUR 297 million. The volume-weighted term across all tranches is 5.9 years. The interest on the three tranches with variable interest rates is based on Euribor money market conditions with a floor of zero percent and a volume-weighted premium of around 0.85 percent per year.

For Group companies, especially the German TV stations, ProSiebenSat.1 Media SE acts as purchasing agent for programming assets. In financial year 2022, EUR 319 million (previous year: EUR 509 million) was spent on investments in programming assets (including prepayments for programming assets). In financial year 2022, the inflow from the internal transfer of programming assets to Group companies amounted to EUR 331 million (previous year: EUR 373 million). As of December 31, 2022, the total future financial obligations from programming purchase agreements already concluded decreased to EUR 1,018 million (previous year: EUR 972 million).

In the period under review, cash outflows for purchases of tangible fixed assets at ProSiebenSat.1 Media SE amounted to EUR 26 million (previous year: EUR 26 million).

A total of EUR 13 million (previous year: EUR 40 million) was spent on contributions to the capital reserve of direct subsidiaries and on company acquisitions in financial year 2022.

In addition, there are intragroup commitments from financing commitments to affiliated companies in the amount of EUR 196 million (previous year: EUR 229 million), however, the amount and timing of which cannot be foreseen.

ProSiebenSat.1 Media SE was and is capable of satisfying its own payment obligations at any time.

For further information on the balance sheet and income statement, refer to the Notes to the Annual Financial Statements of ProSiebenSat.1 Media SE.

PRINCIPLES AND OBJECTIVES OF FINANCIAL MANAGEMENT

Group-wide financial management is performed centrally by the Treasury department of the holding company. The core aims of financial management include:

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

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

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

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

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

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

RISK AND OPPORTUNITY REPORT

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

Advancing digitalization is opening up new growth markets for ProSiebenSat.1 Group. Media usage, for example, is becoming more and more diverse, while video is being consumed independently of time, place and device, the opportunities for addressing specific target groups with advertising are becoming increasingly flexible. In order to actively shape this transformation and translate it into growth potential, we particularly invested in the digitalization of our TV and advertising offerings in 2022. At the same time, we want to differentiate ourselves more clearly from the global streaming providers with a greater focus on local, relevant and live programs and strengthen our reach among young target groups in particular. We regard our opportunity situation as unchanged, although this is heavily dependent on further macroeconomic developments.

At the same time, digitalization also entails risks. Therefore, the identification and management of potential opportunities is just as important for our Company as the recognition and controlling of potential risks. As of the end of the financial year, we estimate that there are no identifiable risks that could have a material adverse effect on our business performance. The Group’s overall risk nonetheless increased over the course of 2022 in view of the weaker macroeconomic situation. Consumers’ willingness to spend, particularly in the German-speaking region (Germany, Austria, Switzerland), was severely impacted by the Russia/Ukraine war and its consequences such as the energy price crisis. Uncertainty among consumers remains at a high level in 2023, too.

RISK REPORT

As a holding company, ProSiebenSat.1 Media SE itself and through the operational holdings with a wide range of business activities it directly and indirectly is exposed to a wide variety of risks. Due to the perceived holding function, the risks and opportunities of the Group are essentially congruent with the risks and opportunities of ProSiebenSat.1 Media SE.

PROCESS MANAGEMENT

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

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

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

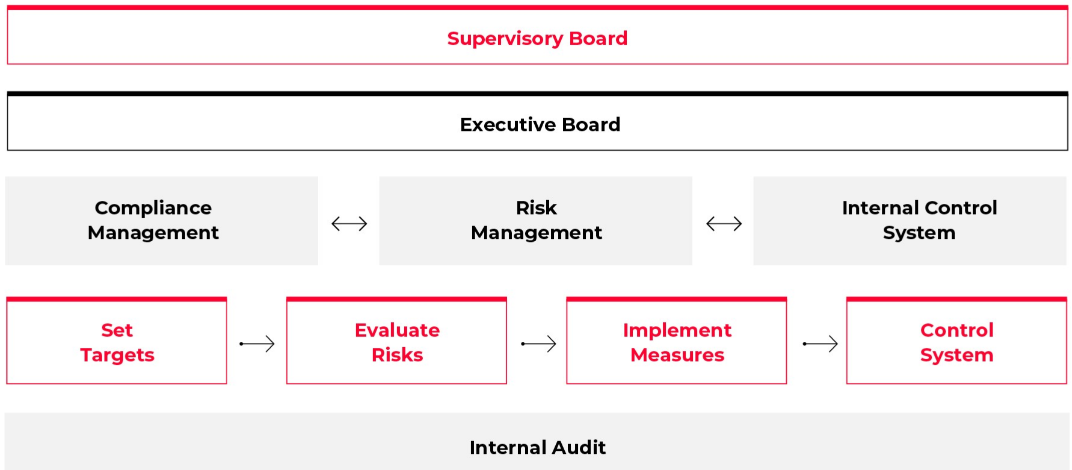
3. Management: Using appropriate measures, ProSiebenSat.1 Group can reduce the likelihood of occurrence of potential losses and limit or reduce possible damage. In order to handle risks safely, it is therefore very important to take adequate countermeasures as soon as an indicator exceeds a certain tolerance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

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

» **INFORMATION**

Risk is defined in this report as a potential future development or event that could significantly influence our business situation and result in a negative deviation from targets or forecasts. The risk indicators that we have already taken into account in our financial planning or in the Consolidated Financial Statements as of December 31, 2022 therefore do not come under this definition and are consequently not explained in this Risk Report.

RISK MANAGEMENT SYSTEM



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

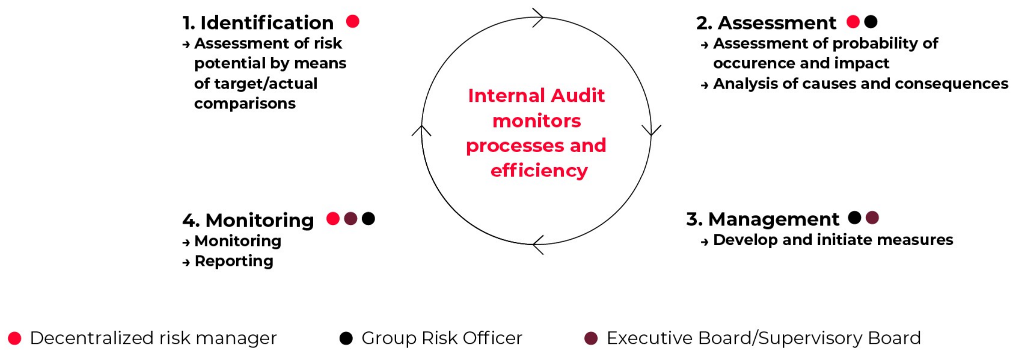
– **Decentralized risk managers:** The decentralized risk managers identify the risks from their respective area of responsibility according to the standard Group system described. They document their results in an IT database every quarter.

– **Group Risk Officer:** The Group Risk Officer reports the relevant risks identified in the database to the Executive Board and Supervisory Board on a quarterly basis. In addition, relevant risks arising at short notice are reported immediately. In this way, the Executive Board and Supervisory Board receive all analyses and data relevant to decision-making regularly and at an early stage so that they can respond appropriately.

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

The regular review of the risk management system by Internal Audit as well as by external experts generated a positive result in the financial year 2022. The basis for this review is the risk management framework guideline. This guideline summarizes company-specific principles and reflects the internationally recognized standard for enterprise risk management and internal control systems of COSO (Committee of Sponsoring Organizations of the Treadway Commission).

RISK MANAGEMENT PROCESS



OVERALL RISK SITUATION

Consumer sentiment in the German-speaking region (Germany, Austria, Switzerland) was severely impacted in 2022 by the Russia/Ukraine war and the macroeconomic indicators influenced by it, such as inflation, energy prices, and the development of interest rates. This high degree of uncertainty among consumers significantly impacted our business performance over the course of the year, causing the revenue and earnings performance to fall short of our original annual forecast. The negative macroeconomic effects also changed our risk assessment: As of December 31, 2022, ProSiebenSat.1 Group's overall risk situation had increased in comparison to the end of the previous year.

We apply a net assessment in the Risk Report. As such, we only report risks here that are not covered by the financial planning and still remain after risk-mitigating measures. The assumptions regarding the general economic development that were held at the time this Annual Report was prepared have been taken into account in our financial planning. An exacerbation of the situation, particularly driven by geopolitical factors, is not reflected here. We estimate that there are currently no risks that, either individually or in combination with other risks, could have a material or lasting adverse effect on earnings, financial position and performance. The identified risks pose no threat to the Group as a going concern, even looking into the future.

» **INFORMATION**

In ProSiebenSat.1 Group' risk management process, risks are reported and analyzed using a bottom-up and top-down approach. To assess the overall risk situation, ProSiebenSat.1 Group initially classifies all individual risks as part of the quarterly assessment process based on an ongoing twelve-month view, aggregates them, and assigns them to general risks. When assessing the overall risk situation, ProSiebenSat.1 Group weights the risks according to their significance for the Group. The assessment of the overall risk situation is thus the result of an aggregate analysis of the main risk categories of the Group and its three segments Entertainment, Dating & Video, and Commerce & Ventures. To identify existential risks, this assessment is supplemented by the risks evaluated as part of long-term corporate planning. ProSiebenSat.1 Group divides the risks at segment and Group level into the categories of operating risks, finance risks, compliance risks, strategic risks and non-financial risks.

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

DEVELOPMENT OF RISKS

As of the end of the financial year 2022, ProSiebenSat.1 Group revised its thresholds for quantifying risks. These are thus in line with current common publication practices of listed companies of comparable size. We now classify the potential financial impact of the defined risks as follows:

ADJUSTMENT OF THE THRESHOLDS FOR CLASSIFYING THE POTENTIAL FINANCIAL IMPACT OF RISKS

in EUR m

Classification of the impact	**New levels for the potential financial impact**	Previous levels for potential financial impact
Very high	> 50	> 20
High	> 25 - 50	> 10 - 20
Medium	> 10 - 25	> 4 - 10
Low	> 2,5 - 10	> 1 - 4
Very low	≤ 2,5	≤ 1

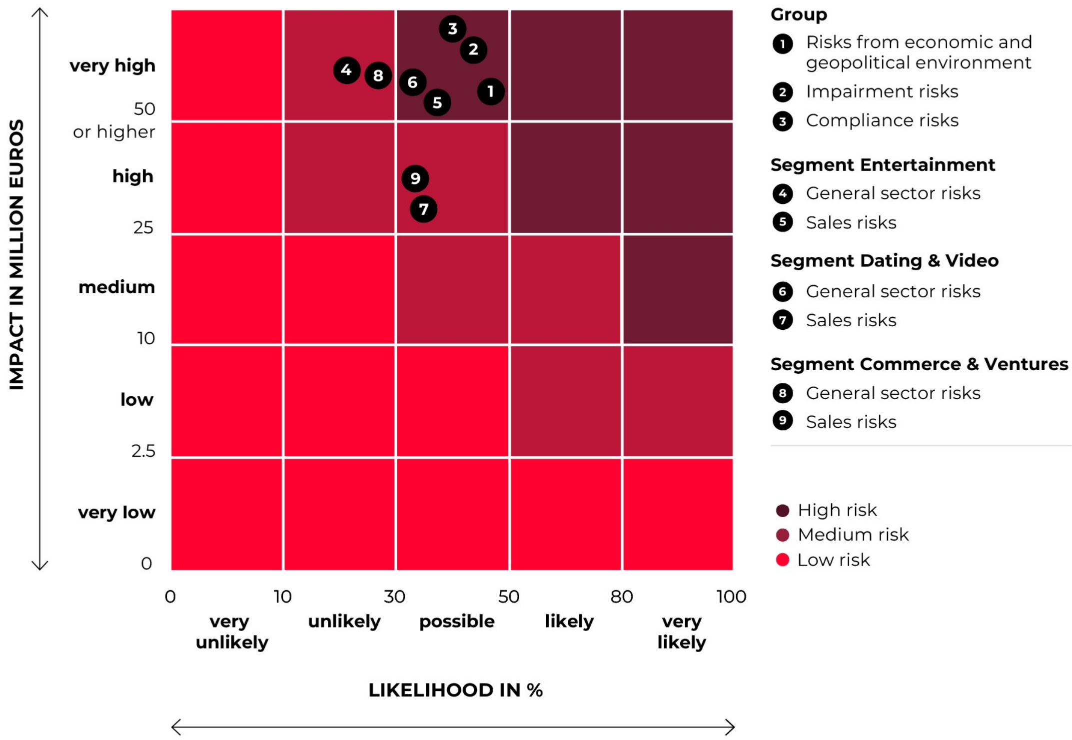
An overview of the relevant risks as of December 31, 2022 is shown in the table below:

OVERVIEW OF THE RELEVANT RISKS

	Category	Risk	Change as of December 31, 2022 over the previous year[1]	Possible Impact	Probability	Overall Risk
Group	Operating risks	Risks from the economic and geopolitical environment[2]	Increased	Very high	Possible	High[3]
		Impairment risks	Increased	Very high	Possible	High
	Compliance risks	Compliance risks	Increased	Very high	Possible	High
Segment Entertainment	Operating risks	General sector risks	Unchanged	Very high	Unlikely	Medium
		Sales risks	Unchanged	Very high	Possible	High
		Content risks	Decreased	Medium	Unlikely	Low[4,5]
Segment Dating & Video	Operating risks	General sector risks	Increased	Very high	Possible	High
		Sales risks	Increased	High	Possible	Medium
Segment Commerce & Ventures	Operating risks	General sector risks	Unchanged	Very high	Unlikely	Medium
		Sales risks	Increased	High	Possible	Medium[6]

1 The reported change from the end of the previous year relates to the classification of previous-year risks using the updated impact level thresholds. An overview of the updated thresholds is shown in the table "Adjustment of the thresholds for classifying the potential financial impact level of risks" in the chapter "Risk and Opportunity Report".
2 Macroeconomic risks have been continuously grouped under the new risk "Risks from the economic and geopolitical environment" since 2022.
3 Based on the new thresholds, risks from the economic and geopolitical environment would have been classified in the Annual Report 2021 as a medium risk (previously: high) with a high impact (previously: very high) and a possible occurrence.
4 Based on the previous thresholds valid as of the 2021 financial year, the content risks of the Entertainment segment would have been reported in the 2022 Annual Report as medium risks (new: low) with a high impact (new: medium) and an unlikely occurrence.
5 Based on the new thresholds, the content risks of the Entertainment segment in the Annual Report 2021 would have been classified as medium risk with a high impact (previously: very high) and an unlikely occurrence.
6 Based on the new thresholds, the sales risks of the Commerce & Ventures segment would have been assessed as an overall low risk (previously: medium) with a medium impact (previously: high) and an unlikely occurrence in the Annual Report 2021.

OVERVIEW OF THE TOP RISKS



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

» **INFORMATION**

This Annual Report only presents relevant risks with a high or very high potential impact. We do not report on risks with a very low, low, or medium potential impact here. We also do not report on risks with an overall risk assessment of low here. However, if a risk that currently has a very low, low, or medium potential impact changes into a risk with a high or very high potential impact, we will include this change in our future Risk Reports. Conversely, if risks which we currently rate as having a high or very high impact are downgraded to a very low, low, or medium impact, such risks will not be described in detail in this report except for the change compared to the risk situation published in the Annual Report 2021 itself. Similarly, if a risk with an overall low assessment changes to a risk with an overall medium or overall high assessment, such a risk would be included in our future risk reports as soon as we assess the potential impact of the risk as high or very high. If, on the other hand, if a risk with an overall high or medium assessment changes to a risk with an overall low assessment, this risk would not be described in detail, regardless of the potential impact level – with the exception of the change compared with the risk situation itself published in the Annual Report 2021.

RISKS AT LEVEL OF PROSIEBENSAT.1 MEDIA SE

As the holding company of the ProSiebenSat.1 Group, ProSiebenSat.1 Media SE is exposed to a variety of risks due to its extensive business activities. Insofar as the prerequisites for accounting consideration were given, adequate provision was made for all discernible risks.

The following sections describe risks that could affect the ProSiebenSat.1 Group's net assets, financial position and results of operations.

GROUP LEVEL

Operating Risks

Risks from the economic and geopolitical environment: The global economy faced major challenges again in 2022. In addition to the lingering COVID-19 pandemic, many economic regions were impacted by the Russia/Ukraine war and its consequences, such as the sharp rise in inflation. This led not only to huge losses of purchasing power but also to a much more restrictive financial policy, curbing growth all around the world.

After a good start in the first quarter of 2022, the German economy also lost momentum significantly as the year progressed. In addition to existing problems such as raw material shortages and supply bottlenecks, it was also impacted by the consequences of the Russia/Ukraine war after its outbreak, such as the energy crisis, accelerated inflation, and slowing momentum in world trade. In the second quarter, growth almost came to a halt (+0.1% vs. previous quarter in real terms). In September, the inflation rate moved above the 8.0% threshold for the first time.

Nevertheless, contrary to expectations, gross domestic product grew somewhat stronger in the third quarter, by plus 0.5%. As in the two previous quarters, this growth was primarily driven by private consumption. The robust labor market also provided support, among other factors. In the fourth quarter, however, gross domestic product posted a decrease (down 0.4% in real terms compared to Q3 2022). Unlike in the previous quarters, the economy was not supported by private consumption. Nevertheless, there were growing signs that the forecast slowdown or even recession of the German economy in the winter half of 2022/23 could be milder than initially feared.

Overall, however, downward forces dominate in the winter half of the year: Inflation and losses of purchasing power are expected to remain high in Germany despite mitigating relief packages. At the same time, the COVID-19 catch-up effects in the consumer-related service sectors are gradually running out.

Forecasts naturally entail uncertainties, but these are currently particularly high. In particular, geopolitical developments are almost impossible to predict. In view of this, we consider risks from the economic and geopolitical environment to have increased in comparison to the end of the previous year. As at the end of the previous year, we regard the probability of occurrence as possible; in the event of occurrence, a very high financial impact (previously: high) still cannot therefore be completely ruled out. Overall, we rate the risks from the economic and geopolitical environment as high (previously: medium).

Impairment risks: In the financial year 2022, negative effects on the Group increased compared to the end of 2021 with the outbreak of the Russia/Ukraine war – in particular, the cash-generating unit NuCom Group in the Commerce & Ventures segment was impacted by inflation, the energy crisis, and increased uncertainty with regard to the overall economic development. Simultaneously, the applicability of the Payment Services Supervision Act ("Zahlungsdiensteaufsichtsgesetz" – "ZAG") to certain vouchers in the Jochen Schweizer mydays Group as well as the resulting changes in the product offering had an impact. As a result, there was an impairment of other non-current assets and goodwill of this cash-generating unit in the third quarter of 2022. In the fourth quarter of 2022, there was a further impairment due to the adjusted cost of capital on the reporting date and an increase in carrying amounts compared to the previous quarter.

The Group is monitoring and analyzing the valuation parameters very closely at the level of the cash-generating units in all segments in the context of the development of the risks from the economic and geopolitical environment described above, also including the rising interest rates. In light of these risks from the economic and geopolitical environment, we assess the occurrence of further impairments at Group level compared to the end of the previous year as a high risk (previously: low). We rate the potential impact as very high (previously: medium) and now see the likelihood of occurrence as possible (previously: very unlikely).

Compliance Risks

General compliance risks (including statutory reporting requirements, antitrust law, legal proceedings): Digital development is confronting legislators with new challenges, and companies are facing very dense regulation, particularly in the areas of consumer and data protection. To prevent possible legal violations, we closely monitor developments in the law in order to respond to changes appropriately. Together with policymakers and industry, the Group is aiming to promote the opportunities of digitalization in order to strengthen Germany as a location for business and innovation in the long-term. The following issues are currently top priorities:

The General Data Protection Regulation (GDPR) has harmonized the legal requirements for processing personal data in the European Union. The online advertising industry developed the Transparency & Consent Framework (TCF) at an early stage to enable operators to request users' consent as required by data protection law, inquire about objections to legitimate interests in processing data, and provide mandatory information. At the beginning of 2022, the responsible data protection regulatory authority had objected to key aspects of the TCF mechanism and imposed various rectification requirements on the standard-setting organization, Interactive Advertising Bureau Europe (IAB Europe). In April 2022, IAB Europe submitted an action plan with proposed improvements, which was approved by the regulatory authority in January 2023 and is now being implemented by IAB Europe. If the TCF is not modified in time, this would negatively impact ProSiebenSat.1 Group's advertising-financed business model, as it would make it more difficult to request users' consent in accordance with data protection law for the targeted advertising content. While the future ePrivacy Regulation is still in a trialog between the European Council, Parliament, and Commission, the German Telecommunications and Telemedia Data Protection Act (Telekommunikation-Telemedien-Datenschutz-Gesetz) came into force on December 1, 2021 and has since limited the recognition of users' terminal equipment. In addition to the regulatory restrictions, manufacturers of browser software and providers of operating software for mobile terminal devices are reducing the use of online identifiers, for example of third-party cookies.

The German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz, LKSG) came into force on January 1, 2023. This requires ProSiebenSat.1 Group companies to implement certain appropriate measures to protect against risks relating to human rights and the environment, both within their own area of business and with respect to their direct and indirect business partners. Any breach of the resulting obligations may have significant negative consequences in terms of liability and may lead to legal action and fines. Over the course of 2022, ProSiebenSat.1 Group has started a interdivisional project and plans to report publicly on this as part of its reporting obligations under section 10 LkSG on an annual basis.

Various legislative initiatives at national and European level aim to take account of digital development and strengthen consumers' interests by way of modern online regulation. For example, as part of the "New Deal for Consumers," the EU Omnibus Directive provides for changes to withdrawal rights, new transparency regulations for online marketplaces, and a revision of the

Price Indication Regulation (Preisangabenverordnung), among other things. These provisions came into force at a national level on May 28, 2022. In the event of certain violations, a provider could face fines of up to 4% of its annual revenues. Another component of the “New Deal for Consumers” package is the EU Collective Redress Directive adopted on December 24, 2020, which is to be transposed into national law within two years and will then come into effect six months after that. The national draft bill for this stipulates that “qualified entities” will in future be able to assert all consumer claims against companies for redress – such as compensation, rectification, or contract termination – provided these claims are comparable. The “Fair Consumer Contracts Act” has also already been adopted, which, among other things, provides for more stringent regulation of long-term contracts, including making it easier for consumers to terminate contracts via an online cancellation button. These regulations came into force on March 1, 2022 and July 1, 2022, respectively, and affect parts of the Group’s Dating & Video and Commerce & Ventures segments.

Finally, the EU Regulation on the Digital Services Act (DSA) came into force in November 2022. The DSA establishes a uniform legal framework for dealing with illegal and other harmful content on intermediary platforms. In addition, the Regulation includes provisions on exemption from liability, due diligence obligations tailored to certain categories of intermediary services, and regulatory provisions on the implementation and enforcement of these requirements. For “very large online platforms,” the regulations will take effect on a staggered basis in 2023, while for all other providers of intermediary services they will take effect on February 17, 2024. The DSA mainly affects the Group’s Dating & Video segment.

The dynamics of digital markets also mean that adjustments to national and European antitrust law are necessary. Companies that are in a dominant position on the market will face stricter supervision with regard to abuses with the introduction of the German Act to Digitalize the Act against Restraints of Competition (GWB-Digitalisierungsgesetz). An ex ante regulation on digital platforms and centralized implementation of the new regulatory framework has come into effect at European level in November 2022 with the Digital Markets Act (DMA). These are crucial steps in ensuring equal competitive conditions in digital markets and enabling action to be taken promptly in future against distortions of competition in digital ecosystems.

Finally, the reform of the copyright contract law is also relevant. The new legal regulations contain undefined legal terms and some other still vague wording, about which only court rulings and industry practice over the next few years will provide greater legal certainty. We cannot therefore currently foresee the ultimate impact on ProSiebenSat.1 Group.

Compliance risks in the context of the Payment Services Supervision Act with regard to the business activities of Jochen Schweizer GmbH and mydays GmbH: On February 28, 2023, ProSiebenSat.1 Media SE issued an ad-hoc announcement stating that, following a notice received shortly before, it assumes on the basis of the results of an external assessment that the business activities of its two subsidiaries Jochen Schweizer GmbH (“Jochen Schweizer”) and mydays GmbH (“mydays”), which mainly consist in the sale of vouchers, fall partly under the German Payment Services Supervision Act (“Zahlungsdiensteaufsichtsgesetz” – “ZAG”).

Jochen Schweizer and mydays subsequently adjusted their product offering on March 13 / 14, 2023, in order to address the regulatory concerns mentioned in the ad-hoc announcement. In a letter dated April 6, 2023, the German Federal Financial Supervisory Authority (“Bundesanstalt für Finanzdienstleistungsaufsicht” – “BaFin”) as the responsible supervisory authority informed Jochen Schweizer and mydays that for the continued operation of their product offering adjusted as of March 13 / 14, 2023, no authorization from BaFin is required.

At the same time, BaFin announced that, based on its current administrative practice, it assumes that Jochen Schweizer and mydays required authorization from BaFin under the ZAG to offer certain voucher products issued before March 13 / 14, 2023. Jochen Schweizer and mydays are currently coordinating the modalities of the settlement of the affected voucher products with BaFin.

The Supervisory Board of ProSiebenSat.1 Media SE initiated an independent internal investigation conducted by an external law firm immediately after publication of the ad-hoc announcement. The Executive Board of ProSiebenSat.1 Media SE fully supports this investigation. The investigation serves to clarify possible misconduct by members of the management bodies and employees of ProSiebenSat.1 Group, in particular with regard to obligations of the concerned companies under the ZAG.

At the same time, the Munich Public Prosecutor's Office I (Staatsanwaltschaft München I) has initiated a monitoring process ("Beobachtungsvorgang"), examining the initial suspicion of possible criminal acts. ProSiebenSat.1 Media SE and its affected subsidiaries are fully cooperating with the relevant authorities. The possible financial charges for the Group in connection with the official investigations cannot be estimated at present but could be significant.[2]

Against this background, we currently assume that the compliance risks have increased overall, although the risk rating resulting from the general compliance risks remains unchanged overall: We now rate the compliance risks as high risk (previously: medium) and see their likelihood of occurrence as possible (previously: unlikely). We continue to classify the potential impact as very high.

ENTERTAINMENT SEGMENT

Operating Risks

General sector risks (including consumer trends and reach development): Television remains the most important mass medium, in terms of both reach and media usage time. However, the rising use of the internet has changed media usage behavior on a lasting basis, leading to significant diversification of the offers used. For a long time now, TV content, for example, has been consumed not only live on TV sets, but also on-demand and on mobile devices such as laptops. Another example is the growing importance of podcasts, usage of which is developing dynamically and contributing to consistently high media usage. After a high during the first wave of the COVID-19 pandemic and the related restrictions on public life, overall video usage returned to its normal level. Although conventional TV usage decreased, it is still at a very high level. At the same time, usage of online videos has risen very substantially. Video usage has thus remained constant overall at around four hours, and was at the same level in 2022 as in the corresponding periods since 2018 (source: Viewtime Report, target group of 14- to 69-year-olds, wave 3/2022). We have aligned our strategy with this usage situation and are steadily expanding our portfolio.

By distributing content to specific target groups across as many channels as possible, the Group reaches the users wanted by the advertising industry on their respective preferred platforms. In this way, ProSiebenSat.1 is expanding its digital reach and simultaneously strengthening the brand profile of its classic station portfolio. We focus on advertising-financed video content and respond to media usage trends in a targeted way. In addition to video, audio formats in the form of podcasts also supplementing our range of offerings. At the same time, we focus on in-house productions, with an emphasis on the advertising-relevant prime time in TV. Against this backdrop, we feel that the risks of a change in video usage are unchanged compared to the end of the previous year and still consider their occurrence to be unlikely. However, we cannot completely rule out a very high financial impact in the event of a fundamental change. We continue to rate this as a medium risk overall.

Sales risks: Competition with global platform providers is intense. We cannot rule out a very high impact on our revenue development in the TV advertising market, although we are pursuing a

2 The assessment "significant" in this case does not correspond to the definition of "high impact" otherwise used in this risk report, i.e. > EUR 25 - 50 million.

digital and cross-platform entertainment strategy. At the same time, the visibility of future macroeconomic developments remains limited. We have arranged our financial planning accordingly. In line with this, we still rate the residual sales risks as possible with a very high impact. Sales risks are therefore unchanged overall and are still rated as high.

Content risks: The content risks for national and international program productions have decreased. This risk assessment firstly reflects the sale of the US production business of Red Arrow Studios (now Seven.One Studios). Secondly, although the production business still faces the challenges of the COVID-19 pandemic, effective processes for dealing with hygiene measures and logistical challenges have become established based on the experiences of the past two years. We therefore rate the risk as low overall (previously: medium). With its occurrence still considered unlikely, we are lowering the potential impact of this risk to medium (previously: high).

DATING & VIDEO SEGMENT

Operating Risks

General sector risks: The market for online dating and social entertainment is developing dynamically. However, regulatory changes at national and international level could lead to risks for the Dating & Video segment's established business models. In particular, this could result in restrictions on free product design and pricing, which could seriously impact the development of revenues and earnings on the grounds of liability risks in the medium- to long-term.

Moreover, competition in this market remains intense. As a result, there is a risk that consumer demand will change very rapidly due to new market players, competing offers, and technologies. Furthermore, the digital business models on this market entail a high risk of dependence on third-party providers, e.g. for processing payments, providing video services, or compliance with the rules on personalized advertising on mobile devices. Changes in these business relationships, as well as a rise in restrictive regulatory requirements for new and existing technologies, could have a similarly negative impact on revenues or costs. There is also a risk that demand for online dating and interaction services may change negatively. However, there is a growing number of single people worldwide and the willingness to use dating apps is increasing.

We are monitoring these developments regularly in order to assess negative changes early on so that we can initiate countermeasures. If signs of regulatory changes emerge, work is done proactively on alternative services to counteract potentially negative impacts if the risks occur. By constantly refining the digital product offering, the Group is also aiming to secure a long-term competitive edge in the market. In contrast to the end of the previous year, we rate the general sector risks as high overall (previously: medium) with possible occurrence (previously: unlikely). If critical changes were to occur, the impact would still be very high.

Sales risks: The development of the consumer climate in 2022 was influenced in particular by uncertainties in the context of the Russia/Ukraine war, continuing inflation, and the energy crisis. There is a high risk that demand for online dating and interaction services may change negatively. However, there is a growing number of single people worldwide and the willingness to use dating apps is increasing.

The change in consumers' behavior also influences our marketing activities. As they turn away from traditional channels, there is a growing need to develop new marketing strategies. There is a risk here that the sales and marketing concepts we choose may not deliver the desired results. Dependence on third-party providers for successful sales and distribution of our products should also be mentioned in this context. There is a risk here that these third parties may have a negative impact on the usage or sales of our products by restricting, prohibiting, or otherwise impairing this. If the conditions for the distribution, usage, or sales of our products are changed significantly, it could seriously impact our revenue development.

We therefore rate sales risks as a medium risk overall (previously: low) with a possible occurrence (previously: very unlikely). If critical changes were to occur, the impact would be high (previously: medium).

COMMERCE & VENTURES SEGMENT

Operating Risks

General sector risks: In view of the overall economic development, consumers in the German-speaking region (Germany, Austria, Switzerland) are feeling great uncertainty. As a result, restraint in consumer demand has also become apparent in our Commerce & Ventures segment since the fourth quarter of 2021. This increased in 2022 in view of the Russia/Ukraine war and the associated energy price crisis and very high inflation. It is still difficult to predict when the price level will return to normal and the general economic situation will thus also recover on a lasting basis. Accordingly, this may have a potentially negative impact on the economic situation of our business and cooperation partners in the Commerce & Ventures segment in the future, too, although the sectors relevant to us are likely to develop differently. Should this development occur, we see an increasing need for financing at the affected subsidiaries, which would probably have to be financed by ProSiebenSat.1 Media SE. We have reflected the associated weaker consumer demand in our financial planning and assess the general sector risks for the Commerce & Ventures segment unchanged as a medium risk with a potentially very high impact and unlikely occurrence.

Sales risks: Increased competitor activity could cause selling expenses in connection with customer acquisition in the Commerce & Ventures segment to rise. To contain these risks, companies in this segment are working on even closer communication with customers and are expanding their portfolio, for example with apps or protected portals that offer added value for customers such as personalized additional information. We rate the resulting sales risks as medium overall (previously: low), with a potentially high impact (previously: medium) and possible occurrence (previously: unlikely).

DISCLOSURES ON THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO THE (CONSOLIDATED) REPORTING PROCESS WITH EXPLANATORY NOTES

The internal control and risk management system in relation to the (consolidated) reporting process is intended to ensure that transactions are appropriately reflected in the Individual and Consolidated Financial Statements of ProSiebenSat.1 Media SE (in accordance with the International Financial Reporting Standards ("IFRS") effective at the end of the reporting period, as adopted by the European Union, and in accordance with the additional requirements of German commercial law pursuant to Sec. 315e (1) of the German Commercial Code ("HGB")) and that assets and liabilities are recognized, measured and disclosed appropriately. This presupposes Group compliance with legal and company requirements. The scope and focus of the implemented systems were defined by the Executive Board to meet the specific needs of ProSiebenSat.1 Group. They are regularly reviewed and updated as necessary. Nevertheless, even appropriate and properly functioning systems cannot offer any absolute assurance that all risks will be identified and controlled. The company-specific principles and procedures to ensure that the Group's single-entity and (consolidated) reporting is effective and correct are described below.

GOALS OF THE RISK MANAGEMENT SYSTEM IN REGARD TO FINANCIAL REPORTING PROCESSES

The Executive Board of ProSiebenSat.1 Media SE views the internal control system with regard to the financial reporting process as a component of the Group-wide risk management system. Controls are implemented in order to provide an adequate assurance that despite the identified risks inherent in recognition, measurement and presentation, the single-entity and (Consolidated) Financial Statements will be in full compliance with regulations. The principal goals of a risk management system in regard to single-entity and (consolidated) reporting processes:

– To identify risks that might jeopardize the goal of ensuring that the (consolidated) Financial Statements and the (Group) Management Report comply with regulations.

– To limit risks that are already known by identifying and implementing appropriate countermeasures.

– To analyze known risks as to their potential influence on the (Consolidated) Financial Statements, and to take these risks duly into account.

In addition, our process descriptions and our risk control matrices are subject to an annual review. This ensures that the descriptions are up-to-date and thus also brings about the establishment of continually effective control mechanisms. The results of these reviews and the findings of regular control tests become an integral part of the internal control and risk management system in relation to the (consolidated) reporting process as part of updates. On the basis of the test results there is an assessment of whether the controls are appropriate and effective. Any identified deficiencies in the controls are eliminated, taking into account their potential impact.

ORGANIZATIONAL STRUCTURE

– The single-entity financial statements that are incorporated into the Consolidated Financial Statements are prepared using standardized software.
– The input data is then consolidated to form the Consolidated Financial Statements using stable market-based standardized software.
– The financial statements of the individual entities are prepared in compliance with local financial reporting standards, the input data in compliance with the accounting and reporting manual based on IFRS, which is made available to all employees involved in the reporting process. The individual entities included in the Consolidated Financial Statements provide their input data to the "Group Accounting & Reporting" department in a pre-specified format.
– The financial systems employed are protected with appropriate access authorizations and controls (authorization concepts).
– For the purposes of the Consolidated Financial Statements, there is a standardized chart of accounts, which must be followed in recording the various relevant transactions.
– Certain matters relevant to reporting (e.g. expert opinions with regard to pension provisions) are determined with the assistance of external experts.
– The principal functions of the reporting process – accounting, taxes, controlling, and treasury – are clearly separated. Areas of responsibility are clearly assigned.
– The departments and other units involved in the reporting process are provided with adequate resources in terms of both quantity and quality. Regular professional training sessions are held to ensure that financial statements are prepared at a consistent and reliable level of quality.
– An appropriate system of guidelines (e.g. HGB and IFRS-based accounting and reporting manual, intercompany transfer pricing guideline, purchasing guideline, travel expense guideline, etc.) has been set up and is updated as necessary. The efficiency of the internal control system in regard to processes relevant to financial reporting is reviewed (on a sample basis) by the process-independent Internal Audit unit.

PROCESS ORGANIZATION

– For the planning, monitoring, and optimization of the process of preparing the Consolidated Financial Statements, the Company uses tools that include a detailed calendar and all important activities, milestones, and responsibilities. All activities and milestones are assigned specific deadlines. Compliance with reporting duties and deadlines is monitored centrally by Group Accounting.
– In all accounting-related processes, controls are implemented such as the separation of functions, the dual-control principle, approval and release procedures, and plausibility testing.
– Tasks for the preparation of the Consolidated Financial Statements are clearly assigned (e.g. reconciliation of intragroup balances, capital consolidation, monitoring of reporting deadlines and reporting quality with regard to the data of consolidated companies, etc.). The "Corporate Accounting" and "Group Accounting & Reporting" departments are the central points of contact for specific technical questions and complex accounting issues.
– All material information included in the Consolidated Financial Statements is subjected to extensive systematic validation to ensure the data is complete and reliable.
– Risks that relate to the (consolidated) reporting process are recorded and monitored continually as part of the risk management process described in the Risk Report.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM[3]

KEY FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Internal Control and Risik Management System

In addition to the reliability of the financial reporting, the company-wide internal control and risk management system (ICS or RMS respectively) is intended to ensure the effectiveness and efficiency of business operations and compliance with relevant laws, internal and external provisions and guidelines and to identify, evaluate, and manage risks in relation to achieving business goals. It also includes sustainability aspects that are continuously updated on the basis of regulatory requirements.

Overall responsibility for the ICS and RMS lies with the Executive Board of ProSiebenSat.1 Media SE. The ICS and RMS are designed on the basis of the internationally recognized COSO (Committee of Sponsoring Organizations for Standardization) framework for internal control systems (Internal Control – Integrated Framework) and risk management systems (Enterprise Risk Management – Integrating with Strategy and Performance). Corresponding regulations have been specified by the Executive Board in guidelines that are applicable to ProSiebenSat.1 Group. Compliance with these regulations is subject to auditing activities by our Internal Audit unit. These are performed either as part of the risk-based annual audit plan or in audits scheduled during the year. Compliance with these regulations is also regularly reviewed by external audit firms.

The fundamental system for the entire ICS is the same as for the accounting-related ICS. The accounting-related ICS and the Group-wide RMS are described in the section of the Management Report that is required to be audited.

In order to identify the risks that may negatively impact the above-mentioned goals of the ICS and RMS at an early stage and manage them effectively, the Executive Board of ProSiebenSat.1 Media SE has organized specific central and decentralized responsibilities and structures: Central, Group-wide responsibility for methodology, quality assurance, monitoring, and reporting lies with the ICS/RMS departments at ProSiebenSat.1 Media SE, which are assisted in the performance of their duties by experts from other Group functions. The process owners and risk managers at the companies represent the decentralized ICS and RMS organization and are responsible for implementing the ICS in terms of identifying, documenting, and performing controls and for implementing the RMS with regard to identifying, evaluating, and managing risks.

Compliance Management System

The governance system at ProSiebenSat.1 Media SE also includes a Group-wide compliance management system (CMS) that is geared toward the risk position and – based on an analysis of relevance and risk – particularly covers the topics of money laundering prevention, corruption prevention, sanctions and embargoes, and data protection. A compliance program based on the standard IDW AsS 980 helps ensure that our employees act in compliance with the rules.

The main components of the CMS are culture, goals, organization, risks, program, communication, and monitoring and improving the system. The CMS focuses on ensuring that all employees consistently think and act with integrity and in accordance with company policies and the law, thus

3 This section is not part of the audited Management Report.

preventing law- and rule-breaking in advance. This forms the foundation for the compliance culture. The compliance goals adopted by the Executive Board of ProSiebenSat.1 Media SE are based on this and on the topic areas selected for the CMS based on the risk analysis, which is repeated regularly and also performed on an ad-hoc basis. As part of the compliance organization, the necessary resources for the establishment, maintenance, review, and continuous enhancement of the CMS are made available. At the Group companies, contacts have been appointed at the level of the management for compliance issues, as well as unit compliance officers where appropriate. The compliance program was designed to manage and mitigate the risks identified in the risk analysis, and for this purpose a code of conduct and relevant guidelines have been adopted and introduced, accompanied by measures such as training, controls, and a whistleblower system, as well as corresponding incident management. Compliance communication includes regular internal and external communication on relevant compliance topics, as well as regular and ad-hoc reporting to the Executive Board of ProSiebenSat.1 Media SE.

The CMS is continuously adapted in line with the business-specific risks and applicable legal requirements.

STATEMENT BY THE EXECUTIVE BOARD ON THE APPROPRIATENESS AND EFFECTIVENESS OF THE ICS, RMS, AND CMS

The Executive Board of ProSiebenSat.1 Media SE has established organizational measures for process-integrated and process-independent internal monitoring in order to ensure the appropriateness and effectiveness of the internal control and risk management system, including the compliance management system.

As part of the process-integrated internal monitoring, approval and reporting processes are incorporated in the Group. Compliance with Group-wide regulations in the respective organizational entities is monitored, the content of related reporting is checked for plausibility, critical deficiencies in the controls are discussed, and if necessary improvement measures are initiated. The Executive Board receives regular reports on the results of the process-integrated internal monitoring.

An internal certification process takes place on a quarterly basis, which, supported by confirmations from the management of entities in their area of responsibility, involves confirming the correctness of the reported financial data and reporting on the effectiveness of the control systems.

For the process-independent internal monitoring, an internal auditing system has been set up as an integral part of the corporate governance system. All companies and processes of ProSiebenSat.1 Group may be subject to an audit. The annual audit planning for the companies and processes to be audited is risk oriented, taking account of various internal and external factors. In addition, the annual audit plan can be expanded flexibly with ad-hoc audits. Internal Audit also monitors the timely implementation of the measures agreed in the respective audit reports.

Voluntary system audits by externals of specific sub-areas are an integral part of internal monitoring measures. In 2022, sub-areas of the internal control system were audited on the basis of the "International Standard on Assurance Engagements (ISAE) 3000" in conjunction with the COSO Internal Control Integrated Framework with a focus on the ICS in relation to accounting and sub-areas of compliance. This also includes voluntary audits of the risk management system in accordance with IDW AsS 981 and sub-areas of the compliance management system in accordance with IDW AsS 980 by external audit firms.

OPPORTUNITY REPORT

OPPORTUNITY MANAGEMENT

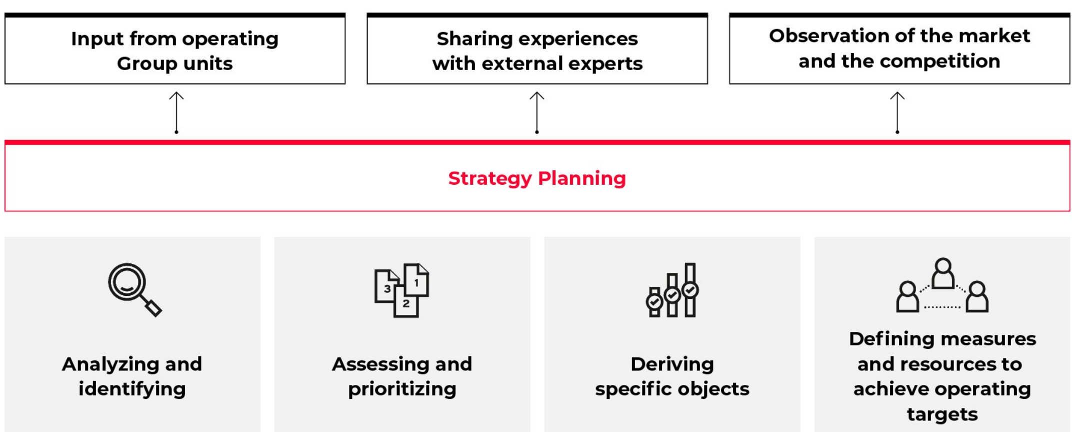
Our aim is to identify opportunities as soon as possible and to take advantage of them through suitable measures. To this end, ProSiebenSat.1 records the growth opportunities defined as relevant as part of its strategic planning. Individual opportunities are prioritized, specific objectives are derived, and measures and resources for operational target attainment are determined.

Our opportunity management is part of the intragroup management system and is decentrally organized in the business units. The process is supported and coordinated by the Group Strategy department. Through close contact with the individual operational units, the department gains detailed insights into the business situation and is continually searching for additional growth opportunities. In addition, market and competition analyses and experience exchanges with external experts are important sources to identify growth opportunities for ProSiebenSat.1 Group.

» **INFORMATION**

We have incorporated opportunities that we consider to be likely in our forecast for 2023 and in our planning up to 2027. We report on these growth opportunities in the Company Outlook for financial year 2023. In addition, there is potential that has not yet been or not fully been budgeted for; we describe these possible positive budget variances in the section below if they are material and important for the planning period until 2027.

OPPORTUNITY MANAGEMENT



OPPORTUNITIES FROM MACROECONOMIC AND REGULATORY DEVELOPMENTS

Economic forecasts are per se subject to high levels of uncertainty, but visibility is currently particularly poor. In particular, geopolitical developments are almost impossible to predict. In Germany – our largest revenue market – inflation and losses of purchasing power remain high. However, there have recently been growing signs that the economic downturn in the winter half-year could be milder than initially expected. As an early-cyclicale company, we ought to benefit swiftly and directly from an economic recovery. Currently, the economic institutes anticipate an economic recovery in the German-speaking region (Germany, Austria, Switzerland) in the second half of 2023. Positive deviations from these planning assumptions would create additional growth opportunities for the entire Group and its three segments – Entertainment, Dating & Video and Commerce & Ventures.

There are also opportunities in the media policy environment. For example, additional potential could arise from a reform of the dual system of public and private broadcasting, which is currently the subject of lively and wide-scale discussion. The public broadcasters are a valuable pillar of our media landscape in Germany. However, focusing their broadcasting mandate and honing the use of funds would provide more space for competition and enduringly strengthen the diversity of offerings. While private providers primarily finance their programming through advertising, public broadcasters also receive guaranteed income from public funds in the form of the household fee.

Another regulatory milestone that entails opportunities for ProSiebenSat.1 is the “constitution for the internet” adopted by the EU institutions in summer and enacted in November 2022: The Digital Services Act (DSA) and the Digital Markets Act (DMA) address certain shortcomings in competition with big tech companies and level the playing field for all market participants. Both regulations are important for ProSiebenSat.1, since they tackle structural disadvantages in the competition with big tech companies and thus create new framework conditions in Europe. For example, the DMA offers new opportunities by, among other things, prohibiting anti-competitive behaviors by search engines, operating systems, video sharing platforms and app stores. The consistent implementation and enforcement of the new rules could provide opportunities for all three of our segments.

OPPORTUNITIES FROM PORTFOLIO MEASURES

Initial signs of an economic recovery, be it in the high inflation rates or improvement in the energy markets, are also likely to have a positive impact on the M&A market and create additional opportunities.

The Group follows various M&A approaches, including the option of using media as an investment currency to enlarge its portfolio without a large amount of cash funds – especially with regard to digital consumer markets in the Commerce & Ventures segment. At the same time, we also regularly examine M&A options in the Entertainment segment with the aim of expanding our portfolio in the German-speaking region (Germany, Austria, Switzerland) in terms of “Content, Reach and Monetization”. In addition, the international scalability of our platforms offers opportunities. We are already broadly diversified geographically with our Dating & Video portfolio, but the focus is currently on the German- and English-speaking markets in Europe and North America. The offerings of ParshipMeet Group are playing a key role in driving innovation with in-house technologies such as Livebox. This technology offers us the opportunity to continue benefiting from the growing market around the creator economy in the future.

Divestments are also part of our portfolio management. If certain businesses no longer have sufficient strategic proximity, we divest them and thus optimize our portfolio.

OPPORTUNITIES RELATING TO DIGITALIZATION OF TV AND TV ADVERTISING

Global big tech companies such as Alphabet Inc. (“Alphabet”)/Google or Netflix Inc. (“Netflix”) have great market power, among other things, due to their data-based business models. This is particularly true with regard to media usage. However, ProSiebenSat.1 Group started very early to expand its TV offerings, to enhance cross-media and to establish its own digital streaming offering on a freemium basis. With the full acquisition of Joyn in 2022, we took the next step toward expanding Joyn into the largest freely accessible platform for premium video content in the German-speaking region. With Joyn and our focus on in-house, locally produced content, we are distinct from the offerings of global streaming companies. At the same time, the full acquisition gives us the entrepreneurial flexibility to extend our reach among young target groups in particular and create new opportunities for monetization. This is driven by the growing portfolio of the Group's own innovative and cross-media products in a brand-secure environment. This applies in particular to advertising.

ProSiebenSat.1 is a pioneer in the digitalization of TV advertising and is creating increasingly tailored solutions for customers through interconnected offerings. In doing so, we consistently combine the advantages of traditional TV – such as its high reach – with the advantages of digital advertising, such as data-based targeting. Our various Addressable TV products are an example of this, which enable a targeted, contextual adaptation of advertising on TV. Demand for Addressable TV offerings was high in financial year 2022, with over 100 campaigns per month. The aim is now to continually build on this strong position.

The growth prospects for digital TV advertising such as Addressable TV are great, as the usage of internet-based TV sets is continually increasing. At the same time, ProSiebenSat.1 is meeting the dynamically growing demand for innovative advertising products with new technologies. With Total Video based on CFlight, we have created a strong distinguishing feature in reach measurement, as it translates the high TV quality standards to the digital environment and guarantees the comparability of TV and online video advertising contacts. Despite increasingly fragmented media usage, Total Video based on CFlight therefore gives our customers a comprehensive and transparent overview of their video campaigns. Another area in which we have strongly invested recently is Programmatic TV, with the aim of automating the process from booking to placement in linear TV advertising space. Via Programmatic TV, we can aquire new customers for the medium of TV and further strengthen the relevance of TV in an intermedia comparison.

All these innovative products, which we bundle under the umbrella of Advanced TV, hold great potential for us as a Group. Successful digital transformation is not just about selling advertising products, but about being a brand consultant. ProSiebenSat.1 covers the entire value chain and can – unlike a pure TV marketer – combine content, marketing and technology. This is an important distinguishing feature from traditional media companies as well as global competitors.

OUTLOOK

In its further business development, ProSiebenSat.1 Media SE depends largely on the subsidiaries of the Group, because the result of ProSiebenSat.1 Media SE is determined to a large extent by the investment result and thus by the possible distributions from the subsidiaries. The forecast for the Group's economic developments thus serves as an assumption for the forecast of ProSiebenSat.1 Media SE. Therefore, in addition to the future framework conditions, the development of key parameters in the Group is also discussed below.

OVERALL ASSESSMENT FROM THE MANAGEMENT'S VIEW: FORECAST FOR 2023

We still generate the majority of our earnings in the advertising market within the German-speaking region (Germany, Austria, Switzerland). This reacts very sensitively to economic developments and particularly to consumer sentiment and willingness to spend. The high degree of uncertainty regarding the macroeconomic development will continue in financial year 2023. Currently, economists anticipate an economic recovery in the German-speaking region in the second half of 2023. We have taken account of these general conditions and assumptions in our outlook for the financial year 2023.

At the same time, ProSiebenSat.1 Group is strategically well positioned for the future. We pursue a clear corporate strategy that reflects the key market trends. In particular, the digital development is shaping our business and opening up growth options for us.

We are focusing on profitable growth while also responding to the economic development with targeted cost measures. At the same time, we are still aiming to improve the profitability of our portfolio and thus generate a P7S1 ROCE (return on capital employed) of more than 15% in the medium-term.

FUTURE BUSINESS AND INDUSTRY ENVIRONMENT

FUTURE BUSINESS ENVIRONMENT

Over the course of 2022, global economic momentum weakened significantly: The enormous inflationary pressure not only weighed on production but also impacted the real purchasing power of private households. At the same time, many central banks tightened their previously usually very expansionary monetary policy. For many emerging and developing countries, which are already struggling with high government debt, weak currencies, and the impact of climate change, this means more difficult financing conditions and declining investment. The growth prospects for 2023 are accordingly subdued.

According to forecasts by the International Monetary Fund (IMF) in April 2023, the **global economy** is likely to grow by 2.8%. The figure forecast for 2023 is therefore significantly below the growth rate of the previous year (forecast: +3.4%). The US economy is expected to expand by 1.6% in real terms, after expected growth of 2.1% in 2022. In the eurozone – which is particularly affected by the energy crisis – only slight growth of 0.8% is expected for 2023 (forecast 2022: +3.5%). In contrast, the outlook for China has brightened: The termination of the COVID-19 measures in January is likely to contribute to a normalization of economic life. This process is expected to be supported by increased government spending and expansionary monetary policy. The IMF therefore expects subdued but accelerated growth of 5.2% for China at the beginning of the year (forecast 2022: +3.0%).

EXPECTED DEVELOPMENT OF KEY ECONOMIC INDICATORS

in %, 2023e

	Germany[1]	Austria[2]	Switzerland[3]	US[4]
Gross domestic product	0.3	0.3	0.8	1.6
Private consumption	-0.2	1.3	1.5	1.5
Inflation rate	6.0	7.1	2.4	4.5

1 Joint Economic Forecast (Gemeinschaftsdiagnose) Spring 2023.
2 WIFO Economic Forecast March 2023.
3 SECO Economic Forecast March 16, 2023, not sport event-adjusted.
4 IMF WEO April 2023.

Germany could already be in recession in the winter half-year 2022/23. However, this could be milder than expected in early fall. Inflation will nevertheless remain high at first and significantly reduce the purchasing power of private households up to mid-2023 – with corresponding negative effects on private consumption. Over the course of the year, the price pressure from energy commodities is expected to ease gradually, the inflation rate decline. Government support is also expected to help here. As labor market will probably remain largely stable and wages are expected to rise sharply, real household income and private consumption are expected to increase again.

Economists' forecasts vary, in some cases significantly, reflecting the continuing uncertainty: Given the weak start, expectations for private consumption over the full-year range between minus 0.6% (ifo Institute) and plus 0.2% (Deutsche Bundesbank). Real economic output is expected to be between minus 0.7% (Deutsche Bundesbank) and plus 0.3% (Joint Economic Forecast). At the same time, the average inflation rate for the year is likely to remain high, expectations range between 5.4% (IfW) and 6.5% (IWH, Halle Institute for Economic Research).

Forecasts are inherently subject to uncertainty, but they are currently particularly high: They range from turbulences in the international banking sector and a prolonged continuation of high inflation to possible energy supply bottlenecks in the coming winter. Moreover, new virus variants could emerge and accelerate the pace of the COVID-19 pandemic again. In addition, there are major geopolitical tensions, especially in connection with the Russia/Ukraine war.

FUTURE INDUSTRY ENVIRONMENT

According to the study "German Entertainment & Media Outlook 2022-2026" by PricewaterhouseCoopers GmbH ("PricewaterhouseCoopers"), the **Entertainment** market is likely to reach a total volume of EUR 43.6 billion in 2023 (+2.3% compared with the previous year), of which EUR 12.5 billion (2022: EUR 11.6 billion) is spending on digital entertainment services. In the forecast period up to 2026, the digital entertainment market is likely to grow by 5.8% per year, with very dynamic growth expected for the streaming sector, among others. In addition to structural developments in connection with digitalization, macroeconomic indicators will also have a significant influence on the further development of spending on entertainment services. This is also true of the advertising industry as a whole.

The sentiment of the members of the German Advertising Federation (Zentralverband der deutschen Werbewirtschaft, ZAW) has clouded, especially in view of the geopolitical uncertainties. On the basis of the current economic forecasts, the situation is likely to remain strained in the first half of the year. According to ZAW, however, the sector has also shown how quickly the order situation can change when an economic recovery begins, so that an improvement is possible in the second half of the year. For the full-year, development is therefore expected to be at least stable compared with the previous year. According to preliminary ZAW data, the advertising industry in 2022 exceeded the pre-crisis level for the first time since the start of the COVID-19 pandemic. Final figures will be released in May 2023.

The existing economic uncertainties are also apparent in the forecasts of other media agencies, which differ significantly from one another: For 2023, Magna Global and ZenithOptimedia forecast a net increase in total advertising spending of 1.6% and 2.9%, respectively. As in 2022, this growth is characterized by the development in the online market. This market is likely to grow between 4.2% (Magna) and 8.0% (ZenithOptimedia), while investment in TV advertising is again expected to decline by 5.1% (Magna) or 3.0% (ZenithOptimedia).

We have accounted for these implications in our financial planning, whereby we are consistently diversifying our revenue portfolio in the **Entertainment** segment and thus responding to changes in media usage behavior. With innovative Advanced TV advertising products we are driving the digital transformation and making our advertising products “smarter”. The more tailored the advertising, the higher the added value for our advertising customers and our viewers. To this end, we are combining the advantages of the digital world – such as data-based broadcast options – with our high TV reach.

Digital developments are shaping our business. At the same time, the COVID-19 pandemic has increased the usage of online services in many areas. Digital channels are now a common means of communication and help to establish or deepen social interactions. This is of benefit to the offerings in the **Dating & Video** segment.

The potential is high, but the dynamics are likely to depend, among other things, on how the Russia/Ukraine war and the associated economic effects, such as high inflation, affect consumer behavior in the various markets. Against this backdrop, the forecasts here also diverge significantly. At the beginning of 2022, we estimated - on the basis of an external market study by OC&C Strategy Consultants - that the total volume of the markets relevant to our Dating & Video segment could grow in the low double-digit percentage range per year until 2026.

In addition, ParshipMeet Group continues to work on sharpening the profiles of its various brands. The best-known example is Parship’s healthy dating campaign, which aims to create appreciative experiences. We have identified customers’ key needs, which are particularly relevant for a positive, “healthier” dating experience, and set a new quality standard via the ongoing development of Parship.

In addition, there is currently good momentum for the expansion the network of our Livebox customers: With the live-streaming technology Livebox (formerly: vPaaS – video-Platform-as-a-Service), customers benefit from a wide range of services – from the technology to support for streamers and the moderation of livestreams. Particularly in economically volatile times, companies are increasingly willing to draw on pre-existing and proven technology and expertise and thus save on costs for expensive developments of their own. This trend is apparent at companies both within and outside of the online dating industry.

As a result of the Russia/Ukraine war, the growth prospects for the **Commerce & Ventures** segment environment are influenced by persistently high inflation and the associated consumer restraint. In particular, the online comparison portal Verivox is very directly confronted with the effects of the war on the energy market. It remains to be seen how and especially how fast the relief packages adopted by the German government will affect the rate of customers switching providers, which is important for the Verivox business model.

For the e-commerce sector, too, visibility is subject to uncertainty with regard to the macroeconomic development. After online retail was one of the biggest beneficiaries of the COVID-19 pandemic in 2020 and 2021, the development of e-commerce in 2022 was slower than in previous years, according to IFH Köln GmbH ("IFH Köln"). Nevertheless, online shopping ought to gain further significance and become increasingly important for all age groups. Compared with 2019 – the reporting period before the outbreak of the COVID-19 pandemic – revenues in online retail have stabilized at a high level. By 2026, the German e-commerce market is likely to reach an average volume of EUR 130 billion. Average annual growth from 2022 to 2026 would thus be 6.8%, and the share of online retail is expected to rise to 16.2% by 2026 (2022: 13.5%).

COMPANY OUTLOOK

Forecast for ProSiebenSat.1 Media SE

As the Group's parent company, ProSiebenSat.1 Media SE collects the results of the main German subsidiaries via profit and loss transfer agreements and dividends. The economic situation of ProSiebenSat.1 Media SE is characterized in particular by this investment result and thus significantly by the business development of the entire ProSiebenSat.1 Group. Based on the forecast for the development of the Group presented below, we are assuming stable income from profit and loss transfers in the 2023 financial year - in which earnings effects from the valuation of investments are not taken into account because they are not foreseeable. As a result, the net profit for the year of ProSiebenSat.1 Media SE will remain on previous year's level - compared to the previous year's result adjusted for earnings effects from the valuation of investments.

Forecast for the Group

ProSiebenSat.1 Group pursues a clear strategy aiming at sustainable and profitable growth. The macroeconomic development in the 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. One the basis of the available macroeconomic parameters, ProSiebenSat.1 expects the economic environment in the German-speaking region (Germany, Austria, Switzerland) to remain challenging for the Group – despite the recent slight improvement in the macroeconomic data – particularly in the first half of 2023 in view of the continued high inflation and associated consumer restraint. For the second half of 2023, ProSiebenSat.1 Group anticipates an economic recovery in the German-speaking region based on the current data from the economic institutes.

Our forecast[4] for the financial year 2023 is therefore based on the assumption that ProSiebenSat.1's business – and in particular its high-margin advertising business – will be heavily impacted by the weaker macroeconomic environment in the first half of the year. However, as an early-cyclical company we are also likely to benefit from the forecast recovery in the second half of 2023, as our advertising revenues in particular closely correlate with the macroeconomic development. 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 forecasts the following results – excluding further portfolio changes – for the financial year 2023:

Revenues

ProSiebenSat.1 is aiming 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[5].

4 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.
5 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.

The revenue target is particularly influenced by the development of the Entertainment advertising revenues in the German-speaking region: Reaching the midpoint of the target range, the Group expects Entertainment advertising revenues in the German-speaking region to decrease by around minus 2% for the full-year. 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: In the first half of 2023, ProSiebenSat.1 anticipates a low double-digit percentage decrease in TV advertising revenues compared to the previous year. In the second half of the year, by contrast, ProSiebenSat.1 anticipates a significant recovery in its important advertising business, 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 expects 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[6]). 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. ProSiebenSat.1 assumes the development of adjusted EBITDA during the year – in line with revenues – to be divided into two parts: considerable negative effects on adjusted EBITDA in the first half of 2023 contrasting with significant catch-up effects in the second half.

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 expects 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 assumes that the adjusted operating free cash flow for the full-year 2023 – for reasons of comparability 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 expects 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.

6 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 non-significant 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.

However, due to the expected decline in adjusted EBITDA in the full-year, the Group expects 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. As a result of the greater burden on adjusted EBITDA in the first and second quarter, the leverage ratio in the first half of the year will be considerably higher than the level anticipated for the end of 2023.

Change in Dividend Policy

ProSiebenSat.1 is focusing on expanding the Group's position as one of the leading, digital media companies in the German-speaking region on the basis of a solid financial position. Against this backdrop, ProSiebenSat.1 is adjusting its dividend policy: Besides the general economic environment and the adjusted net income as 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, including the realization of strategic growth opportunities, particularly in the Entertainment core business.

Reference basis for dividend payments remains the Group's adjusted net income. In the future, the Group will generally aim to pay out 25% to 50% of adjusted net income (previously: 50%), taking into account the aforementioned criteria. For the time being, the upper end of our financial leverage target corridor of 1.5x to 2.5x will serve as a benchmark for maintaining an appropriate level of financial leverage (ratio of the Group's net financial debt to its LTM adjusted EBITDA). However, important strategic investments may lead to a temporary adjustment of the target corridor.

Most Important Non-Financial Performance Indicator

The development of **audience shares** is ProSiebenSat.1 Group's most important non-financial performance indicator. For financial year 2023, the Group expects to confirm its leading position in audience shares in the advertising-relevant target group of 14- to 49-year-olds.

Dividend Proposal

Considering the aforementioned adjusted criteria for distributions to shareholders and in the light of the – due to the Russia/Ukraine war and the related general economic environment – expected burdened business development of the Company, the Executive Board and Supervisory Board propose to the 2023 Annual General Meeting to pay out a significantly reduced dividend of EUR 0.05 per share to the holders entitled to dividends for fiscal year 2022 (previous year: EUR 0.80). This corresponds to an expected total distribution of around EUR 11 million. This reduced proposal takes in particular into account that – as per the outlook of the Company for fiscal 2023 – the financial leverage ratio for the Group at the end of full-year 2023 is expected above the upper end of the target corridor. Payment of the proposed dividend is subject to approval by the Annual General Meeting.

DIVIDEND PROPOSAL

Adjusted net income in EUR m	301
Number of shares outstanding[1]	233,000,000
Number of treasury shares[1]	6,514,679
Number of eligible shares[1]	226,485,321
Proposed dividend in EUR	0.05
Distribution in EUR m	11
Pay-out ratio in %	4

1 As of December 31, 2022.

Predictive Statements

Forecasts are based on current assessments of future developments. In this context, we draw on our budget planning and comprehensive market and competitive analyses. The forecast values are calculated in accordance with the reporting principles used in the Group financial statements and are consistent with the adjustments described in the Group Management Report. However, forecasts naturally entail some uncertainties that could lead to positive or negative deviations from planning. If imponderables occur or if the assumptions on which the predictive statements are made no longer apply, actual results may deviate materially from the statements made or the results implicitly expressed. Developments that could negatively impact this forecast include, for example, a different economic development than that expected at the time this report was prepared. These and other factors are explained in detail in the Risk and Opportunity Report. There we also report on additional growth potential; opportunities that we have not yet or not fully budgeted for could arise from corporate strategy decisions, for example. Potential risks are accounted for regularly and systematically as part of the Group-wide risk management process.

TAKEOVER-RELATED DISCLOSURES

As a publicly traded company whose voting shares are listed in an organized market as defined by Section 2 (7) of the German Securities Acquisitions and Takeover Act (WpÜG), ProSiebenSat.1 Media SE is obliged to disclose the information stipulated in Section 289a (1) of the German Commercial Code (HGB) in the Management Report. The disclosures are intended to enable a third party interested in taking over a publicly traded company to inform itself about the company, its structure, and any obstacles to the takeover. In addition to these statutory disclosures, the following section also includes the related explanations in accordance with Section 176 (1) Sentence 1 of the German Stock Corporation Act (AktG) in conjunction with Article 9 (1) lit. c) ii) SE Regulation.

COMPOSITION OF THE SUBSCRIBED CAPITAL

As of December 31, 2022, the share capital of ProSiebenSat.1 Media SE amounted to EUR 233,000,000. It is divided into 233,000,000 no-par registered common shares with a pro rata share in the share capital of EUR 1.00 per share. All shares entail the same rights and obligations. Each share in ProSiebenSat.1 Media SE grants one vote at the Annual General Meeting and an identical share in profits.

As of December 31, 2022, the total number of treasury shares held by the Company was 6,514,679; this corresponds to 2.8% of the share capital.

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

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

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

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

For minor changes in participating interests or other influences, the body responsible for the state media authorities in this matter pursuant to Section 105 (3) MStV – the Commission on Concentration in the Media (KEK) – has provided for the following exceptions: Pursuant to Section 2 in conjunction with Section 3 of KEK's Reporting Obligation Directive, changes in participating interests are minor if they are effected by acquisition, disposal, or in any other way with less than 5% of capital or voting rights.

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

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

Amendments to the Bavarian Media Law also took effect on April 1, 2022. The new regulation expands the catalog of criteria that the Bavarian regulatory authority for new media ("BLM") must consider in the event of changes to the shareholding structure of a broadcaster under the aegis of the BLM. In the event of planned changes in shareholdings, the BLM officially reviews whether the changes would significantly alter the structure of information in Bavaria. In addition, the BLM can take measures to prevent dominance in opinion-making and to secure the plurality of opinion and information.

On the basis of the voting rights notifications according to Sections 33 and 34 of the German Securities Trading Act (WpHG) received by the Company by December 31, 2022, the following investments in the Company exceed 10% of the voting rights:

According to the voting rights notification that we received on November 2, 2022, MFE-MEDIAFOREUROPE N.V., Amsterdam, Netherlands ("MFE"), holds 22.72% of the shares with voting rights, partly directly and partly indirectly via Mediaset España Comunicación, S.A., Madrid, Spain ("Mediaset España Comunicación").

Due to its direct and indirect investments in MFE and in Mediaset España Comunicación, Finanziaria d'investimento Fininvest S.p.A., Milan, Italy ("Finanziaria d'investimento Fininvest"), is attributed an indirect investment within the meaning of Section 34 WpHG of 22.72% of the shares with voting rights.

Due to his direct and indirect investments in Finanziaria d'investimento Fininvest, in MFE, and in Mediaset España Comunicación, Silvio Berlusconi is in turn attributed an indirect investment of 22.72% of the shares with voting rights.

In addition, Silvio Berlusconi indirectly holds instruments within the meaning of Section 38 (1) WpHG amounting to 6.29% of the voting rights via the entities named above.

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

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

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

APPOINTMENT AND REMOVAL OF EXECUTIVE BOARD MEMBERS

In accordance with Section 7 (1) Sentence 1 of the Company's articles of incorporation, the Executive Board of ProSiebenSat.1 Media SE comprises one or several people. The exact number is determined by the Supervisory Board in accordance with Section 7 (1) Sentence 2 of the articles of incorporation. Members of the Executive Board are in principle appointed and removed by the Supervisory Board in accordance with Article 39 (2) SE Regulation. In accordance with Section 7 (2) Sentence 1 of the articles of incorporation in conjunction with Article 46 SE Regulation, Executive

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

AMENDMENTS OF THE ARTICLES OF INCORPORATION

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

EXECUTIVE BOARD'S POWERS TO ISSUE OR REPURCHASE SHARES

In accordance with Section 71 (1) no. 8 of the German Stock Corporation Act (AktG), the Annual General Meeting of June 12, 2019, authorized the Company, with the approval of the Supervisory Board, to acquire, in accordance with the more detailed conditions of the authorization, its treasury shares on or before June 11, 2024 (inclusive), in the total amount of up to 10.0% of the Company's share capital on the date the authorization was granted or – if this figure is lower – on the date the authorization is exercised, and to use these, also under exclusion of preemptive rights in the cases described in more detail in the authorization. Treasury shares may also be acquired using derivatives up to a total of 5.0% of the share capital on the date the authorization was granted or – if this figure is lower – on the date the authorization is exercised in accordance with the more detailed conditions of the authorization. No treasury shares were acquired in the financial year 2022.

By resolution of the Annual General Meeting of June 1, 2021, the Executive Board was authorized, subject to the consent of the Supervisory Board, to increase the share capital of ProSiebenSat.1 Media SE on one or more occasions on or before May 31, 2026 (inclusive), by not more than EUR 46,600,000 in return for contributions in cash and/or in kind by issuing new registered no-par value shares (Authorized Capital 2021). Subject to the consent of the Supervisory Board, the Executive Board is authorized to determine the further content of the share rights and the conditions of the share issue. The dividend rights of the new shares can also be designed in deviation from Section 60 (2) of the German Stock Corporation Act (AktG); in particular, the new shares can also be given dividend rights from the start of the financial year preceding their issue if, on the date the new shares are issued, the Annual General Meeting has not yet passed a resolution on the allocation of profits from this financial year. Shareholders shall generally be granted the statutory preemptive right to the new shares. The preemptive rights can be entirely or partially designed as indirect preemptive rights within the meaning of Section 186 (5) Sentence 1 of the

German Stock Corporation Act (AktG). However, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' preemptive rights in accordance with the more detailed conditions of the authorization if the shares issued on the basis of Authorized Capital 2021 excluding the shareholders' preemptive rights do not exceed a total of 10% of the share capital either at the effective date or at the exercise date of the authorization to exclude preemptive rights.

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

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

SIGNIFICANT AGREEMENTS OF THE COMPANY SUBJECT TO A CHANGE OF CONTROL, PURSUANT TO SECTION 289A SENTENCE 1 NO. 8 HGB

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

– ProSiebenSat.1 Media SE has a syndicated facilities agreement which, as of December 31, 2022, includes a term loan of EUR 1.2 billion and a revolving credit facility with an amount of EUR 500 million. In the event of a change of control over ProSiebenSat.1 Media SE due to the direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media SE by a third party, the lenders are entitled to terminate their participation in the facility and to demand repayment of outstanding amounts allocable to them within a certain period after the change of control takes place.

– In 2016, ProSiebenSat.1 Media SE issued promissory notes totaling EUR 500 million with maturity ranges of seven years (EUR 225 million at a fixed interest rate and EUR 50 million at a variable interest rate) and ten years (EUR 225 million at a fixed interest rate). The seven-year promissory notes totaling EUR 275 million were repaid ahead of maturity on December 1, 2022. In October 2021, the Company issued further promissory notes totaling EUR 700 million with maturity ranges of four years (EUR 115.5 million at a fixed interest rate and EUR 110.5 million at a variable interest rate), six years (EUR 193 million at a fixed interest rate and EUR 153 million at a variable interest rate), eight years (EUR 46 million at a fixed interest rate and EUR 34 million at a variable interest rate) and ten years (EUR 48 million at a fixed interest rate). In the event of a change of control over ProSiebenSat.1 Media SE due to the direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media SE by a third party, the lenders of the above promissory notes are entitled to terminate their loan participation and demand repayment.

- In the reporting year, ProSiebenSat.1 Media SE had access to a program on the Luxembourg stock exchange for issuing debt securities with a framework volume of up to EUR 2.5 billion. No bonds have been issued under the program to date. If bonds are issued, they may contain a change of control agreement. Such a change-of-control agreement can give bondholders the right to demand repurchase of the bonds in the event of a change in control of ProSiebenSat.1 Media SE of more than 50% of the voting rights by a third party and the occurrence of a negative rating event as a result of the change of control within the change-of-control period.

- In addition, some license agreements for films, TV series and other programs that are important for the Company include regulations that, in the event of a change of control, entitle the provider of the program content to terminate the corresponding license agreement prematurely. In addition, individual contracts with distribution platforms also grant the contract partner the right to terminate the respective agreements in the event of a change of control. The contractual relationships underlying these matters have a total volume of around EUR 1.2 billion.

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

- ProSiebenSat.1 Media SE is also subject in particular to media concentration law and the relevant media laws of the German federal states, as described in the "Restrictions Affecting Voting Rights or the Transfer of Shares, and Shareholdings That Exceed 10% of the Voting Rights" section, which can result in requirements in the event of a change of control. For example, the regulatory authorities can take measures to ensure a broadcasting company's independence from the state or the plurality of opinion and information, especially in the event of an interest in the share capital or voting rights of 25% or more.

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

The employment contracts of Executive Board members contain a change of control clause in the event of a change of control at the Company. In the event of a change of control, Executive Board members have the right to terminate their employment contract with three months' notice to the end of the month and resign from the Executive Board if the change of control would have significantly affected the position of these Executive Board members. There was no such right of termination in the Executive Board employment contracts of Executive Board members Wolfgang Link and Christine Scheffler valid in the financial year 2022, but it is included in the extended contracts of these two Executive Board members valid from January 1, 2023. There is no entitlement to severance payment in the event of a change of control.

There were no change of control clauses with employees of ProSiebenSat.1 Media SE in the financial year 2022.

BALANCE SHEET AS OF DECEMBER 31, 2022

in Euro

			Dec 31, 2022		Dec 31, 2021
	Assets				
A.	**Fixed assets**				
I.	**Intangible assets**				
	1. Licenses, trademarks and patents as well as licenses to such assets and rights for a consideration	863,622.46		1,330,961.16	
	2. Advances paid on intangible assets	296,243.49	1,159,865.95	403,487.34	1,734,448.50
II.	**Property, plant and equipment**				
	1. Buildings on land owned by others	45,504,954.00		43,928,563.00	
	2. Other equipment, fixtures, furniture and equipmemnt	3,111,814.00		3,290,805.48	
	3. Advances paid on tangible assets under construction	44,330,359.67	92,947,127.67	27,672,663.88	74,892,032.36
III.	**Financial Assets**				
	1. Interests in Group companies	6,908,388,295.35		7,323,679,823.08	
	2. Loans to Group companies	63,978,236.34		44,596,994.50	
	3. Interests in associated companies	6,250.00		6,250.00	
	4. Long-term investments	0.00		3,896,180.77	
	5. Other loans	22,813,284.91	6,995,186,066.60	23,918,313.29	7,396,097,561.64
			7,089,293,060.22		**7,472,724,042.50**
B.	**Current assets**				
I.	**Receivables and other current assets**				
	1. Trade accounts receivable	27,187,162.92		28,781,126.05	
	2. Receivables from Group companies	529,131,268.37		750,253,239.87	
	3. Other assets	124,298,698.34	680,617,129.63	103,724,818.31	882,759,184.23
II.	**Cash and deposit at banks**		356,889,641.49		297,370,841.15
			1,037,506,771.12		**1,180,130,025.38**
C.	**Prepaid expenses**		**5,045,921.66**		**4,794,281.89**
D.	**Acitve difference from offsetting**		**73,844.00**		**86,291.00**
			8,131,919,597.00		**8,657,734,640.77**

BALANCE SHEET AS OF DECEMBER 31, 2022

in Euro

		Dec 31, 2022	Dec 31, 2021
	Liabilities and shareholders' equity		
A.	**Equity**		
I.	**Subscribed capital**	**233,000,000.00**	**233,000,000.00**
	./. Nominal amount of treasury shares	-6,514,679.00	−6,694,738.00
	Issued share capital	226,485,321.00	226,305,262.00
	Contingent capital EUR 23,300,00.00		
II.	**Capital reserves**	**1,132,435,703.10**	**1,131,165,817.10**
III.	**Other profit reserves**	**1,552,864,106.49**	**1,152,876,897.49**
IV.	**Distributable profit**	**274,667,803.33**	**979,146,954.71**
		3,186,452,933.92	**3,489,494,931.30**
B.	**Provisions**		
1.	Pension provisions and similar obligations	7,702,512.00	4,840,469.00
2.	Tax provisions	51,181,760.93	110,242,082.86
3.	Other provisions	77,588,509.20	103,280,156.28
		136,472,782.13	**218,362,708.14**
C.	**Liabilities**		
1	Liabilities to banks		
	a. Loan liabilities	2,125,000,000.00	2,450,000,000.00
	b. Interest and bank liabilities	7,068,565.28	4,817,139.97
2	Deposits received	327,286.93	863,452.32
3	Trade accounts payable	285,483,404.04	270,919,298.14
4	Liabilities to Group companies	2,329,367,319.63	2,190,619,205.76
5	Other liabilities	35,507,630.65	32,584,395.83
	--thereof for taxes EUR 28,630,810.20 (previous year: EUR 30,368,381.19)--		
		4,782,754,206.53	**4,949,803,492.02**
D.	**Deferred income**	**25,884.39**	**73,509.31**
E.	**Deferred tax liabilities**	26,213,790.03	0.00
		8,131,919,597.00	**8,657,734,640.77**

INCOME STATEMENT FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2022

in Euro

			2022		2021
1.	Revenues		123,481,047.03		114,139,522.96
2.	Other operating income		102,445,625.43		73,135,335.28
	thereof from currency conversion EUR 57,450,801.28 (previous year: EUR 36,354,339.82)				
3.	Programming and material expenses				
	a. Cost of licenses, transmission fees and materials	33,763,431.28		31,625,995.54	
	b. Cost of purchased services	19,369,958.43	53,133,389.71	17,920,590.67	49,546,586.21
4.	Personnel expenses				
	a. Wages and salaries	56,677,924.83		48,402,147.22	
	b. Social security contributions and other employee benefits	6,806,371.93	63,484,296.76	7,371,055.65	55,773,202.87
	thereof for old age pensions EUR 1,081,191.63 (previous year: EUR 2,068,857.00)				
5.	Amortization and depreciation of tangible assets and intangible assets		8,786,270.42		8,610,619.36
6.	Other operating expenses		123,623,868.67		101,251,137.08
	thereof from currency conversion EUR 34,703,374.45 (previous year: EUR 37,394,392.10)				
7.	Income from profit transfer agreements		432,345,037.82		611,357,283.63
8.	Income from investments		0.00		147,314,665.93
	thereof from Group companies EUR 0.00 (previous year: EUR 147,314,665.93)				
9.	Other interest and similar income		35,655,628.03		18,560,697.67
	thereof from Group companies EUR 2,774,443.42 (previous year: EUR 4,385,616.34)				
10.	Write-down of financial assets		432,087,149.96		2,179,161.57
11.	Expenses from loss absorption		28,143,567.40		11,629,267.02
12.	Interest and similar expenses		54,834,979.16		51,226,088.06
	thereof to Group companies EUR 9,974,914.57 (previous year: 971,682.54)				
	thereof from accumulation EUR 592,124.17 (previous year: EUR 738,782.93)				
13.	Income taxes		53,198,779.81		167,266,847.23
	thereof from deferred taxes EUR 26,213,790.03 (previous year: EUR 0.00)				
14.	Income after taxes		−123,364,963.58		517,024,596.07
15.	Other taxes		69,978.20		72,275.13
16.	**Result of the year**		**−123,434,941.78**		**516,952,320.94**
17.	Profit carried forward from the previous year		398,102,745.11		462,194,633.77
18.	**Distributable profit**		**274,667,803.33**		**979,146,954.71**

NOTES TO THE FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2022

GENERAL DISCLOSURES

ProSiebenSat.1 Media SE is a publicly traded stock corporation under European law and registered at Munich District Court, Germany, (HRB 219 439) as the parent company of ProSiebenSat.1 Group trading under the name ProSiebenSat.1 Media SE. The registered common share is listed in Germany at the stock exchange in Frankfurt am Main and at the stock exchange in Luxembourg (Bourse de Luxembourg). The Company is headquartered in Unterföhring. Its address is ProSiebenSat.1 Media SE, Medienallee 7, 85774 Unterföhring, Germany.

BASIS AND METHODOLOGY

The Annual Financial Statements of ProSiebenSat.1 Media SE were prepared in compliance with the relevant requirements of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) in connection with Art. 61 of regulation (EG) No. 2157/2001 (SE-VO).

The cost of production method in accordance with section 275 (2) of the German Commercial Code was applied consistently to the income statement.

ProSiebenSat.1 Media SE prepares and publishes its Annual Financial Statements in EUR. Due to rounding, it is possible that individual figures in these Annual Financial Statements do not add exactly to the totals shown and that the percentage figures given do not reflect exactly the absolute figures they relate to.

ACCOUNTING POLICIES

The following accounting methods applied in the previous year were applied unchanged.

Intangible assets acquired for consideration are capitalized at cost and are amortized on a straight-line basis over the economic life-time but no more than ten years. Unscheduled write-downs are taken if a permanent impairment of value can be expected. Internally generated intangible non-current assets are not recognized.

Tangible fixed assets are valued at cost, less usage-based straight-line depreciation over the economic life-time but no longer than 30 years. Unscheduled write-downs are taken if a permanent impairment of value can be expected. Assets with acquisition costs of up to EUR 250 are recognized in full as expenses in the year of acquisition. Assets with acquisition costs of between EUR 250 and EUR 1,000 are combined into a single item, which is depreciated on a straight-line basis over five years.

Buildings on land not owned by the Company are depreciated over their normal useful life or, if shorter, the term of the lease. Other facilities, as well as office furniture and equipment, are depreciated over a term of three to 20 years, depending on the item in question.

Financial assets are recognized at cost or at their lower fair value if the impairment is expected to be permanent. If the reasons for permanent impairment no longer apply, reversals of impairment up to the acquisition cost are made in compliance with the rules for recovery of value.

Shares in affiliated companies are generally recognized at cost or, if permanent impairment is expected, at their lower fair value. The check to determine whether shares in affiliated companies are impaired takes place inter alia in simplified company valuations, multi-stage procedures and fair values. The fair values are determined using the discounted cash flow method. Valuations are performed in accordance with IDW RS HFA 10 “Application of the principles of IDW S 1 when valuing investments for the purposes of Annual Financial Statements under the German Commercial Code” under which cash flows are based on investment-specific planning over in general a period of five years which is updated using investment-specific growth rates. The capitalization rate applied here is calculated based on the return on a risk-appropriate alternative investment.

In addition, previously impaired shares in affiliated companies are reviewed annually to determine whether the reasons for the impairment have ceased to apply. For these shares, too, the fair value of the corresponding financial asset is calculated based on IDW RS HFA 10.

Receivables and other assets are measured at their nominal amount or, if applicable, at cost or at their lower fair value on the reporting date. In the valuation of receivables and other current assets, adequate allowances have been made to cover known risks through valuation allowances.

Credit balances at banks are shown at their nominal value. Short-term foreign currency balances and liabilities are converted at the exchange rates on the reporting date.

Treasury stock is deducted from equity in accordance with section 272 (1a) of the German Commercial Code. If the costs of acquisition for treasury stock exceed the nominal amount of these stocks, the excess is offset against retained earnings.

The issue of own shares as part of the “myshares” employee share program is recorded in capital reserve in the amount of the issue amount exceeding the nominal value of the shares. In addition, the personnel expenses of the employee share program, which result from so-called “matching shares”, are also shown in capital reserve.

Assets that are exclusively for the meeting of pension obligations and inaccessible to all other creditors as of the closing date are measured at fair value which is the market value. These assets are offset by the respective underlying obligation. If there is an excess of obligations, it is recognized as a provision. If the value of the assets exceeds the value of the obligations, it is recognized as active difference resulting from offsetting.

Pension provisions and similar obligations are measured at the amount payable deemed necessary according to prudent business judgment. This amount payable is calculated using actuarial techniques in accordance with the Projected Unit Credit Method. They are calculated on the basis of biometric data from the 2018 G guideline tables prepared by Prof. Dr. Klaus Heubeck and an average market interest rate for the last ten financial years of 1.78 % (previous year: 1.87 %) for a remaining term of 15 years and a pension trend of 0.0 % to 1.0 % a year (previous year: 0.0 % to 1.0 %). Fluctuation and salary increase has been reflected in the calculation in both years with 0.0 %. The interest component of pension expenses is reported under interest and similar expenses after netting with interest income from plan assets.

Tax provisions and other provisions are to be measured at the expected amount payable deemed necessary according to prudent business judgment, taking into account price and cost increases. Long-term provisions (remaining term of more than a year) are to be discounted at the average market interest rate of the past seven years appropriate for the duration, which is calculated and published by Deutsche Bundesbank.

Liabilities are measured at their amount payable as of the balance sheet date.

If there are differences between the valuations of assets, liabilities and prepaid expenses under German commercial law and fiscal law, which are expected to reverse in future financial years, any overall surplus of deferred tax liability which remains after offsetting is recognized on the balance sheet, taking into account the loss and interest carried forward. Deferred tax assets are netted out to the extent that they correspond to the existing deferred tax liabilities as of the closing date. The option to recognize deferred tax assets – provided they exceed the deferred tax liabilities – is not exercised.

Loss and interest carried forward and tax credits are taken into account to the extent that they are expected to be offset or used within the next five years. Temporary differences between the measurement of assets, liabilities and prepaid expenses of consolidated tax group subsidiaries under German commercial law and fiscal law are included if there are expected to be tax burdens and tax relief from reducing the respective temporary differences at the tax group parent, ProSiebenSat.1 Media SE.

Deferred taxes are measured on the basis of the applicable corporate income tax rate and according to the trade tax assessment rates of the income tax consolidation group of ProSiebenSat.1 Media SE. Corporate income tax, the solidarity surcharge and trade tax resulted in a tax rate for deferred taxes of 28 % for the last financial year.

Receivables and liabilities in foreign currencies with a remaining term of up to one year are measured at the exchange rate on the closing date. Foreign currency receivables with a remaining term of more than one year are converted at the exchange rate on the booking date or the lower exchange rate on the closing date; foreign currency liabilities with a remaining term of more than a year are converted at the exchange rate on the booking date or the higher exchange rate on the closing date.

ProSiebenSat.1 Media SE uses derivative financial instruments to hedge against risks of changes in interest rates and foreign exchange rates in its operating activities, and in the resulting financing needs. If there is a direct hedging relationship, hedge accounting is applied to the derivative financial instruments together with their underlying transaction in accordance with section 254 of the German Commercial Code. If there is no sufficient hedging relationship, the hedging transactions are measured under the principle of unequal treatment of losses and income; in other words, provisions are formed for negative market values, but positive market values are not recognized.

NOTES TO THE BALANCE SHEET

Fixed assets

Changes in fixed assets can be found in the statement of changes in fixed assets at the end of the Notes.

Financial assets

The ProSiebenSat.1 Media SE overview Group of companies is listed at the end of the Notes.

In the 2022 financial year, shares in affiliated companies fell by EUR 415 million to EUR 6,908 million. This decline is primarily due to the partial write-down of the investment book value of EUR 430 million regarding the shares in NCG – NUCOM GROUP SE, Unterföhring.

In the 2022 financial year, impairment losses on financial assets totaling EUR 432 million (previous year: EUR 2 million) and write-ups due to reversals of impairments totaling EUR 2 million (previous year: EUR 0 million) were made.

Loans to affiliated companies of EUR 64 million (previous year: EUR 45 million) involve intragroup loans that are not expected to be repaid within a year.

Other loans in the amount of EUR 23 million (previous year: EUR 24 million) essentially comprise loans to the landlord of the property at Medienallee 7 at the Unterföhring site.

Receivables and other assets

RECEIVABLES AND OTHER ASSETS

EUR m

	Dec 31, 2022			Dec 31, 2021		
	Remaining term		**Total**	Remaining term		**Total**
	1 year or less	more than 1 year		1 year or less	more than 1 year	
Trade accounts receivable	26	1	**27**	28	1	**29**
Receivables from Group companies	529	—	**529**	750	—	**750**
Other assets	102	22	**124**	104	—	**104**
Total	**657**	**23**	**681**	**882**	**1**	**883**

Receivables from affiliated companies comprise receivables under profit and loss transfer agreements (EUR 432 million; previous year: EUR 611 million), short-term loan receivables (EUR 6 million; previous year: EUR 19 million), cash pooling receivables (EUR 6 million; previous year: EUR 17 million), and receivables from internal transactions (EUR 85 million; previous year: EUR 103 million).

The other assets primarily comprise advance payments made on licenses of EUR 28 million (previous year: EUR 68 million) and tax receivables of EUR 54 million (previous year: EUR 15 million) of which EUR 12 million (previous year: EUR 13 million) are of anticipatory nature. As ProSiebenSat.1 Media SE acts as general contractor for the new “Campus” construction, this item also included receivables from the company towards the site owner amounting to EUR 17 million (previous year: EUR 16 million).

Prepaid expenses

As at December 31, 2022, prepaid expenses mainly included prepaid expenses for transponder fee and the effects from the employee share program “myshares”.

Deferred taxes

The following overview details the balance sheet items that include deferred tax receivables and deferred tax liabilities for the income tax consolidation group of ProSiebenSat.1 Media SE:

DEVELOPMENT OF DEFERRED TAXES

EUR m

	Dec 31, 2022		Dec 31, 2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	1	—	—	—
Fixed assets	2	—	1	—
Financial assets	7	−35	3	−35
Programming assets	0	−14	27	—
Receivables and other current assets	2	0	1	0
Active difference resulting from offsetting	—	0	—	0
Provisions	15	−4	7	−4
Liabilities	5	—	0	—
Prepaid expenses	—	−4	—	—
Total	**31**	**−57**	**40**	**−40**
Netting	−31	31	−40	40
Balance	**—**	**−26**	**—**	**—**

Deferred tax assets and tax liabilities are calculated using a combined tax rate of corporate income tax, the solidarity surcharge, and trade tax of 28 %, which is derived from a weighted average of the tax rates of the subsidiaries. Temporary differences to financial assets are measured at an effective tax rate of 1.4 %.

Equity

Subscribed capital

As of December 31, 2022, the subscribed capital of ProSiebenSat.1 Media SE amounted to EUR 233,000,000 (previous year: EUR 233,000,000), with each share representing a nominal value of EUR 1.00 of the share capital. Thus, as of December 31, 2022, the number of issued common shares was 233,000,000 (previous year: 233,000,000 common shares) of which the Company itself held 6,514,679 common shares in treasury (previous year: 6,694,738 common shares).

DEVELOPMENT OF EQUITY IN 2022

EUR m

	Subscribed capital[1]	Capital reserves	Profit reserves	Balance Sheet profit	Total Equity
December 31, 2021	**226**	**1,131**	**1,153**	**979**	**3,489**
Allocation to profit reserves	—	—	400	−400	—
Paid dividends	—	—	—	−181	**−181**
Loss of the year	—	—	—	−123	**−123**
Employee share ownership plan	0	1	—	—	**1**
December 31, 2022	**226**	**1,132**	**1,553**	**275**	**3,186**

1 net of treasury shares

Authorized Capital

By resolution of the Annual General Meeting on June 1, 2021, new authorized capital was created (Authorized Capital 2021). According to the resolution, the Executive Board, subject to the consent of the Supervisory Board, is authorized until and including May 31, 2026, to increase the share capital by not more than in total EUR 46,600,000 by issuing, on one or more occasions, new registered no-par value shares, in return for contributions in cash and/or in kind. Shareholders' pre-emptive rights may be excluded under certain conditions.

Contingent Capital

By resolution of the Annual General Meeting on June 1, 2021, the Executive Board is authorized, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or option bonds in the total nominal amount of up to EUR 800 million, against cash and/or contributions in kind, until May 31, 2026, and to grant the holders or creditors of such bonds conversion or option rights to subscribe for in total up to 23,300,000 new registered no-par value shares in the pro rata amount of in total up to EUR 23,300,000 of the Company's registered share capital, and/or to stipulate respective conversion rights of ProSieben Sat.1 Media SE as issuer (Autohorisation 2021). For this purpose, the share capital was contingently increased by in total up to EUR 23,300,000 to be effected through the issuance of up to 23,300,000 new registered no-par value shares (Contingent Capital 2021). The Executive Board is authorized, subject to the consent of the Supervisory Board, to exclude shareholders' pre-emptive rights under certain conditions.

Treasury shares

In accordance with section 71 (1) no. 8 of the German Stock Corporation Act, the Annual General Meeting of June 12, 2019, authorized the Company to acquire its own shares on or before June 11, 2024, in the amount of up to 10 % of the Company's share capital on the date the authorization was granted or — if this figure is lower — on the date the authorization is exercised, and to use these, also with the exclusion of preemptive rights in the cases described in more detail in the authorization. Treasury shares may also be acquired using derivatives up to a total of 5 % of the share capital on the date the authorization was granted in accordance with the more detailed conditions of the authorization. Together with other own shares owned by or attributable to the Company according to sections 71a et seq. of the German Stock Corporation Act, no more than 10 % of the share capital may be attributable to the shares acquired on the basis of this authorization at any time.

The authorization of June 12, 2019 allows the Executive Board, with the Supervisory Board's consent, to exercise its right for any legally permissible purpose.

In financial years 2022 and in 2021 no treasury shares were acquired.

In the financial year 2022, 167,268 treasury shares were ceded at a price of EUR 7.08 as part of the "myshares" employee share program. For the issue of so-called matching shares of the 2019 myshares program, 12,791 free shares were issued in the 2022 financial year after the three-year holding period.

In total, ProSiebenSat.1 Media SE held 6,514,679 (previous year: 6,694,738) of its own common shares as of December 31, 2022. This is equivalent to 2.8 % (previous year: 2.9 %) of the share capital.

Capital reserve

Capital reserves amounted to EUR 1,132 million (previous year: EUR 1,131 million). Capital reserves included premiums from the new stock issuance in financial year 1997 and the capital increases in 2004 and 2016, the cumulative effects on results that arose in connection with the granting of stock options of the former Long Term Incentive Plans (LTIPs), stock awards, and the employee share programs, and the effects from the exercise of stock options. The increase in the past financial year results from the recognition of the effects of the employee share program.

Profit reserves

Other profit reserves include additions of EUR 800 million from the financial year 2017 and EUR 200 million from the financial years 2018 and 2019 and EUR 400 million from the financial year 2022 respectively. The costs of acquisition exceeding the nominal amount of the treasury stock amounting to EUR 47 million for the share buyback in 2018 are offset against retained earnings.

As of December 31, 2022, retained earnings of EUR 1 million (previous year: EUR 1 million) were subject to a distribution block. This resulted in the amount of EUR 0 million (previous year: EUR 0 million) from the fair value accounting of the plan assets and in the amount of EUR 1 million (previous year: EUR 2 million) from the fair value calculation of the settlement amount of the pension obligations. In addition, deferred taxes taken into account in this regard led to a calculated surplus of deferred tax assets, which was included in the distribution block in the amount of EUR 1 million (previous year: EUR 1 million).

Distributable profit

In the past financial year, based on the resolution of the Annual General Meeting on May 5, 2022, a distribution of EUR 181 million was made from ProSiebenSat.1 Media SE's distributable balance sheet profit of EUR 979 million for the 2021 financial year. This corresponded to a dividend payment of EUR 0.80 per dividend-entitled share. In addition, it was decided at the Annual General Meeting to allocate EUR 400 million to profit reserves

In accordance with the German Stock Corporation Act, the dividend payable to shareholders depends on the distributable profit reported in the Annual Financial Statements of ProSiebenSat.1 Media SE under the German Commercial Code. There are plans to use ProSiebenSat.1 Media SE's distributable profit of EUR 275 million for the financial year 2022 as follows:

PROPOSAL OF PROFIT ALLOCATION
EUR

Distributable balance sheet profit as of December 31, 2021	979,146,954.71
Allocation to profit reserves	-400,000,000.00
Dividend distribution in 2022	-181,044,209.60
Loss of the year 2022	-123,434,941.78
Distributable balance sheet profit as of December 31, 2022	**274,667,803.33**
Distribution of a dividend of EUR 0.05 per share	11,324,266.05
Balance to be carried forward to the next accounting period	263,343,537.28

Provisions

PROVISIONS
EUR m

	Dec 31, 2022	Dec 31, 2021
Provisions for pension and similar obligations	8	5
Tax provisions	51	110
Other provisions		
Onerous contracts	19	24
Provision for outstanding invoices	19	17
Personnel provisions	14	23
Other miscellaneous provisions	25	39
Subtotal	**77**	**103**
Total	**136**	**218**

Provisions for pensions

Pension provisions were recognized for obligations to provide future benefits for active and former members of the Executive Board of ProSiebenSat.1 Media SE and their survivors.

PENSIONS PROVISIONS BALANCE SHEET PRESENTATION

EUR m

	Dec 31, 2022	Dec 31, 2021
Pension obligations before offsetting	30	29
Fair value of designated assets	22	24
-thereof designated assets exceeding pension obligations	0	0
Pension provisions as per balance sheet	**8**	**5**

The acquisition costs of the plan assets amounted to EUR 25 million (previous year: EUR 25 million). In connection with recognizing expenses and income from discounting the obligation and expenses and income from the plan assets, interest expenses of EUR 1 million (previous year: EUR 1 million) and impairment from plan assets amounting to EUR 3 million (previous year: EUR 0 million) were recognized under impairment from financial assets.

Using the average market interest rate of the last seven financial years projected for the closing date of 1.44 % p.a., the pension provision as of December 31, 2022 would be EUR 31 million (including the amount payable contained in the active difference resulting from offsetting). The difference as defined by section 253 (6) sentence 1 of the German Commercial Code was EUR 1 million in the financial year, which is distribution-blocked when deferred taxes are taken into account.

Tax provisions

The tax provisions were formed primarily for corporate income tax and trade tax. The potential impact of a current tax audit has been taken into account.

Other provisions

As part of strategic measures, a provision was set up in 2018 for impending losses in connection with the future acquisition in programming assets in the amount of EUR 176 million. As of December 31, 2022, the provision decreased because of usage to EUR 3 million (previous year: EUR 24 million).

In the 2022 financial year, impending losses of EUR 16 million (previous year: none) were recognized for financial instruments used to hedge foreign currency risks that did not meet the requirements for valuation units.

The personnel provisions include provisions for short-term bonus payments and for multi-year variable incentive systems totaling EUR 11 million (previous year: EUR 20 million).

Other miscellaneous provisions include provisions for interest on arrears and value-added tax of EUR 20 million (previous year: EUR 34 million) as of December 31, 2022.

Liabilities

LIABILITIES

EUR m

	Dec 31, 2022				Dec 31, 2021			
	Remaining term				Remaining term			
	less than 1 year	over 1 year	Total	thereof over 5 years	less than 1 year	over 1 year	Total	thereof over 5 years
Liabilities to banks								
a) Loan liabilities	—	2,125	2,125	128	50	2,400	2,450	474
b) Interest and bank liabilities	7	—	7	—	5	—	5	—
Deposits received	0	—	0	—	1	—	1	—
Trade accounts payable	225	61	286	—	218	53	271	—
Liabilities to Group companies	2,329	—	2,329	—	2,190	—	2,190	—
Other liabilities	36	—	36	—	33	—	33	—
Total	**2,597**	**2,186**	**4,783**	**128**	**2,497**	**2,453**	**4,950**	**474**

As of December 31, 2022, ProSiebenSat.1 Media SE has a syndicated loan agreement consisting of two term loans and a revolving credit facility (RCF). The credit agreement was extended in May 2022 and now includes a term loan of EUR 800 million and an RCF of EUR 500 million (previous year: EUR 750 million) with terms until April 2027, as well as a further term loan of EUR 400 million and a term until April 2025 (with extension options for a total of up to two more years). In addition, as of December 31, 2022, ProSiebenSat.1 Media SE had promissory note loans of EUR 700 million issued in 2021 with maturities in 2025, 2027, 2029 and 2031 and respective partial amounts of EUR 226 million, EUR 346 million, EUR 80 million and EUR 48 million are available. ProSiebenSat.1 Media SE also still has a promissory note loan from 2016 with a term until 2026 in the amount of EUR 225 million.

In December 2022, ProSiebenSat.1 Media SE repaid the promissory note loan taken out in 2016 in the amount of EUR 275 million prematurely from liquid funds. The loans were originally due in December 2023 (EUR 225 million fixed interest rate and EUR 50 million variable interest rate). In addition, ProSiebenSat.1 Media SE repaid a short-term money market loan of EUR 50 million at the regular end of the term in October 2022.

Liabilities to affiliated companies include in particular liabilities from cash pooling (EUR 2,236 million, previous year: EUR 2,109 million), liabilities from internal transactions (EUR 17 million, previous year: EUR 21 million), liabilities from profit and loss transfer agreements (EUR 28 million, previous year: EUR 12 million) and liabilities from short-term loans (EUR 48 million; previous year: EUR 48 million).

NOTES TO THE INCOME STATEMENT

Revenues

Revenues (EUR 123 million; previous year: EUR 114 million) mainly include proceeds from the disposal of programming assets and ancillary programming rights and from services relating to activities as a holding company.

Proceeds of EUR 27 million (previous year: EUR 25 million) were made from the disposal of programming assets and ancillary programming rights, the majority was generated abroad.

Proceeds from services due to the holding function relate almost exclusively to apportionment of management fees amounting to EUR 56 million (previous year: EUR 54 million) as well as proceeds from lease of office space and ancillary costs to affiliated companies of EUR 19 million (previous year: EUR 18 million). The proceeds were almost exclusively generated from domestic Group companies.

Other operating income

Other operating income of EUR 102 million (previous year: EUR 73 million) especially includes exchange rate effects as well as cost transfers to other Group companies. The income relating to other periods that is included within other operating income amounting to EUR 8 million (previous year: EUR 6 million) and relates primarily to the reversal of provisions amounting to EUR 7 million (previous year: EUR 5 million).

Programming and material expenses

Expenses for licenses, transmission fees and materials were EUR 34 million (previous year: EUR 32 million). Main component is expenses for transmission costs and satellite rentals in the amount of EUR 27 million (previous year: EUR 27 million), which are passed on to group companies. Expenses for purchased services relate primarily to rental expenses, which are passed on to the Group companies as part of the Group holding activity and reported as revenue.

Personnel expenses

In the financial year 2022, personnel expenses amounted to EUR 63 million (previous year: EUR 56 million). Included in the amount are severance payments of EUR 10 million (previous year: EUR 0 million).

Other operating expenses

Other operating expenses of EUR 124 million (previous year: EUR 101 million) particularly include currency effects, charges passed on by Group companies, IT costs, legal and consulting costs. The increase compared to the previous year is due in particular to the formation of provisions for impending losses for financial instruments for currency hedging that did not meet the requirements for the formation of a valuation unit. Legal and consulting costs related to the sale of the US production business, which were passed on within the Group, also increased significantly.

Result from profit transfers and investments

In financial year 2022, the income from profit transfer agreements of EUR 432 million (previous year: EUR 611 million) exclusively included transferred profits of the German station family. The decline resulted in particular from the weaker economic development in the 2022 financial year. In addition, a dividend of EUR 147 million was received from the subsidiary NCG - NUCOM GROUP SE, Unterföhring, in the previous year.

Expenses from loss absorption increased to EUR 28 million in the financial year 2022 (previous year: EUR 12 million).

Write-down of financial assets

Depreciation of financial assets increased by EUR 430 million to EUR 432 million in the 2022 financial year. The reason for this was the partial write-down on the investment book value of the subsidiary NCG - NUCOM GROUP SE, Unterföhring, in the amount of EUR 430 million mainly as a result of the increasing customer reluctance in the e-commerce area due to the energy crisis triggered by the Russia/Ukraine war and the associated high inflation.

Interest and similar expenses

Interest and similar expenses include interest added to pension provisions of EUR 1 million (previous year: EUR 1 million).

Interest and similar income

In the 2022 financial year, interest and similar income include income from the sale of interest rate options in the amount of EUR 16 million. In addition, income of EUR 3 million was generated from the early repayment of promissory note loans in the 2022 financial year.

Income taxes

In addition to the taxable income generated by the Company itself, ProSiebenSat.1 Media SE has a tax liability for the tax assessment bases attributable to the subsidiaries affiliated with it under profit and loss transfer agreements for tax purposes as the tax group parent. Taxes on income include income relating to other periods of EUR 46 million (previous year: EUR 4 million). Income relating to other periods essentially results from the reversal of a tax provision in connection with the tax audit for the years from 2013. In addition, a deferred tax expense of EUR 26 million (previous year: EUR 0 million) was recognized in the 2022 financial year.

OTHER INFORMATION

Contingent liabilities

CONTINGENT LIABILITIES
EUR m

	Dec 31, 2022	Dec 31, 2021
Contingent liabilities from guarantees	48	61
(therof amounts for Group companies)	(48)	(61)

Liabilities from guarantees are predominantly related to credit guarantees for affiliated companies.

On the basis of ongoing risk assessment of the contingent liabilities entered into and considering all knowledge gained up to the preparation of the Annual Financial Statements, ProSiebenSat.1 Media SE expects that the obligations underlying the contingent liabilities can be fulfilled by the relevant principal debtors. Therefore, the risk of utilization of contingent liabilities is estimated to be low.

Other financial obligations

OTHER FINANCIAL OBLIGATIONS

EUR m

	due in following year	due in 2nd to 5th year	due after 5th year	**Total Dec 31, 2022**	Total Dec 31, 2021
Programming assets	185	797	36	1,018	972
Distribution	22	29	—	51	64
Leasing and rental commitments	22	116	157	295	299
Other obligations	49	17	—	66	43
(therof amounts due to Group companies)	(12)	—	—	(12)	(10)
Total	**278**	**959**	**193**	**1,430**	**1,378**

Purchase commitments from program assets result from contracts for the acquisition of film and series licenses concluded before December 31, 2022, and commissioned programs.

Financial obligations for satellite rental, obligations under contracts for terrestrial transmission facilities and cable feed charges are reported under Distribution.

Leasing and rental commitments particularly include building leases for office and editorial space at the sites in Unterföhring. The terms of the major contracts extend to 2038. In addition, obligations arising from the provision of company cars are also reported here.

Other liabilities essentially comprise obligations for other third-party service agreements, purchase commitments and memberships.

In addition, there are intra-group obligations from financing commitments to affiliated companies in the amount of EUR 196 million (previous year: EUR 229 million), the amount and timing of which, however, cannot be anticipated.

Off-balance sheet transactions

In accordance with the regulations of the German Commercial Code and the principles of proper accounting, there are transactions that are not to be shown on the balance sheet. At ProSiebenSat.1 Media SE, these mainly include leasing contracts regarding real estate. These transactions do not have a significant financial impact on ProSiebenSat.1 Media SE. No significant risks or rewards from these transactions on ProSiebenSat.1 Media SE's financial position can be identified.

Employees

AVERAGE NUMBER OF EMPLOYEES DURING THE YEAR

	2022	2021
Employees	396	367
Trainees, volunteers and interns	51	53
Total	**447**	420

The average number of employees in financial year 2022 is split across the three areas of responsibility of ProSiebenSat.1 Media SE as follows: Strategic Holding 118 employees (previous year: 121 employees), Center of Excellence 206 employees (previous year: 178 employees) and Shared Service Center 72 employees (previous year: 68 employees).

Professional fees of the independent auditor

The information required under section 285 no. 17 of the German Commercial Code regarding the total fees charged by our independent auditor, Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, in financial year 2022 is provided in the Consolidated Financial Statements of ProSiebenSat.1 Media SE as of December 31, 2022.

Derivative financial instruments

ProSiebenSat.1 Media SE is exposed to a variety of financial risks through its business operations and financing requirements. These risks are managed by the Group Finance & Treasury central area as part of financial risk management. The goals of financial risk management are to ensure solvency and manage market price risks in a risk-adequate manner. The derivative financial instruments used here serve exclusively to hedge existing risks and are not used for speculation purposes.

The market value of interest rate swaps is calculated by discounting the expected future cash flows. The market values of interest rate caps, interest rate floors, and currency options are calculated based on option price models reflecting the current market situation. The market values of currency forwards are derived from the forward exchange rate set by the market. Other methods may lead to deviations.

The nominal and market values of derivative financial instruments held by ProSiebenSat.1 Media SE as of December 31, 2022, are shown below:

NOMINAL AMOUNTS AND MARKET VALUES

	Year of maturity			Nominal amount	Market value
	2023 USD m	2024 - 2027 USD m	from 2028 USD m	Dec 31, 2022 USD m	Dec 31, 2022 EUR m
Currency hedging					
Currency forwards & currency swaps	400	265	0	665	38
	EUR m	EUR m	EUR m	EUR m	EUR m
Interest hedging					
Interest hedging	1,000	700	—	1,700	52

As of the balance sheet date, the level of the risks hedged with the valuation units from expected adverse or advantageous changes in value and cash flows correspond to the fair values of the hedging transactions. Due to the similar risks, the opposing payment flows from the underlying and hedging transactions are expected to be fully balanced. Proof of prospective and retrospective effectiveness is provided by means of regular effectiveness tests. Based on the agreement of the valuation-relevant parameters of the underlying and hedging transaction, the prospective effectiveness is determined using the so-called "Critical Terms Match" method and the retrospective effectiveness is determined using the "dollar offset method".

The derivative financial instruments reportable under the German Commercial Code are recognized under the following items on the balance sheet at the indicated carrying amounts. These interest options are used for hedging purposes, but are not part of a valuation unit according to section 254 of German Commercial Code.

PRESENTATION OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR m

	Other assets		Receivables (+)/ Liabilities (-) to banks		Other provisions		Other liabilities	
	Dec 31, 2022	Dec 31, 2021	**Dec 31, 2022**	Dec 31, 2021	**Dec 31, 2022**	Dec 31, 2021	**Dec 31, 2022**	Dec 31, 2021
Interest options	22	2	0	—	—	—	6	2
Interest swaps	—	—	1	−1	—	—	—	—
Currency forwards	—	—	—	0	16	—	—	—
Total	**22**	**2**	**1**	**−1**	**16**	**0**	**6**	**2**

Valuation units to hedge foreign currency risk

ProSiebenSat.1 Media SE concludes a significant portion of its license agreements with production studios in the USA ProSiebenSat.1 Media SE generally fulfills its financial obligations for purchasing these program rights in US dollars. Exchange rate fluctuations between the EUR and the US dollar may therefore adversely impact ProSiebenSat.1 Media SE's financial and earnings situation. The low volume of receivables and liabilities in other currencies or for other purposes results is a negligible currency risk.

ProSiebenSat.1 Media SE pursues a Group-wide portfolio approach. The term foreign currency exposure includes the total volume of all future U.S. dollar payments which result from existing license agreements and will be due within a period of seven years. As part of foreign currency management, ProSiebenSat.1 Media SE employs various derivatives and original financial instruments to hedge against currency fluctuations. These include currency forwards, currency swaps, currency options and currency holdings (spot currency positions) in US dollars.

Derivative financial instruments which fulfill the accounting prerequisites of a hedging relationship are reported in valuation units, in accordance with section 254 of the German Commercial Code. ProSiebenSat.1 Media SE's gross foreign currency exposure is combined with the opposing currency hedging transactions into one portfolio macro hedge. The underlying and hedging transactions are each measured using the respective underlying cash flows for this purpose.

The following table shows the Company's net foreign currency exposure:

RISK OF FOREIGN CURRENCY ANALYSIS

USD m

	Dec 31, 2022	Dec 31, 2021
Gross foreign currency exposure	−1,227	−1,282
Hedge accounting (in valuation units)	450	730
Hedge accounting (not in valuation units)	204	195
Currency holdings	51	52
	705	**977**
Net-Exposure	**−522**	**−305**
Hedge ratio	57%	76%

In addition, the company holds foreign exchange forwards in the amount of USD 5 million (previous year: USD 8 million), which are held to offset the effects of the foreign exchange forwards passed on to subsidiaries in the amount of USD 5 million (previous year: USD 8 million) and are accounted for together in a valuation unit.

Financial instruments to hedge interest rate risk

ProSiebenSat.1 Media SE understands interest rate risk as the risk of rising financing costs caused by an increase in the interest rate. ProSiebenSat.1 Media SE is exposed to interest rate risk through its floating interest rate financing loans. Instruments for hedging interest rate risks are interest rate swaps and interest rate options (e.g. interest caps). As of December 31, 2022, all interest rate swaps are designated in valuation units whereas interest rate options are mostly accounted for on a stand-alone basis.

Stand-alone derivatives to hedge interest rate risk

ProSiebenSat.1 Media SE hedges interest rate risk with stand-alone interest rate options. As the buyer of an interest rate option, ProSiebenSat.1 Media SE has the right, but not the obligation, to swap future floating-rate interest payments for fixed-rate interest payments. These are used to compensate for future, floating-rate interest payments on the loans by replacing those payments with fixed-rate interest payments, if the latter are favorable for ProSiebenSat.1 Media SE. However, because the interest derivatives serve exclusively to hedge interest rate risk, there is no intention to close out.

In the course of extending the syndicated loan, ProSiebenSat.1 Media SE adjusted the hedging portfolio with regard to the interest rate options. As of December 31, 2022, there are now interest rate options of EUR 700 million (previous year: interest rate caps of EUR 1,000 million), of which EUR 650 million is used to hedge the interest rate risk until 2027 and a further EUR 50 million to hedge the interest rate risk until 2025. As of December 31, 2021, the average upper limit of interest rate caps was 1.5 percent p.a. (previous year: 0.0 percent p.a.).

Valuation units to hedge interest rate risk

In addition to the aforementioned stand-alone derivatives ProSiebenSat.1 Media SE hedges interest rate risks using interest swaps which are designated in valuation units (micro hedge). In the case of interest rate swaps, floating-rate interest payments are exchanged with fixed-rate interest payments. These are used to compensate for future, floating-rate and thus uncertain interest payments on the loans by replacing those payments with fixed-rate interest payments.

As of December 31, 2022, as in the previous year, ProSiebenSat.1 SE held interest rate swaps with a total nominal volume of EUR 1,000 million (previous year: EUR 1,000 million), which hedge the Euribor interest rate risk in the period up to 2023 and were designated as hedging instruments in valuation units. Like the hedged underlying transactions, these interest rate swaps have a lower interest rate limit.

The average fixed rate of the interest rate swaps was 0.5 % p.a. as of December 31, 2022 (previous year: 0.5 %).

In the case of the financial liabilities managed as part of interest rate risk management, the fixed interest portion based on the nominal amount of the total financial liabilities was 86 % as of December 31, 2022 (previous year: 100 %).

Executive Board and Supervisory Board

The members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE are listed in the “Members of the Executive Board” and “Members of the Supervisory Board” sections of the Notes, together with their memberships on other statutorily required supervisory boards and comparable bodies.

The Company has neither granted loans to nor assumed guarantees or warranties for the members of the Executive Board and the Supervisory Board.

The remuneration of the Executive Board members of ProSiebenSat.1 Media SE who were in office at the end of the financial year, including the proportionate regular remuneration for members who left in the past year, amounted to EUR 9 million in the year under review (previous year: EUR 9 million). This remuneration includes variable components (including other remuneration) of EUR 5 million (previous year: EUR 6 million) and fringe benefits of EUR 0 million (previous year: EUR 0 million). In addition, the members of the Management Board receive a long-term share-based remuneration component. The fair value of the share-based payment components granted to members of the Board of Management in fiscal year 2022 was EUR 4 million (previous year: EUR 3 million) or 284,497 performance share units (previous year: 220,135 performance share units).

Total remuneration of EUR 10 million (previous year: EUR 3 million) was paid to former members of the Management Board in the 2022 financial year. This includes the severance payment of around EUR 9 million for Rainer Beaujean, who left the Executive Board on October 3, 2022. In addition, pension benefits of EUR 1 million (previous year: EUR 1 million) were paid to former members of the Management Board.

ProSiebenSat.1 Media SE recognized pension provisions of EUR 2 million (previous year: EUR 1 million) before netting with plan assets for pension commitments to members of the Executive Board who were in office as of December 31, 2022. Provisions totaling EUR 29 million (previous year: EUR 28 million) before netting with plan assets were set aside at December 31, 2022, for pension obligations to former members of the Executive Board.

With the exception the Performance Share Plans 2020 – 2022 and pension entitlements, payments to the Executive Board are all payable in the short term.

Expenses for the Supervisory Board of ProSiebenSat.1 Media SE came to EUR 2 million in the reporting period (previous year: EUR 2 million).

The compensation of the Supervisory Board is set in the articles of incorporation of the Company.

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

Altogether, the current members of the Executive Board and Supervisory Board directly held 135,173 shares (previous year: 336,626 shares) of ProSiebenSat.1 Media SE as of December 31, 2022. This is equivalent to 0.1 % of the share capital (previous year: 0.1 %).

Pursuant to article 19 of the Market Abuse Regulation (MAR), members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE must disclose securities transactions relating to ProSiebenSat.1 shares. In addition, securities transactions of close relatives are also subject to disclosure.

For the financial year 2022, a total of 4 transactions were reported to ProSiebenSat.1 Media SE in which Supervisory Board members purchased 9,247 shares and 4 transactions in which Executive Board members purchased 111,718 shares. In financial year 2021, a total of 10 transactions were reported to ProSiebenSat.1 Media SE in which members of the Supervisory Board purchased a total of 31,478 shares and 7 transactions in which members of the Executive Board bought 78,868 shares of ProSiebenSat.1 Media SE. ProSiebenSat.1 Media SE disclosed these transactions without delay on its website (www.prosiebensat1.com) pursuant to article 19 MAR.

Group affiliation

ProSiebenSat.1 Media SE, Unterföhring, is the German parent company and prepares consolidated financial statements. The consolidated financial statements of ProSiebenSat.1 Media SE are prepared using the International Financial Reporting Standards (IFRS) as they are to be applied in the EU (Section 315a German Commercial Code). The consolidated financial statements are published in the electronic Federal Gazette.

Declaration of Compliance with the German Corporate Governance Code

In December 2022 (with update as of April 2023), the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE jointly issued the annual Declaration of Compliance with the German Corporate Governance Code, as required under section 161 of the German Stock Corporation Act (AktG), and made it permanently available to the public on the ProSiebenSat.1 Media SE website (www.prosiebensat1.com).

Events after the closing date

Information on the matter of German Payment Services Supervision Act

On February 28, 2023, ProSiebenSat.1 Media SE issued an ad-hoc announcement stating that, following a notice received shortly before, it assumes on the basis of the results of an external assessment that the business activities of its two subsidiaries Jochen Schweizer GmbH ("Jochen Schweizer") and mydays GmbH ("mydays"), which mainly consist in the sale of vouchers, fall partly under the German Payment Services Supervision Act ("Zahlungsdiensteaufsichtsgesetz" – "ZAG").

Jochen Schweizer and mydays subsequently adjusted their product offering on March 13 / 14, 2023, in order to address the regulatory concerns mentioned in the ad-hoc announcement. In a letter dated April 6, 2023, the German Federal Financial Supervisory Authority ("Bundesanstalt für Finanzdienstleistungsaufsicht" – "BaFin") as the responsible supervisory authority informed Jochen Schweizer and mydays that for the continued operation of their product offering adjusted as of March 13 / 14, 2023, no authorization from BaFin is required.

At the same time, BaFin announced that, based on its current administrative practice, it assumes that Jochen Schweizer and mydays required authorization from BaFin under the ZAG to offer certain voucher products issued before March 13 / 14, 2023. Jochen Schweizer and mydays are currently coordinating the modalities of the settlement of the affected voucher products with BaFin.

The Supervisory Board of ProSiebenSat.1 Media SE initiated an independent internal investigation conducted by an external law firm immediately after publication of the ad-hoc announcement. The Executive Board of ProSiebenSat.1 Media SE fully supports this investigation. The investigation serves to clarify possible misconduct by members of the management bodies and employees of ProSiebenSat.1 Group, in particular with regard to obligations of the concerned companies under the ZAG.

At the same time, the Munich Public Prosecutor's Office I (Staatsanwaltschaft München I) has initiated a monitoring process ("Beobachtungsvorgang"), examining the initial suspicion of possible criminal acts. ProSiebenSat.1 Media SE and its affected subsidiaries are fully cooperating with the relevant authorities. The possible financial charges for the Group in connection with the official investigations cannot be estimated at present but could be significant.

The aforementioned circumstances have impacted the ongoing preparation and audit work for the Annual and Consolidated Financial Statements, with the result that the Annual Press Conference could not take place as planned on March 2, 2023. As a result of the later disclosure of the Annual and Consolidated Financial Statements, the date for the Annual General Meeting also had to be postponed.

On March 13, 2023, the shares in Jochen Schweizer mydays Holding GmbH, Munich, held by NCG – NUCOM GROUP SE, Unterföhring, were transferred to ProSiebenSat.1 Media SE. Immediately after this transaction, ProSiebenSat.1 Media SE made a financing commitment to Jochen Schweizer mydays Holding GmbH, which reflects the financial impact of the adjustment of its product range. The product range was adjusted against the background of the regulatory concerns at the subsidiaries Jochen Schweizer GmbH, Munich, and mydays GmbH, Munich, mentioned in the ad hoc announcement of February 28, 2023. This financing commitment is limited to a maximum amount of EUR 86.9 million and has a term until December 31, 2024. In addition to these measures, ProSiebenSat.1 Media SE issued a letter of comfort to Jochen Schweizer mydays Holding GmbH in April 2023 with regard to its payment obligations towards its subsidiaries, which is initially limited to mid-2024 and is intended to ensure going concern of the company.

Personnel change on the Executive Board

Member of the Executive Board & Chief Financial Officer Ralf Peter Gierig left the Company on April 27, 2023, prior to the resolution on the preparation of the Annual and Consolidated Financial Statements for financial year 2022.

Notification of voting rights

According to section 160 (1) no. 8 of the German Stock Corporation Act, disclosures must be made regarding the existence of investments that ProSiebenSat.1 Media SE has been notified of in accordance with section 33 (1) or (2) of the German Securities Trading Act.

The table below shows the reportable investments for which notification was given in financial year 2022. In each case, the information was taken from a reporting entity's most recent notification to the Company. All voting rights notifications were published by ProSiebenSat.1 Media SE in the financial year 2022 in accordance with the German Securities Trading Act and are available on the Company's website (http://www.prosiebensat1.de/en/investor-relations/publications/voting-rights-notifications).

Please note that the details regarding the investment as a percentage and number of voting rights may now be out of date.

Notifying party	Date of reaching, exceeding or falling below the threshold	Date of notification	Reporting threshold	Voting rights/instruments according to WpHG	Share-holding in %	Number of voting rights
Credit Suisse Group AG, Zurich, Switzerland	April 13, 2022	April 22, 2022	Falling below 5% (instruments)	§§ 33,34 WpHG (voting rights)	0.46	1,063,539
				§ 38 Sec.1 No. 1 WpHG (instruments)	3.35	7,814,284
				Total	3.81	-/-
Silvio Berlusconi[1]	November 1, 2022	November 2, 2022	Exceeding 5% (instruments)	§§ 33,34 WpHG (voting rights)	22.72	52,929,749
				§ 38 Sec.1 No. 1 WpHG (instruments)	2.29	5,332,374
				§ 38 Sec.1 No. 2 WpHG (instruments)	4.00	9,320,000
				Total	29.01	-/-

1 name of shareholders with 3% or more voting rights: MFE-MEDIAFOREUROPE N.V., Mediaset España Communicatión, S.A.

DEVELOPMENT OF NON-CURRENT ASSETS IN FINANCIAL YEAR 2022
EUR in thousand

	Acquisition and production cost				
	Jan 1, 2022	**Additions**	**Disposals**	**Reclassifications**	**Dec 31, 2022**
I. Intangible assets					
1. Trademarks, patents and similar rights acquired against payment	7,434.5	273.1	857.0	358.2	7,208.9
2. Advances paid on intangible assets	411.3	251.0	—	−358.2	304.1
	7,845.8	**524.1**	**857.0**	**—**	**7,513.0**
II. Property, plant and equipment					
1. Buildings on land owned by others	100,986.3	4,987.5	6,285.5	3,343.5	103,031.8
2. Other equipment, fixtures, furniture and equipment	12,698.6	702.5	4,373.8	85.9	9,113.2
3. Advances paid on tangible assets under construction	27,672.7	20,087.1	—	−3,429.4	44,330.4
	141,357.6	**25,777.1**	**10,659.3**	**—**	**156,475.4**
III. Financial assets					
1. Interests in Group companies	7,338,948.9	12,500.0	—	—	7,351,448.9
2. Loans to Group companies	46,253.9	19,381.2	—	—	65,635.1
3. Interests in associated companies	6.3	—	—	—	6.3
4. Long-term investments	5,129.8	—	5,129.8	—	—
5. Other loans	24,487.8	89.0	1,149.5	—	23,427.3
	7,414,826.7	**31,970.2**	**6,279.3**	**—**	**7,440,517.6**
Total	**7,564,030.1**	**58,271.4**	**17,795.6**	**—**	**7,604,506.0**

DEVELOPMENT OF NON-CURRENT ASSETS IN FINANCIAL YEAR 2022
EUR in thousand

	Amortization, depreciation and write-ups				
	Jan 1, 2022	**Additions**	**Disposals**	**Write-up**	**Dec 31, 2022**
I. Intangible assets					
1. Trademarks, patents and similar rights acquired against payment	6,103.5	1,098.7	857.0	—	6,345.2
2. Advances paid on intangible assets	7.8	—	—	—	7.8
	6,111.3	**1,098.7**	**857.0**	**—**	**6,353.0**
II. Property, plant and equipment					
1. Buildings on land owned by others	57,057.8	6,753.6	6,284.5	—	57,526.9
2. Other equipment, fixtures, furniture and equipment	9,407.8	934.0	4,340.4	—	6,001.4
3. Advances paid on tangible assets under construction	—	—	—	—	—
	66,465.6	**7,687.6**	**10,624.9**	**—**	**63,528.3**
III. Financial assets					
1. Interests in Group companies	15,269.0	429,561.1	—	1,769.6	443,060.5
2. Loans to Group companies	1,656.9	—	—	—	1,656.9
3. Interests in associated companies	—	—	—	—	—
4. Long-term investments	1,233.6	—	1,233.6	—	—
5. Other loans	569.5	44.5	—	—	614.0
	18,729.0	**429,605.6**	**1,233.6**	**1,769.6**	**445,331.4**
Total	**91,305.9**	**438,391.9**	**12,715.5**	**1,769.6**	**515,212.7**

DEVELOPMENT OF NON-CURRENT ASSETS IN FINANCIAL YEAR 2022

EUR in thousand

	Carrying amounts	
	Dec 31, 2021	**Dec 31, 2022**
I. Intangible assets		
1. Trademarks, patents and similar rights acquired against payment	1,331.0	863.7
2. Advances paid on intangible assets	403.5	296.2
	1,734.5	**1,159.9**
II. Property, plant and equipment		
1. Buildings on land owned by others	43,928.6	45,505.0
2. Other equipment, fixtures, furniture and equipment	3,290.8	3,111.8
3. Advances paid on tangible assets under construction	27,672.7	44,330.4
	74,892.0	**92,947.2**
III. Financial assets		
1. Interests in Group companies	7,323,679.8	6,908,388.3
2. Loans to Group companies	44,597.0	63,978.2
3. Interests in associated companies	6.3	6.3
4. Long-term investments	3,896.2	-
5. Other loans	23,918.3	22,813.3
	7,396,097.5	**6,995,186.1**
Total	**7,472,724.0**	**7,089,293.1**

MEMBERS OF THE EXECUTIVE BOARD

Members of the Executive Board of ProSiebenSat.1 Media SE and their mandates in other supervisory boards[1] as of December 31, 2022

Hubertus ("Bert") Habets, Chairman of the Executive Board (Group CEO)	Chairman of the Executive Board (Group CEO) since November 1, 2022	Domestic Mandates: NCG – NUCOM GROUP SE, Unterföhring (Member of the Supervisory Board as of November 14, 2022 and Chairperson of the Supervisory Board as of November 25, 2022), ParshipMeet Holding GmbH, Hamburg (Member of the Advisory Board as of November 1, 2022 and Chairperson of the Advisory Board as of December 2, 2022)
Ralf Peter Gierig, Member of the Executive Board & Chief Financial Officer (Group CFO)	Member of the Executive Board & Chief Financial Officer (Group CFO) as of January 1, 2022	Domestic Mandate: NCG – NUCOM GROUP SE, Unterföhring (Member of the Supervisory Board and Vice Chairperson of the Supervisory Board, Chairperson from November 11, 2022 until November 24, 2022)
Wolfgang Link, Member of the Executive Board (responsible for Entertainment)	Member of the Executive Board	Domestic Mandates: Joyn GmbH, Munich (Member of the Advisory Board until December 20, 2022), ParshipMeet Holding GmbH, Hamburg (Member of the Advisory Board)
Christine Scheffler, Member of the Executive Board (responsible for HR, Compliance & Sustainability)	Member of the Executive Board	Domestic Mandates: NCG – NUCOM GROUP SE, Unterföhring (Member of the Supervisory Board, Vice Chairperson from November 11, 2022 until November 24, 2022), ParshipMeet Holding GmbH, Hamburg (Member of the Advisory Board)
Rainer Beaujean, Chairman of the Executive Board (Group CEO) until October 3, 2022	Chairman of the Executive Board (Group CEO) from January 1 to October 3, 2022	Domestic Mandates: NCG – NUCOM GROUP SE, Unterföhring (Member and Chairperson of the Supervisory Board until October 4, 2022), Jochen Schweizer mydays Holding GmbH, Munich (Member of the Advisory Board and Chairperson until October 4, 2022) Joyn GmbH, Munich (Member of the Advisory Board until October 4, 2022), ParshipMeet Holding GmbH, Hamburg (Member of the Advisory Board and Chairperson until October 4, 2022), Rheinische Post Mediengruppe GmbH, Düsseldorf (Member of the Supervisory Board), Rheinische Post Verlagsgesellschaft mbH, Düsseldorf (Member of the Supervisory Board)

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

MEMBERS OF THE SUPERVISORY BOARD

Members of the Supervisory Board of ProSiebenSat.1 Media SE and their mandates in other supervisory boards [1] as of December 31, 2022

Dr. Andreas Wiele, Chairman	Member of the Supervisory Board of ProSiebenSat.1 Media SE since February 13, 2022 (appointed by Court) / Chairman of the Supervisory Board since May 5, 2022 Giano Capital (General Partner)	Foreign Mandates: Giano Capital Management S.a.r.l, Luxembourg OakTree Power Ltd., London, United Kingdom
Dr. Marion Helmes, Vice Chairwoman	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 /of ProSiebenSat.1 Media SE since May 21, 2015 Member in various Supervisory Boards	Domestic Mandate: Siemens Healthineers AG, Munich Foreign Mandates: LONZA Group AG, Basel, Switzerland Heineken N.V., Amsterdam, Netherlands
Lawrence A. Aidem	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 /of ProSiebenSat.1 Media SE since May 21, 2015 Reverb Advisors (Managing Partner)	Mandates: none
Erik Huggers	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 /of ProSiebenSat.1 Media SE since May 21, 2015 PMR, Ventures S.r.l. (Investor)	Foreign Mandates: Freepik Company S.L., Malaga, Spain WeTransfer B.V., Amsterdam, Netherlands Hexagon AB, Stockholm, Sweden
Marjorie Kaplan	Member of the Supervisory Board of ProSiebenSat.1 Media SE since May 16, 2018 Independent entrepreneur	Foreign Mandate: ArtBnk, LLC, Newmarket, New Hampshire, USA
Ketan Mehta	Member of the Supervisory Board of ProSiebenSat.1 Media SE since November 24, 2015 Allen & Company LLC (Managing Director)	Mandates: none
Dr. Antonella Mei-Pochtler	Member of the Supervisory Baord of ProSiebenSat.1 Media SE since April 13, 2020 Independent entrepreneur	Domestic Mandate: Westwing Group AG, Munich Foreign Mandates: Assicurazioni Generali S.p.A., Milan, Italy Publicis Groupe S.A., Paris, France Plenitude S.p.A., Milan, Italy
Prof. Dr. Rolf Nonnenmacher	Member of the Supervisory Board of ProSiebenSat.1 Media SE since May 21, 2015 Member in various Supervisory Boards	Domestic Mandates: Continental AG, Hanover Covestro AG, Leverkusen (until April 21, 2022) Covestro Deutschland AG, Leverkusen (until April 21, 2022)
Hubertus ("Bert") Habets (Resignation from office as of October 31, 2022)	Member of the Supervisory Board of ProSiebenSat.1 Media SE from May 5 to October 31, 2022 Independent entrepreneur and consultant	Mandates: none
Dr. Werner Brandt (Term of office expired at the end of the Annual General Meeting on May 5, 2022)	Member of the Supervisory Board of ProSiebenSat.1 Media AG from June 26, 2014 /of ProSiebenSat.1 Media SE from May 21, 2015 to May 5, 2022 Chairman of the Supervisory Board at RWE AG	Domestic Mandates: RWE AG, Essen Siemens AG, Berlin/Munich

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

LIST OF HOLDINGS ACCORDING TO § 285 NO. 11 HGB OF PROSIEBENSAT.1 MEDIA SE AS OF DECEMBER 31, 2022

Name of company	Location	Relationship	Holding **	Currency ***	Equity* in thousands	Annual result* in thousands	Footnote
Affiliated companies							
Germany							
7Love Holding GmbH	Hamburg	indirect	96.93	EUR	728,972	-147	
AdTech S8 GmbH	Unterföhring	indirect	100.00	EUR	56,870	-2	
be Around GmbH	Berlin	indirect	100.00	EUR	-11,977	-7,999	
be Around Holding GmbH	Berlin	indirect	80.00	EUR	122,940	33	
BuzzBird Beteiligungsgesellschaft mbH	Berlin	indirect	100.00	EUR	2,673	-3	
BuzzBird GmbH	Berlin	indirect	100.00	EUR	454	-379	
Cheerio Entertainment GmbH	Köln	indirect	100.00	EUR	- / -	- / -	1
esome advertising technologies GmbH	Hamburg	indirect	100.00	EUR	12,995	1,516	
Fem Media GmbH	Unterföhring	indirect	100.00	EUR	53,890	158	
Flaconi Gesellschaftertreuhand GmbH	Berlin	indirect	100.00	EUR	23	-2	
Flaconi GmbH	Berlin	indirect	100.00	EUR	21,908	0	2
Flaconi Logistik GmbH & Co. KG	Berlin	indirect	100.00	EUR	185	-30	
Flat White Productions GmbH	Cologne	indirect	100.00	EUR	25	0	
Glomex GmbH	Unterföhring	indirect	100.00	EUR	18,905	0	2
Jochen Schweizer GmbH	Munich	indirect	100.00	EUR	-84,778	-6,371	
Jochen Schweizer mydays Holding GmbH	Munich	indirect	89.90	EUR	151,831	-184	
Joyn GmbH	Munich	indirect	100.00	EUR	5,022	-83,555	
JSMD Event GmbH	Munich	indirect	100.00	EUR	81	-499	
Kairion GmbH	Frankfurt am Main	indirect	100.00	EUR	-690	-17	
LOVOO GmbH	Dresden	indirect	100.00	EUR	4,799	3,505	
Marketplace GmbH	Berlin	indirect	100.00	EUR	112,762	366	
marktguru Deutschland GmbH	Munich	indirect	90.00	EUR	5,227	2,875	
Masterpiece Gaming GmbH	Norderstedt	indirect	100.00	EUR	11,196	0	2
MMP Event GmbH	Cologne	indirect	100.00	EUR	23	-139	
mydays GmbH	Munich	indirect	100.00	EUR	-102,273	-28,625	
NCG - NUCOM GROUP SE	Unterföhring	direct	71.59	EUR	728,189	-160,310	
NCG Commerce GmbH	Unterföhring	indirect	100.00	EUR	578,395	0	2
P7S1 SBS Holding GmbH	Unterföhring	direct	100.00	EUR	53,960	0	2
PARSHIP ELITE Service GmbH	Hamburg	indirect	100.00	EUR	95	0	2
Parship Group GmbH	Hamburg	indirect	100.00	EUR	638,355	26,945	
ParshipMeet Holding GmbH	Hamburg	direct	55.00	EUR	1,146,911	-4,116	
PE Digital GmbH	Hamburg	indirect	100.00	EUR	25,000	0	2
PEG Management GmbH & Co. KG	Unterföhring	indirect	30.30	EUR	14,846	-1,000	3
ProSiebenSat.1 Achte Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	26	0	2
ProSiebenSat.1 Digital Content GmbH	Unterföhring	indirect	100.00	EUR	90,741	-7,988	
ProSiebenSat.1 Digital Data GmbH	Unterföhring	direct	100.00	EUR	6,257	0	2
ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	25	0	2
ProSiebenSat.1 Entertainment Investment GmbH	Unterföhring	indirect	100.00	EUR	3,175	0	2
ProSiebenSat.1 Erste Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	25	0	2
ProSiebenSat.1 Fünfzehnte Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	25	0	2
ProSiebenSat.1 GP II GmbH	Unterföhring	indirect	100.00	EUR	93	-23	
ProSiebenSat.1 Services GmbH	Unterföhring	indirect	100.00	EUR	1,034	-677	
ProSiebenSat.1 Tech Solutions GmbH	Unterföhring	indirect	100.00	EUR	91,913	0	2
Pyjama Pictures GmbH	Berlin	indirect	55.00	EUR	-26	694	
Red Arrow Studios International GmbH	Unterföhring	indirect	100.00	EUR	125	0	2
RedSeven Entertainment GmbH	Unterföhring	indirect	100.00	EUR	25	0	2
Regiondo GmbH	Munich	indirect	100.00	EUR	3,084	-6,120	
SAM Sports - Starwatch Artist Management GmbH	Hamburg	indirect	100.00	EUR	-833	255	
Sat.1 Norddeutschland GmbH	Hanover	indirect	100.00	EUR	25	0	2

Seven.One AdFactory GmbH	Unterföhring	indirect	100.00	EUR	32,671	0	2
Seven.One Entertainment Group GmbH	Unterföhring	direct	100.00	EUR	2,803,014	0	2
Seven.One Media GmbH	Unterföhring	indirect	100.00	EUR	5,997	0	2
Seven.One Pay TV GmbH	Unterföhring	indirect	100.00	EUR	5,225	0	2
Seven.One Production GmbH	Unterföhring	indirect	100.00	EUR	37,978	0	2
Seven.One Studios GmbH (formerly Red Arrow Studios GmbH)	Unterföhring	direct	100.00	EUR	279,881	0	2
SevenOne Capital (Holding) GmbH	Unterföhring	indirect	100.00	EUR	50,024	0	2
SevenPictures Film GmbH	Unterföhring	indirect	100.00	EUR	2,268	0	2
SevenVentures GmbH	Unterföhring	indirect	100.00	EUR	132,248	0	2
SilverTours GmbH	Cologne	indirect	100.00	EUR	13,595	0	2
SMARTSTREAM.TV GmbH	Munich	indirect	91.00	EUR	26,908	6,564	
Studio 71 GmbH	Berlin	indirect	100.00	EUR	2,903	-432	
Stylight GmbH	Munich	indirect	100.00	EUR	11,585	1,080	
TMG Holding Germany GmbH	Berlin	indirect	100.00	EUR	20,897	3,879	
tv weiss-blau Rundfunkprogrammanbieter GmbH	Unterföhring	indirect	100.00	EUR	1,027	0	2
Verivox Finanzvergleich GmbH	Heidelberg	indirect	100.00	EUR	28	0	2
Verivox GmbH	Heidelberg	indirect	100.00	EUR	35,848	0	2
Verivox Holding GmbH	Unterföhring	indirect	100.00	EUR	231,193	9,501	
Verivox Versicherungsvergleich GmbH	Heidelberg	indirect	100.00	EUR	1,623	0	2
Virtual Minds GmbH	Freiburg im Breisgau	indirect	100.00	EUR	56,457	-5,871	
VX Sales Solutions GmbH	Heidelberg	indirect	100.00	EUR	3,983	3,461	
wetter.com GmbH	Konstanz	indirect	100.00	EUR	6,111	0	2
Armenia							
Marktguru LLC	Yerevan	indirect	100.00	AMD	27,194	7,999	
Australia							
eHarmony Australia Pty Limited	Sydney	indirect	100.00	AUD	- / -	- / -	1
Denmark							
Snowman Productions ApS	Copenhagen	indirect	100.00	DKK	34,934	10,832	
Israel							
July August Communications and Productions Ltd.	Tel Aviv	indirect	100.00	ILS	6,759	2,717	
The Band´s Visit LP	Tel Aviv	indirect	55.00	ILS	- / -	- / -	1
Malta							
Masterpiece Gaming Limited	Valletta	indirect	100.00	EUR	- / -	- / -	1
Mexico							
Quepasa.com de Mexico, S.A. de C.V.	Hermosillo	indirect	99.00	MXN	- / -	- / -	1
The Netherlands							
P7S1 Broadcasting Holding I B.V.	Amsterdam	indirect	100.00	EUR	50,724	573	
SNDC8 B.V.	Amsterdam	indirect	100.00	EUR	50,790	8,466	
Austria							
ATV Privat TV GmbH	Vienna	indirect	100.00	EUR	26	0	
ATV Privat TV GmbH & Co KG	Vienna	indirect	100.00	EUR	21,005	6,122	
ProSieben Austria GmbH	Vienna	indirect	100.00	EUR	64	6	
ProSiebenSat.1Puls 4 GmbH	Vienna	indirect	100.00	EUR	17,140	-1,717	
Puls 4 TV GmbH	Vienna	indirect	100.00	EUR	34	0	
PULS 4 TV GmbH & Co KG	Vienna	indirect	100.00	EUR	680	92	
SAT.1 Privatrundfunk und Programmgesellschaft m.b.H	Vienna	indirect	75.50	EUR	369	132	
SevenVentures Austria GmbH	Vienna	indirect	100.00	EUR	2,762	889	
Visivo Consulting GmbH	Vienna	indirect	63.78	EUR	333	222	
Romania							
MyVideo Broadband S.R.L.	Bucharest	indirect	100.00	RON	1,823	-105	
Regiondo Software S.R.L.	Sibiu	indirect	100.00	RON	-585	-251	
Sweden							
Snowman Productions AB	Stockholm	indirect	100.00	SEK	8,593	-1,239	
Switzerland							
ADITION Schweiz GmbH in liquidazione	Locarno	indirect	100.00	CHF	- / -	- / -	1
Seven.One Entertainment Group Schweiz AG	Zurich	indirect	100.00	CHF	13,816	12,275	
SevenVentures (Schweiz) AG	Zurich	indirect	100.00	CHF	1,358	278	

Verivox Schweiz AG in Liquidation	Zurich	indirect	100.00	CHF	-64	-37	
Serbia							
esome advertising technologies d.o.o. Beograd	Belgrade	indirect	100.00	RSD	3,191	7,131	
Spain							
Danville Gestión de Activos, S.L.	Madrid	indirect	100.00	EUR	- / -	- / -	1
SilverTours Technology S.L.	Alicante	indirect	100.00	EUR	- / -	- / -	1
Ukraine							
Glomex TOV	Kiev	indirect	100.00	UAH	- / -	- / -	1
United Kingdom							
CPL Good Vibrations Limited	London	indirect	100.00	GBP	- / -	- / -	1
CPL Productions Limited	London	indirect	100.00	GBP	- / -	- / -	1
CPL RB Limited	London	indirect	100.00	GBP	- / -	- / -	1
CPL Tiny Beast Limited	London	indirect	100.00	GBP	- / -	- / -	1
eHarmony UK Limited	London	indirect	100.00	GBP	- / -	- / -	1
Endor (Vienna 2) Limited	London	indirect	100.00	GBP	- / -	- / -	1
Endor (Vienna) Limited	London	indirect	100.00	GBP	- / -	- / -	1
Endor (Vienna) Limited	London	indirect	100.00	GBP	- / -	- / -	1
Endor Productions Limited	London	indirect	100.00	GBP	- / -	- / -	1
Glomex Limited	Birmingham	indirect	100.00	GBP	- / -	- / -	1
LHB Limited	London	indirect	100.00	GBP	- / -	- / -	1
P7S1 Broadcasting (UK) Limited	London	indirect	100.00	GBP	- / -	- / -	1
ProSiebenSat.1 Digital Content GP Limited	London	indirect	100.00	GBP	- / -	- / -	1
ProSiebenSat.1 Digital Content LP	London	indirect	99.15	GBP	- / -	- / -	1
Red Arrow Studios Limited	London	indirect	100.00	GBP	- / -	- / -	1
Spider Pictures Limited	London	indirect	100.00	GBP	- / -	- / -	1
Studio 71 UK Limited	London	indirect	100.00	GBP	- / -	- / -	1
United States of America							
8383 Productions, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Collected Labs LLC	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Collective Digital Studio GP, LLC	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Digital Air LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Digital Atoms, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Digital Bytes, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Digital Cacophony, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Digital Diffusion, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Digital Echo, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Digital Fire LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
eHarmony, Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Fabrik Entertainment, LLC	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Fourteenth Hour Productions, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
HI5 Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Ifwe Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Initech, LLC	Olympia, WA	indirect	100.00	USD	- / -	- / -	1
Node Productions, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
ParshipMeet US Holding Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Pave Network, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Prank Film, LLC	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Red Arrow Studios, Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Red Arrow Studios International, Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Skout, LLC	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Studio 71 (Canada), Inc.	Beverly Hills, CA	indirect	100.00	USD	- / -	- / -	1
Studio 71, LP	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Stylight Inc.	Lewes, DE	indirect	100.00	USD	- / -	- / -	1
The Fred Channel, LLC	Beverly Hills, CA	indirect	70.00	USD	- / -	- / -	1
The Meet Group, Inc.	Wilmington, DE	indirect	100.00	USD	- / -	- / -	1
Associates							
Germany							
AGF Videoforschung GmbH	Frankfurt am Main	direct	17.65	EUR	7,091	1,221	

Corint Media GmbH	Berlin	indirect	30.97	EUR	350	0	
koakult GmbH	Berlin	indirect	33.33	EUR	-1,596	-323	
Sportority Germany GmbH	Munich	indirect	40.00	EUR	- / -	- / -	1
SPREE Interactive GmbH	Nuremberg	indirect	19.55	EUR	- / -	- / -	1
Urban Sports GmbH	Berlin	indirect	16.08	EUR	- / -	- / -	1
Switzerland							
Goldbach Audience (Switzerland) AG	Kusnacht (ZH)	indirect	24.95	CHF	- / -	- / -	1
Goldbach Media (Switzerland) AG	Kusnacht (ZH)	indirect	22.96	CHF	- / -	- / -	1
Swiss Radioworld AG	Kusnacht (ZH)	indirect	22.96	CHF	- / -	- / -	1
United States of America							
Remagine Media Ventures, L.P.	Wilmington, DE	indirect	30.50	USD	- / -	- / -	1
Joint Ventures							
Germany							
Addressable TV Initiative GmbH	Frankfurt am Main	indirect	50.00	EUR	- / -	- / -	1
d-force GmbH	Freiburg im Breisgau	indirect	50.00	EUR	- / -	- / -	1
United Kingdom							
European Broadcaster Exchange (EBX) Limited	London	indirect	25.00	GBP	- / -	- / -	1
Nit Television Limited	London	indirect	50.01	GBP	- / -	- / -	1
Other material investments							
Germany							
tink GmbH	Berlin	indirect	16.23	EUR	4,081	-88	
Cayman Islands							
Minute Media Inc. (formerly: Sportority Limited)	Grand Cayman	indirect	3.20	USD	- / -	- / -	1
Luxembourg							
FRIDAY Insurance S.A.	Bartringen	indirect	11.39	EUR	44,360	-33,949	

1 No information available, company was acquired, founded or in liquidation in 2022.
2 The company has signed a profit and loss transfer agreement, therefore the result according to German GAAP after profit and loss transfer is presented.
3 A subsidiary of ProSiebenSat.1 Media SE is personally liable partner of this company.

* Unless otherwise stated, the equity and annual result figures correspond to the most recent available verified financial statements (financial year January 1, 2021 to December 31, 2021) according to local GAAP if published.
** The holding percentage displays the participation of the direct shareholder(s).
*** The following exchange rates were applicable for equity and annual result:

1 Euro corresponds to	spot rate 31.12.2021	average rate 2021
AMD	543,51	597,53
AUD	1,56	1,57
CHF	1,03	1,08
DKK	7,44	7,44
GBP	0,84	0,86
ILS	3,51	3,82
MXN	23,14	23,99
RON	4,95	4,92
RSD	117,58	111,58
SEK	10,26	10,15
UAH	30,88	32,26
USD	1,13	1,18

Unterföhring, April 27, 2023

Bert Habets
Chairman of the Executive Board (Group CEO)

Wolfgang Link
Member of the Executive Board (responsible for Entertainment)

Christine Scheffler
Member of the Executive Board (responsible for HR, Compliance & Sustainability)

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of assets and liabilities, financial positions and profit or loss of ProSiebenSat.1 Media SE, and the management report for the Company includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Unterföhring, April 27, 2023

Bert Habets
Chairman of the Executive Board (Group CEO)

Wolfgang Link
Member of the Executive Board (responsible for Entertainment)

Christine Scheffler
Member of the Executive Board (responsible for HR, Compliance & Sustainability)

Independent auditor's report

To ProSiebenSat.1 Media SE

Report on the audit of the annual financial statements and of the management report

Opinions

We have audited the annual financial statements of ProSiebenSat.1 Media SE, Unterföhring, which comprise the balance sheet as at 31 December 2022, and the income statement for the fiscal year from 1 January 2022 to 31 December 2022, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of ProSiebenSat.1 Media SE for the fiscal year from 1 January 2022 to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of the management declaration (statement on corporate governance) pursuant to Sec. 289f HGB which is published on the website stated in the management report and is part of the management report. Furthermore, in accordance with the German legal requirements, we have not audited the content of the extraneous information contained in the "Internal Control and Risk Management System" section of the management report.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the fiscal year from 1 January 2022 to 31 December 2022 in compliance with German legally required accounting principles, and

- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the management declaration (statement on corporate governance) and the section "Internal Control and Risk Management System" referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

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

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the fiscal year from 1 January 2022 to 31 December 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matter:

Valuation of shares in affiliates

Reasons why the matter was determined to be a key audit matter

In accordance with IDW AcP HFA 10 (Application of the Principles of IDW S 1 in the Valuation of Equity Investments and Other Company Shares for the Purposes of Financial Statements Prepared in Accordance With German Commercial Law), P7S1 tests its shares in affiliates for impairment annually as of 31 December of each fiscal year. For this purpose, the book value of a share is compared with its fair value. Fair value is determined by P7S1 using a discounted cash flow method. Where necessary, depending on the existing uncertainty about the future development of a cash-generating unit, an expected cash flow is derived from a weighting of various scenarios according to their probability of occurrence.

Impairment testing is based on assumptions which are derived from the budgets and forecasts and are influenced by expected future market and economic conditions. Fair value depends in particular on the future cash flows of the cash-generating units for the next five years as well as the assumed discount and growth rates. The executive directors are responsible for determining these inputs, which entails the use of judgment. There is a risk that changes in these judgments could result in significant changes in the impairment testing of the relevant shares.

The shares in affiliates constitute a significant portion of the assets in the annual financial statements of ProSiebenSat.1 Media SE. In our view, the performance of the impairment test entails a significant risk of misstatement due to the judgment involved in the abovementioned inputs and estimates regarding the permanent nature of any impairment. The valuation of shares in affiliates was therefore a key audit matter in our audit.

Auditor’s response

As part of our procedures, we obtained an understanding of the process implemented by ProSiebenSat.1 Media SE’s executive directors for determining the fair values of the shares in affiliates, including the recognition and measurement policies applied, and we analyzed the process with a view to its suitability for identifying a potential impairment requirement.

We analyzed the budgets and forecasts underlying the valuation by comparing them with the results actually achieved in the past and the current development of business figures. We also referred to the market development realized in the fiscal year as well as the forecast market development of comparable entities, the impact of the Ukraine war and the current macroeconomic environment in our analysis. In considering the underlying budgets and forecasts, we discussed the expected business and earnings development with those responsible for planning and compared them with the current business development.

With the aid of our internal valuation specialists, we assessed the valuation model in terms of methodology and arithmetical accuracy and also assessed it for compliance with the professional pronouncements IDW AcP HFA 10 and IDW S 1. We assessed the other significant valuation assumptions, in particular the discount and growth rates, to determine whether the future development is consistent with general economic data and industry-specific market expectations. We assessed the determination of the discount rate by scrutinizing the peer companies used, comparing market data with external evidence and checking the arithmetical accuracy.

In order to identify a potential impairment risk, we additionally conducted our own sensitivity analyses on the results of the impairment test to determine which changes in specific valuation inputs would lead to a different assessment about the need to recognize an impairment loss on shares in affiliates.

Our procedures did not lead to any reservations relating to the valuation of shares in affiliates.

Reference to related disclosures

With regard to the recognition and measurement policies applied for financial assets, refer to the disclosures on financial assets in the “Accounting principles” section of the notes to the financial statements. The development of financial assets is presented under “Notes to the balance sheet” in the “Financial assets” section.

Other information

The executive directors are responsible for the other information. The other information comprises the management declaration (statement on corporate governance) in accordance with Sec. 289f HGB referred to above, the responsibility statement pursuant to Sec. 289 (1) Sentence 5 HGB as well as the “Internal Control and Risk Management System” section of the management report.

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

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

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

Responsibilities of the executive directors and the Supervisory Board for the annual financial statements and the management report

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

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

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

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

Auditor's responsibilities for the audit of the annual financial statements and of the management report

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

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

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

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

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.

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

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.

- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the annual financial statements and the management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the management report (hereinafter the "ESEF documents") contained in the file ProSiebenSat.1_Media_SE_JA-LB_ESEF-2022-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and the accompanying management report for the fiscal year from 1 January to 31 December 2022 contained in the "Report on the audit of the annual financial statements and of the management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410) (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the annual financial statements and the management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB.

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

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

Auditor's responsibilities for the assurance work on the ESEF documents

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

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.

- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the Annual General Meeting on 5 May 2022. We were engaged by the Supervisory Board on 25 May 2022. We have been the auditor of ProSiebenSat.1 Media SE without interruption since fiscal year 2019.

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

In addition to the financial statement audit, we have provided to the Company or entities controlled by it the following services that are not disclosed in the annual financial statements or in the management report: audit-related services not required by law pertaining to financial information and an assessment of an IT system.

Other matter – Use of the auditor's report

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

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Nathalie Mielke.

Berlin, 27 April 2023

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

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