PILLAR 1: ENTERTAINMENT

RESEARCH FACTS: TV USAGE

Guido Modenbach
REFERENCE GROUP 14-49 COVERS ONLY A MINORITY IN TERMS OF POPULATION AND REACH

SHARE OF POPULATION\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>A 14-49</th>
<th>A 14-69</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>72%</td>
<td>43%</td>
</tr>
<tr>
<td>2022E</td>
<td>71%</td>
<td></td>
</tr>
</tbody>
</table>

SHARE OF TV REACH\(^2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>A 14-49</th>
<th>A 14-69</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>78%</td>
<td>34%</td>
</tr>
<tr>
<td>2022E</td>
<td>71%</td>
<td>30%</td>
</tr>
</tbody>
</table>

REFERENCE GROUP DEFINITION 14-49 IS INCREASINGLY INADEQUATE TO REPRESENT AUDIENCES IN GERMANY

1) Federal Statistical Office Germany, share of population calculated on whole population basis
2) Source: AGF in cooperation with GfK/DAP/TV Scope, share of reach calculated on reach 14+ basis
### TV VIEWING IN GERMANY IN A HEALTHY STATE

#### DAILY TV VIEWING TIME\(^1\) [in min]

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A14-69</td>
<td>216</td>
<td>216</td>
<td>211</td>
<td>209</td>
<td>213</td>
<td>225</td>
<td>226</td>
<td>222</td>
<td>220</td>
<td>221</td>
<td>222</td>
<td>223</td>
</tr>
<tr>
<td>Internet access(^2)</td>
<td>63%</td>
<td></td>
<td></td>
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CAGR 2005-2016 +0.3%

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</thead>
<tbody>
<tr>
<td>A14-49</td>
<td>185</td>
<td>184</td>
<td>178</td>
<td>178</td>
<td>182</td>
<td>192</td>
<td>192</td>
<td>187</td>
<td>182</td>
<td>181</td>
<td>176</td>
<td>171</td>
</tr>
<tr>
<td>Internet access(^2)</td>
<td>78%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

CAGR 2005-2016 -0.7%

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**Despite continuous innovations in media and entertainment, TV remains remarkably constant over the years**

1) Source: AGF in cooperation with GfK/DAP/TV Scope; own calculations  
2) Source: AGOF internet facts 2005  
3) Source: AGOF digital facts 2016  
Note: Digital innovations based on launch in Germany
DECLINE IN TV VIEWING TIME 2017 DRIVEN BY THREE MAIN FACTORS

Panel Artefacts with negative impact on viewing time of young target groups

Source: AGF in cooperation with GfK/DAP/TV Scope; own calculations
TV VIEWING TIME IS UNDERESTIMATED IN GERMANY DUE TO PANEL ARTEFACTS

SIGNIFICANT LACK OF YOUNG PRIMARY INCOME EARNERS IN GERMAN TV PANEL

<table>
<thead>
<tr>
<th>Primary income earner</th>
<th>Coverage through TV panel</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 30 years</td>
<td>48%</td>
</tr>
<tr>
<td>30-49 years</td>
<td>103%</td>
</tr>
<tr>
<td>50+ years</td>
<td>110%</td>
</tr>
</tbody>
</table>

= Coverage < 100%
= Coverage > 100%

EXAMPLE: VIEWING TIME IN TARGET GROUP A 14-29

Underrepresented in ratings

<table>
<thead>
<tr>
<th>Primary income earners</th>
<th>Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>173</td>
<td>173</td>
</tr>
</tbody>
</table>

Overrepresented in ratings

<table>
<thead>
<tr>
<th>Kids</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>71</td>
<td>73</td>
</tr>
</tbody>
</table>

Total A 14-29/viewing time 104 min

DRASTIC SHORTFALL IN YOUNG HOUSEHOLDS IN PANEL CAUSES UNDERESTIMATION OF VIEWING TIME

1) Coverage of primary income earner for reference date Oct 1, 2017 2) Reporting period Jan 1 to Oct 31, 2017
Source: AGF in cooperation with GfK/DAP/TV Scope; own calculations
VIEWING TIME WILL STABILIZE IN 2018
THROUGH TV PANEL ADJUSTMENTS, CAPTURING LIVE STREAMING ON OTHER DEVICES & SPORTS

TV viewing time A 14-49 [in min]

TV VIEWING TIME AND REACH WILL RISE IN 2018

Source: AGF in cooperation with GfK/DAP/TV Scope; own calculations
CAPTURING LIVE STREAMING WITH POSITIVE EFFECT IN 2019 AND 2020

DAILY TV VIEWING TIME [in min]

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<thead>
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<td>213</td>
<td>225</td>
<td>226</td>
<td>222</td>
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<td>222</td>
<td>223</td>
<td>218</td>
<td>221</td>
<td>222</td>
<td>223</td>
</tr>
</tbody>
</table>

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<tbody>
<tr>
<td>185</td>
<td>184</td>
<td>178</td>
<td>178</td>
<td>182</td>
<td>192</td>
<td>192</td>
<td>187</td>
<td>182</td>
<td>181</td>
<td>176</td>
<td>171</td>
<td>161</td>
<td>168</td>
<td>166</td>
<td>165</td>
</tr>
</tbody>
</table>

STABLE VIEWING TIME IN 2019 AND 2020 (SPORTS YEAR) EXPECTED

1) Range depends on usage and coverage of live streaming
Source: AGF in cooperation with GfK/DAP/TV Scope; own calculations
LIVE TV DOMINATES VIDEO CONSUMPTION IN GERMANY BY FAR ... 

A 14-69 TV REACH STABLE

Reach [in %]

<table>
<thead>
<tr>
<th></th>
<th>Q1/16</th>
<th>Q2/16</th>
<th>Q3/16</th>
<th>Q4/16</th>
<th>Q1/17</th>
<th>Q2/17</th>
<th>Q3/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>96</td>
<td>95</td>
<td>94</td>
<td>93</td>
<td>93</td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>DVD/Blu-ray</td>
<td>75</td>
<td>74</td>
<td>72</td>
<td>70</td>
<td>70</td>
<td>70</td>
<td>71</td>
</tr>
<tr>
<td>Free online video</td>
<td>57</td>
<td>59</td>
<td>60</td>
<td>60</td>
<td>63</td>
<td>65</td>
<td>67</td>
</tr>
<tr>
<td>Pay VOD</td>
<td>18</td>
<td>20</td>
<td>20</td>
<td>22</td>
<td>24</td>
<td>27</td>
<td>29</td>
</tr>
</tbody>
</table>

A 14-69 DAILY TV USAGE IS ≈ 3h 48min

Usage time [in min]

<table>
<thead>
<tr>
<th></th>
<th>Q1/16</th>
<th>Q2/16</th>
<th>Q3/16</th>
<th>Q4/16</th>
<th>Q1/17</th>
<th>Q2/17</th>
<th>Q3/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>230</td>
<td>231</td>
<td>232</td>
<td>233</td>
<td>231</td>
<td>228</td>
<td>228</td>
</tr>
<tr>
<td>DVD/Blu-ray</td>
<td>200</td>
<td>220</td>
<td>240</td>
<td>260</td>
<td>240</td>
<td>220</td>
<td>200</td>
</tr>
<tr>
<td>Free online video</td>
<td>17</td>
<td>9</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Pay VOD</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

LIVE TV VIEWING TIME OUTPERFORMS ALL OTHER VIDEO PLATFORMS COMBINED BY FACTOR 7.5

1) in Q3/17
Note: Usage at least rarely, rolling last 4 quarters
Source: ViewTime Report, SevenOne Media/forsa

× 7.5

99
... AND EVEN THE MILLENNIALS MOSTLY CONSUME VIDEO ON TV

TWO THIRDS OF VIDEO USAGE IS LINEAR TV

Millennials
TV A 14-34 = 67%

TV A 14-69 = 88%

Share of complete video usage [per day]

Linear TV
- TV conventional
- TV alternative

Non- TV
- DVD/Blu-ray
- Free Online Video
- PayVoD

LIFE STAGES DETERMINE TV AND ONLINE VIDEO USAGE

TV ADVANTAGE OVER ONLINE VIDEO INCREASES WHEN MILLENNIALS ENTER EDUCATIONAL AND PROFESSIONAL LIFE

1) Source: Media Activity Guide, SevenOne Media/forsa, Q1 2017
2) Source: TV conventional: AGF TV Scope. Online video and TV alternative: Media Activity Guide, SevenOne Media/forsa, Q1 2017
NETFLIX AND AMAZON VIDEO WITHOUT MAJOR IMPACT ON TV

THE IMPACT OF NETFLIX, AMAZON VIDEO AND OTHERS ON LINEAR TV IS SMALL IN GERMANY

1) A 14-69, usage at least rarely, Source: ViewTime Report, SevenOne Media/forsa
2) Source: ViewTime Report, SevenOne Media/forsa
PAYVOD POTENTIAL (A 14-49) IN GERMANY MOST LIKELY LIMITED TO 60% PENETRATION

PAYVOD WILL GROW AT JUST 6% IN THE SHORT-TERM IN GERMANY

Assumption: 1.5 user per new subscriber

Base: A 14-49
Source: SevenOne Media/forsa Nov 2017
# Impact Scenarios of PayVoD Penetration on a 14-49 TV Usage

<table>
<thead>
<tr>
<th>PayVoD Penetration</th>
<th>50%</th>
<th>60%</th>
<th>80%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental loss in TV viewing time</td>
<td>-2%</td>
<td>-4%</td>
<td>-9%</td>
<td>-13%</td>
</tr>
<tr>
<td>Potential annual loss until 2020 (3 years CAGR)</td>
<td>-0.7%</td>
<td>-1.5%</td>
<td>-3.0%</td>
<td>-4.6%</td>
</tr>
</tbody>
</table>

**Assumption**

20% less viewing time for a 14-49 in PayVoD homes

EVEN IN A WORST CASE SCENARIO, PAYVOD WILL NOT HAVE A MAJOR IMPACT ON TV VIEWING IN GERMANY

SevenOne Media calculations
1) Source: AGF in cooperation with GfK/DAP/TV Scope
YOUTUBE WITH BROAD USER BASE BUT ... CONCENTRATED ON A SMALL BASE OF HEAVY USERS

BROAD USER BASE ...

YouTube penetration by age groups:

- A 14-69: 26% (almost daily), 23% at least once a week, 11% at least once a month, 12% rarely
- A 14-49: 39% (almost daily), 28% at least once a week, 11% at least once a month, 9% rarely
- A 14-29: 60% (almost daily), 24% at least once a week, 5% at least once a month, 2% rarely

... BUT LOW VIEWING TIME & HIGH USAGE CONCENTRATION

Daily YouTube video usage [in minutes]:

- 11% of YouTube's users generate 8 minutes of usage per day
- 12% of YouTube's users generate 12 minutes of usage per day
- 18% of YouTube's users generate 18 minutes of usage per day

YOUTUBE USAGE IS MAINLY DRIVEN BY A SMALL NUMBER OF HEAVY USERS

1) Source: ViewTime Report, SevenOne Media/forsa, Q3/2017
2) Source: Double Play, SevenOne Media Calculations, March 2017
FACEBOOK’S REACH IN GERMANY IS LIMITED AND STRONGLY DECLINING IN YOUNG AGE GROUPS

FACEBOOK REACH DEVELOPMENT BY AGE GROUPS IN GERMANY

Facebook usage at least rarely.
Source: ViewTime Report, SevenOne Media/forsa.
USERS NOT INTERESTED IN AD VIDEOS ON FACEBOOK

77% INTERRUPT WITHIN THE FIRST 3 SEC

FACEBOOK IS NOT YET AN AD VIDEO MEDIUM FOR BRANDS IN MASS MARKETS

1.6 min
daily video viewing time

LOW AVERAGE VIEWING TIME

1.7 sec
average viewing time on posts

1) 5 Facebook video campaigns 2017, spot length 20 seconds; Source: SevenOne Media
2) A14-69; Source: ViewTime Report, SevenOne Media/forsa, Q3/2017
3) On mobile; Source: Facebook (https://www.facebook.com/iq/articles/capturing-attention-feed-video-creative)
## TV IS THE DOMINANT MEDIUM IN GERMANY

<table>
<thead>
<tr>
<th>FACTS</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TV viewing <strong>remarkably constant</strong> over years</td>
</tr>
<tr>
<td>2</td>
<td>Panel adjustments, capturing live streaming on other devices and sports will <strong>stabilize measured viewing time</strong> in 2018</td>
</tr>
<tr>
<td>3</td>
<td><strong>TV dominates video</strong> consumption in Germany by far</td>
</tr>
<tr>
<td>4</td>
<td>TV is the dominant video platform <strong>even for millennials</strong></td>
</tr>
<tr>
<td>5</td>
<td>Impact of PayVoD <strong>is small</strong></td>
</tr>
<tr>
<td>6</td>
<td>YouTube usage is highly <strong>concentrated</strong></td>
</tr>
<tr>
<td>7</td>
<td><strong>Facebook</strong> is not yet an ad video medium for brands in mass markets</td>
</tr>
</tbody>
</table>
Capital Markets Day – December 6, 2017

PILLAR 1: ENTERTAINMENT

BROADCASTING

Thomas Ebeling
01 | SHARE OF VIEWING (SOV)

02 | CHANNEL AND CONTENT STRATEGY
LEADER IN THE GERMAN TV MARKET

AUDIENCE SHARE GERMANY

Base: All German TV households, A 14-49, Mon-Sun, 3-3 h, RTL Mediengruppe since June 2016 incl. RTLplus; w/o RTL II minority;
Source: AGF in cooperation with GfK/TV Scope/ProSiebenSat.1 TV Deutschland

[9M, A 14-49, in %]

<table>
<thead>
<tr>
<th>Year</th>
<th>Audience Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>27.9</td>
</tr>
<tr>
<td>2014</td>
<td>27.3</td>
</tr>
<tr>
<td>2015</td>
<td>26.7</td>
</tr>
<tr>
<td>2016</td>
<td>25.5</td>
</tr>
<tr>
<td>2017</td>
<td>26.7</td>
</tr>
</tbody>
</table>

Δ +0.6% pts
Δ +1.2% pts
LEADER IN THE AUSTRIAN TV MARKET

Basis: All Austrian TV households, A 12-49, Mon-Sun, 3-3 h, ProSiebenSat.1 (all core and small channels) including ATV and ATV2 since 2017, RTL Mediengruppe including RTL, VOX, SUPER RTL and RTL Nitro (since 2015), without RTL plus (not aired in Austria) and RTL II, ORF including ORF 1, ORF 2, ORF SPORT PLUS and ORF III (since 2012); Source: AGTT/GfK: Fernsehforschung/Evogenius Reporting

AUDIENCE SHARE AUSTRIA

[9M, A 12-49, in %]

ProSiebenSat.1
Media SE

ORF

RTL


36.2
11.9
8.7

27.4
25.3
11.1

-24.3% pts
+2.1% pts

∆

∆

8.7 11.9 36.2


LEADER IN THE SWISS TV MARKET

AUDIENCE SHARE SWITZERLAND

[9M, A 15-49, in %]


16.5 17.3 16.6

Basis: All Swiss TV households (German-speaking), A 15-49, Mon-Sun, 2-2 h, change in CH measurement system in 2013, ProSiebenSat.1 including PULS 8 since 2016, RTL Mediengruppe including RTL, VOX, SUPER RTL and RTL Nitro (since 2015), without RTL plus (not aired in Switzerland) and RTL II;

Source: Mediapulse TV-Panel
### SOFTER 2017 RATINGS DRIVEN BY NON PRIME TIME

#### Delta share of viewing 2017 vs. 2016

<table>
<thead>
<tr>
<th>Access Time</th>
<th>Delta Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>(05:00-08:00 PM)</td>
<td>-1.9</td>
</tr>
<tr>
<td>(08:00-11:00 PM)</td>
<td>-0.2</td>
</tr>
</tbody>
</table>

#### Share of external net TV advertising revenues 9M 2017

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Day (03:00-03:00)</td>
<td>100%</td>
</tr>
<tr>
<td>Daytime (01:00-05:00 PM)</td>
<td>[9M, A 14-49, in %pts]</td>
</tr>
<tr>
<td>PRIME TIME (08:00-11:00 PM)</td>
<td>[9M, A 14-49, in %pts]</td>
</tr>
</tbody>
</table>

**Note:** Rest of day category not included, adds up to 100% for full day in terms of external net advertising revenue.

**Basis:** All German TV households (German-speaking), A 14-49, Mon-Sun, 3-3 h, RTL Mediengruppe since June 2016 incl. RTLplus, w/o RTL II minority.

**Source:** AGF in cooperation with GfK/TV Scope/ProSiebenSat.1 TV Deutschland
### TOP FORMATS ON ALL SLOTS
FOR OUR KEY CHANNELS PROSIEBEN AND SAT.1

<table>
<thead>
<tr>
<th>DAYTIME</th>
<th>ACCESS TIME</th>
<th>PRIME TIME</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAT.1 Frühstücksfernsehen</td>
<td>taff</td>
<td>Germany’s Next Topmodel</td>
</tr>
<tr>
<td>The Big Bang Theory</td>
<td></td>
<td>The Voice of Germany</td>
</tr>
<tr>
<td>SAT.1 Frühstücksfernsehen Up to 27.1%</td>
<td>Ø 9M 2017 13.4%</td>
<td>Ø 9M 2017 17.5%</td>
</tr>
<tr>
<td>Ø 9M 2017 13.4%</td>
<td>Ø 9M 2017 12.1%</td>
<td>Ø 9M 2017 Up to 27.1%</td>
</tr>
<tr>
<td>The Simpsons</td>
<td>Ø 9M 2017 12.7%</td>
<td>Ø 9M 2017 13.0%</td>
</tr>
<tr>
<td>© Warner Bros. Television</td>
<td>Ø 9M 2017 9.7%</td>
<td>Ø 9M 2017 13.3%</td>
</tr>
<tr>
<td>© 2017 Fox and its related entities. All rights reserved.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Late prime not included  
Basis: All German TV households (German-speaking), A 14-49, Mon-Sun; Source: AGF in cooperation with GfK/TV Scope/ProSiebenSat.1 TV Deutschland
FOUR COMPLEMENTARY BRAND FAMILIES

**Comforting leading brand for families and elderly (24-69)**
Delivers positive emotions, feelings of belonging and advice

**Leading innovative brand for younger males (14-49)**
Delivers positive energy with top-notch curated and created content

**Trusted entertainment brand for mainstream, down-to-earth families (14-59)**
Delivers authentic service and down-to-earth entertainment with local heroes

**Stimulating leading brand for younger females (14-49)**
Delivers modern Lifestyle Formats for urban female living
OUR CONTENT DELIVERS A RELIABLE FULFILLMENT OF
EMOTIONAL VIEWER EXPECTATIONS

ATTRACTION BRAND
FAMILIES

PROVEN FACES

“HOSTAGE” CONTENT

Complementary positioning

Must see content

WE CREATE STRONG TV AND FORMAT BRANDS
SLIGHTLY HIGHER SHARE OF U.S.

<table>
<thead>
<tr>
<th>Localization</th>
<th>Local Commissioned Program</th>
<th>Genres</th>
<th>Audience share contribution&lt;sup&gt;1)&lt;/sup&gt; on P7S1 core channels (9M 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>News</td>
<td>44%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Magazines</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Factual</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Sports</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Live entertainment</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Non-live entertainment</td>
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<td></td>
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<td>Reality prime time</td>
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<tr>
<td></td>
<td></td>
<td>Reality daytime</td>
<td></td>
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<tr>
<td></td>
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<td>Local fiction</td>
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<tr>
<td></td>
<td></td>
<td>Other Reality</td>
<td></td>
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<tr>
<td></td>
<td>U.S. License Program</td>
<td>Movies</td>
<td>56%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sitcom</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Animation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Series procedural</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Series serial</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ready-mades</td>
<td></td>
</tr>
</tbody>
</table>

1) Contribution to the overall audience share of core channels ProSieben, SAT.1 and kabel eins (9M 2017)
Basis: All German TV households (German-speaking), A 14-49, Mon-Sun; Source: AGF in cooperation with GfK/TV Scope/ProSiebenSat.1 TV Deutschland

Grid share is roughly in line with audience share contribution.
U.S. CONTENT IS STILL A STRONG DIFFERENTIATOR AGAINST SVOD


total content overlap with Netflix offering

~9%

1) In % of total grid hours (incl. commissioned), content overlap in respective genres: Commissioned at ~0%, US license weighted average by grid hours at ~19% (with Series at ~16%, Movies at 18% and Sitcom at ~32%), own estimate based on title matching, comparison Oct 2016-Sept 2017 grid (in hours) of all P7S1 channels with content offering of Netflix (as of November 14, 2017)

2) At least 50% of an episode watched, Source: AGF in Cooperation with GfK, TV Scope 6.1, 01.04.2017-30.04.2017

3) Source: Own Calculation, maxdome BI, ViewTime Report

VIEWERS CLEARLY PREFER FREE-TV OVER SVOD IF SHOWN ON BOTH MEDIUMS

THE BIG BANG THEORY

100m

TV

3.3m

SVoD
KEY LEVERS TO OPTIMIZE STUDIO DEALS

- More selective content picking rights (qualifiers)
- Return rights for individual titles
- Improved sublicense rights for titles with low P7S1 fit
- Extensions only against reduction of series commitment
- Flexible lifetime-of-series opt-outs
UNIQUE CONTENT STRATEGY

U.S. highlights

Attractive local content

Second-tier innovative sports

Gradually shift to local content depending on ...

- Quality of U.S. output
- Ability to improve U.S. deal terms
- Local content strategy of all competitors
- Availability of affordable rights
- ROI of incremental local invests
LONG-TERM GOAL IS HIGHER SHARE OF LOCAL CONTENT

CONTENT MIX P7S1 CORE CHANNELS
[Marke share contribution, in %]

Local commissioned program: 44
U.S. license program: 56

GRADUAL SHIFT TO LOCAL CONTENT DEPENDING ON AVAILABILITY OF AFFORDABLE RIGHTS AND ROI OF INCREMENTAL LOCAL INVESTMENTS

Basis: All German TV households (German-speaking), A 14-49, Mon-Sun, 3-3 h; Source: AGF in cooperation with GfK/TV Scope/ProSiebenSat.1 TV Deutschland
### AFFORDABLE AND PREFERRED ACCESS TO GREAT CONTENT

<table>
<thead>
<tr>
<th>Own production</th>
<th>U.S. studios</th>
<th>International channel &amp; local platform partners</th>
<th>Own MCN</th>
<th>Own digital platforms</th>
<th>Own sports</th>
</tr>
</thead>
<tbody>
<tr>
<td>RED ARROW ENTERTAINMENT GROUP</td>
<td>FOX</td>
<td>scrippsnetworks interactive</td>
<td>A+E Studios</td>
<td>maxdome</td>
<td>7 SPORTS</td>
</tr>
</tbody>
</table>
BROAD PORTFOLIO OF SUCCESSFUL LOCAL FORMATS

**EVERGREENS**
- The Voice of Germany
- SAT.1 Frühstücksfernsehen

**TOP FORMAT SPIN-OFFS**
- Die Beste Show der Welt
- Beginner gegen Gewinner

**INNOVATIONS**
- Das Ding des Jahres
- Start-up!

Basis: All German TV households (German-speaking), A 14-49, Mon-Sun, 3-3 h; Source: AGF in cooperation with GfK/TV Scope/ProSiebenSat.1 TV Deutschland
INCREASING INFLOW FROM RED ARROW

PUSH OUR “OWN YOUR GRID” STRATEGY...

Red Arrow share of BCGS’s commissioned content spending [in %]\(^1\)

\[\begin{align*}
\text{Q3 2016} & \quad \text{12} \\
\text{Q3 2017} & \quad \text{16} \\
\end{align*}\]

\(+4\%\) pts

\(...\) WITH STRONG RATINGS IN KEY SLOTS

- **Kiss Bang Love**: Up to 15.4%
- **Married at first Sight**: Up to 14.4%
- **The Taste**: Up to 10.9%
- **Knallerkerle**: Up to 19.0%

---

\(^1\) As % of spendings in EUR; w/o non-fictional license, adjusted for timing effects

**Basis**: All German TV households (German-speaking), A 14-49 years; Source: AGF in cooperation with GfK/TV Scope/ProSiebenSat.1 TV Deutschland
**BEST U.S. FICTION PORTFOLIO**

**IN THE GERMAN TV MARKET**

<table>
<thead>
<tr>
<th>BEST U.S. CONTENT STOCK</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>14</strong></td>
</tr>
<tr>
<td>long-running series on air(^1)</td>
</tr>
<tr>
<td><strong>75%</strong></td>
</tr>
<tr>
<td>performing above channel Ø(^2)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MOST SUCCESSFUL SERIES NEW STARTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lethal Weapon</strong></td>
</tr>
<tr>
<td>Ø9M 2017 ~10%</td>
</tr>
<tr>
<td><strong>MacGyver</strong></td>
</tr>
<tr>
<td>Ø9M 2017 ~10%</td>
</tr>
<tr>
<td><strong>Lucifer</strong></td>
</tr>
<tr>
<td>Ø9M 2017 ~10%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MOST PROMISING U.S. FICTION PIPELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Young Sheldon</strong></td>
</tr>
<tr>
<td>17.2m U.S. viewers(^3)</td>
</tr>
<tr>
<td><strong>Will &amp; Grace</strong></td>
</tr>
<tr>
<td>10.9m U.S. viewers(^3)</td>
</tr>
<tr>
<td><strong>The Orville</strong></td>
</tr>
<tr>
<td>8.5m U.S. viewers(^3)</td>
</tr>
</tbody>
</table>

---

1) Prime time series first aired in 2012 or before still running in 2017
2) 9M 2017, in % of hours of long-running formats performing above channel average in relation to total hours of long-running formats
3) Source: TVbythenumber.com; Basis: All German TV households (German-speaking), A 14-49, Mon-Sun, 3-3 h; Source: AGF in cooperation with GfK/TV Scope/ProSiebenSat.1 TV Deutschland

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© Warner Bros. Television
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STRONG PARTNERSHIPS
FOR A DIFFERENTIATING NON-FICTIONAL PORTFOLIO

FURTHER EXPANSION OF THEMATIC CONTENT BUILD-UP

<table>
<thead>
<tr>
<th>Lifestyle</th>
<th>Second tier sports rights</th>
<th>Factual crime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food &amp; Drinks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home &amp; Garden</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do it yourself</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Expansion

New

scrippsnetworks interactive

Channel and content strategy
SUCCESSFUL PORTFOLIO
OF SECOND-TIER GROWTH SPORTS

SUPER BOWL 2017
- Up to 44.8%

NFL
- Up to 11.6%

DARTS
- Up to 8.1%

ESPORTS
- Up to 8.0%

KICK BOXING
- Up to 6.1%

WRESTLING
- Up to 3.7%

DRONE RACING
- Up to 2.6%

MIXED MARTIAL ARTS
- Up to 1.6%

Basis: 01.01.2017-28.11.2017, all German TV households (German-speaking), A 14-49, Mon-Sun, 3-3 h; Source: AGF in cooperation with GfK/TV Scope/ProSiebenSat.1 TV Deutschland
FOUR LEVERS TO IMPROVE TOPRAT...
Transform access time with new magazine & telenovela for local stickiness

Further extend “Comedy Friday”

Build strong German fiction series line-up

Increase density of young and loud reality entertainment in prime time

Revitalize comedy late night with weekly star-driven commissioned format

Extend innovative sports
... AND BY PLATFORM AGNOSTIC CAPITALIZATION

<table>
<thead>
<tr>
<th>LINEAR TV</th>
<th>DIGITAL PUBLISHING</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Football" /></td>
<td><img src="image2" alt="TV Format Brands" /></td>
</tr>
<tr>
<td>Up to 44.8%</td>
<td><img src="image3" alt="Top Model" /></td>
</tr>
<tr>
<td>Up to 11.6%</td>
<td><img src="image4" alt="Voice" /></td>
</tr>
<tr>
<td>Up to 9.9%</td>
<td><img src="image5" alt="Digital Original Content" /></td>
</tr>
</tbody>
</table>

Examples

**TV FORMAT BRANDS**
- Top Model
- Voice

**DIGITAL ORIGINAL CONTENT**
- Studio71
- Guten Morgen Deutschland
- 7maxx
- Jerk
- Maxdome

Basis: 01.01.2017-18.11.2017, all German TV households (German-speaking), A 14-49, Mon-Sun, 3-3 h; Source: AGF in cooperation with GfK/TV Scope/ProSiebenSat.1 TV Deutschland
WE WILL SECURE AN ATTRACTIVE AND SUPERIOR PRODUCT FOR TV TARGET GROUP VS. SVOD ...

- Local reality & entertainment
- Curated factual content
- HbbTV offerings
- Lean back content
- Innovative Sports
- Top U.S. content
- Very local comedians
- Live
- Non-millennial local fiction
- News breaks
- Thematic/well positioned channels
WITH RED BUTTON DRIVING TV CHANNEL LOYALTY
THE UNIQUE #1 DESTINATION FOR INDIVIDUALIZED INFOTAINMENT AND COMMERCE

Thematic personalized content channels
Branded shopping offers
Individual news feeds with local edge
THREE THINGS TO REMEMBER

1. Leadership in Germany, Austria and Switzerland
   - +1.2% pts vs. competitors 9M 2017

2. Unique content strategy with gradual shift to local
   - +10% pts market share contribution of local content until 2022E

3. Improved top rate
   - +1.2% pts
   - +2.1% pts
   - +0.7% pts

Key levers
- TALENT & ORGANIZATION
- SUPPLIER RELATIONSHIPS
- PROGRAM PLANNING
- CREATIVE PROCESS

Basis: All German TV households (German-speaking), A 14-49, Mon-Sun, 3-3 h; Source: AGF in cooperation with GfK/TV Scope/ProSiebenSat.1 TV Deutschland
THE GENUINE ADVANTAGE OF TV

TV COUPLES THE POWER OF THE MEDIUM AND THE POWER OF THE AD

THE POWER OF THE MEDIUM

- REACH
- SPEED

Probability of exposing the average ad

THE POWER OF THE AD

- SUGGESTIVE POWER
- EMOTIONS

Contribution to the impact of the message

“A medium's advertising value is the product of its probability of exposing the average ad and its contribution to the impact of the message.”

Erwin Ephron
US Media Planning Mastermind

ONLY TV COMBINES REACH AND SPEED OF A MEDIUM WITH SUGGESTIVE POWER AND EMOTION OF THE AD
WHY IS REACH STILL THE CRUCIAL FACTOR FOR BRAND GROWTH?

THE PROMISES OF TARGETING

Target relevant consumers only to avoid wastage

R³

Right MESSAGE

Right PERSON

Right TIME

AND WHAT CONSUMER RESEARCH PROVES

Mass marketing is actually more effective.

Byron Sharp

Professor of Marketing Science at the University of South Australia

Director of the Ehrenberg-Bass Institute

Source: How Brands grow (Byron Sharp, 2010/2016)
BRANDS GROW BY CONTINUOUSLY REACHING ALL BUYERS OF A CATEGORY

BRANDS GROW WITH ACQUISITION OF NEW CUSTOMERS

1) Base: 2,205 FMCG brands; Source: Prof. Raimund Wildner/GfK ConsumerScan (Jul 2012 to Jun 2013 and Jul 2013 to Jun 2014)

MAJORITY OF BUYERS ARE LIGHT BUYERS

• More than 90% of the buyers in the category buy the brand only between 0 and 3 times
• They generate 40% of its revenues

BRANDS GROW BY INCREASING PENETRATION AND SALES WITH LIGHT BUYERS

1) Source: GfK Consumer Scan 2016

138
STRONG CORRELATION BETWEEN DAILY REACH PERFORMANCE AND VERY LARGE BUSINESS EFFECTS

THE HISTORIC LINK BETWEEN MEDIA EFFECTIVENESS AND REACH

BROAD REACH MEDIA ARE CRUCIAL FOR SALES AND GROWTH

Source: “Marketing Effectiveness in the digital era”, Les Binet/Peter Field/IPA; 2017
Base: 1980-2016 cases
TV DELIVERS STRONGLY ON BOTH SIDES OF THE FUNNEL

BRAND BUILDING

- Awareness
- Ad recognition
- Relevant associations

ACTIVATION

- Short-term sales impact
- ROI
- Ad real-time activation
BRAND BUILDING STUDY 1:
TV DRIVES AWARENESS KPIs

UNAIDED BRAND AWARENESS

Facebook: 27%
TV: 44%\(^1\)

UNAIDED RECALL

Facebook: 11%
TV: 45%\(^1\)

RECOGNITION

Facebook: 38%
TV: 80%\(^1\)

1) Significant on an α-level of 0.01
Base: Cross section of 3 test spots/Facebook half desktop, half on mobile; Source: eye square, SevenOne Media
BRAND BUILDING STUDY 2: PEOPLE STRONGLY REMEMBER TV ADS

ADVERTISING RECALL AND SOURCE OF PERCEPTION

<table>
<thead>
<tr>
<th>Source</th>
<th>Recall Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>89%</td>
</tr>
<tr>
<td>Magazine</td>
<td>10%</td>
</tr>
<tr>
<td>Billboard</td>
<td>6%</td>
</tr>
<tr>
<td>Newspaper</td>
<td>5%</td>
</tr>
<tr>
<td>Radio</td>
<td>4%</td>
</tr>
<tr>
<td>Internet</td>
<td>4%</td>
</tr>
</tbody>
</table>

“What advertising for products or services which you have seen, read or heard recently, can you remember particularly well? And where have you seen, read or heard this advertising?”

Base: 1,500, A 16-65; 5988 mentions in total
Source: “Screen Life”, Ipsos 2014
## ACTIVATION STUDY 1: TV PROVES STRONG SHORT-TERM SALES IMPACT

Source: “Media Attributes that matter”, ThinkTV/University of Adelaide, 2017
Karen Nelson-Field, Professor of Media Innovation at the University of Adelaide

<table>
<thead>
<tr>
<th>Platform</th>
<th>Sales Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>144</td>
</tr>
<tr>
<td>Facebook</td>
<td>118</td>
</tr>
<tr>
<td>YouTube</td>
<td>116</td>
</tr>
</tbody>
</table>
ACTIVATION STUDY 2: HIGH ROIs OF TV ADVERTISING

Based on 204 FMCG brands in Germany

22% of all analyzed brands:
- **ROI 1-2**
- **ROI > 2**

42%
### The Facebook ROI Delusion

<table>
<thead>
<tr>
<th></th>
<th>TV</th>
<th>Facebook</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ROI</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Net Spend</strong> (in EUR k)</td>
<td>1,157</td>
<td>280</td>
</tr>
<tr>
<td><strong>Incremental Short-Term Sales</strong> (in EUR k)</td>
<td>1,814</td>
<td>435</td>
</tr>
<tr>
<td><strong>Profit</strong> (in EUR k)&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>657</td>
<td>x4.2</td>
</tr>
<tr>
<td></td>
<td>155</td>
<td></td>
</tr>
</tbody>
</table>

1) Base: 5 CPG cross-platform campaigns, GfK Crossmedia Link. 2) Profit = incremental sales – spend

HIGH ROI IS ONLY RELEVANT IF IT’S SCALABLE

THE FACEBOOK ROI DELUSION

<table>
<thead>
<tr>
<th></th>
<th>TV</th>
<th>Facebook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental Short-Term Sales (in EUR k)</td>
<td>1,814</td>
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</tr>
<tr>
<td>Net Spend (in EUR k)</td>
<td>1,157</td>
<td>280</td>
</tr>
<tr>
<td>ROI(^1)</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Profit (in EUR k)(^2)</td>
<td>657</td>
<td>155</td>
</tr>
</tbody>
</table>

\(^1\) Base: 5 CPG cross-platform campaigns, GfK Crossmedia Link
\(^2\) Profit = incremental sales – spend

TV’S UNIQUE SCALABILITY

- TV HAS THE HIGHEST HEADROOM FOR SPEND

**INCREMENTAL PROFIT RETURN**

<table>
<thead>
<tr>
<th>SPEND LEVEL</th>
<th>£2 m</th>
<th>£4 m</th>
<th>£6 m</th>
<th>£8 m</th>
<th>£10 m</th>
<th>£12 m</th>
<th>£14 m</th>
<th>£16 m</th>
<th>£18 m</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td></td>
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<td></td>
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<tr>
<td>Radio</td>
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<tr>
<td>Press</td>
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<td></td>
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<tr>
<td>Online Video</td>
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<td></td>
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<tr>
<td>Online Display</td>
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<td></td>
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<tr>
<td>OOH</td>
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<td></td>
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</tr>
</tbody>
</table>

Base: Ebiquity ROI campaign database. Financial Services example
Source: “Profit Ability: the business case for advertising”, Ebiquity/Gain Theory/Thinkbox, Nov 2017
ACTIVATION STUDY 3: TV TRIGGERS REAL-TIME ACTIVATION

WEBSITE - VISITS MYDAYS DURING “GERMANY’S NEXT TOPMODEL”

Base: GNT show from March 27, 2014
Source: SevenOne Media
### TV IS THE KEY DRIVER FOR PERFORMANCE CAMPAIGNS

<table>
<thead>
<tr>
<th>EFFECTS OF TV ON GOOGLE SEARCH&lt;sup&gt;1)&lt;/sup&gt;</th>
<th>EFFECTS OF TV ON FACEBOOK INTERACTIONS&lt;sup&gt;2)&lt;/sup&gt;</th>
<th>EFFECTS OF TV ON WEBSITE TRAFFIC&lt;sup&gt;3)&lt;/sup&gt;</th>
<th>EFFECTS OF TV ON ECOMMERCE ORDERS&lt;sup&gt;3)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>~80% of TV campaigns generate incremental search of &gt;10,000</td>
<td>33% of media-driven Facebook interactions for brands are generated by TV ads in a two-fold way: (1) Consumers directly engage on FB (2) TV prompts consumers to buy, after purchase they engage on FB</td>
<td>+31% Impact with TV vs. without TV</td>
<td>+57% Impact with TV vs. without TV</td>
</tr>
</tbody>
</table>

15% >100,000

---

1) Source: Search Uplift Study 2015, Google/AEGIS, DA Resolutions
2) Source: “TV Response: new rules, new roles”, 2015, Group M/Thinkbox, UK, 2005; based on 8 brands, Facebook metric is likes and comments
3) Source: SevenVentures; weighted average of 5 assets
DIGITAL ENCOURAGES SHORT-TERM AND ACTIVATION-DRIVEN CAMPAIGNS

SHORT-TERMISM HAS BEEN RISING

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>0%</td>
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<tr>
<td>5%</td>
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<tr>
<td>10%</td>
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<tr>
<td>15%</td>
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<td>20%</td>
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<tr>
<td>25%</td>
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<tr>
<td>30%</td>
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</tr>
</tbody>
</table>

10 YEARS ENDING

OPTIMUM BALANCE: 60% BRAND, 40% ACTIVATION

<table>
<thead>
<tr>
<th>Budget spent on activation and brand building</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very large share growth cases</td>
</tr>
<tr>
<td>% Brand Building</td>
</tr>
<tr>
<td>62%</td>
</tr>
<tr>
<td>% Activation</td>
</tr>
<tr>
<td>38%</td>
</tr>
<tr>
<td>Most efficient cases</td>
</tr>
<tr>
<td>% Brand Building</td>
</tr>
<tr>
<td>64%</td>
</tr>
<tr>
<td>% Activation</td>
</tr>
<tr>
<td>36%</td>
</tr>
<tr>
<td>Very large profit growth cases</td>
</tr>
<tr>
<td>% Brand Building</td>
</tr>
<tr>
<td>64%</td>
</tr>
<tr>
<td>% Activation</td>
</tr>
<tr>
<td>36%</td>
</tr>
<tr>
<td>Average 2016 cases</td>
</tr>
<tr>
<td>% Brand Building</td>
</tr>
<tr>
<td>55%</td>
</tr>
<tr>
<td>% Activation</td>
</tr>
<tr>
<td>45% (2014: 31%)</td>
</tr>
</tbody>
</table>

ACTIVATION LEVELS HAVE EXCEEDED OPTIMUM

Source: Les Binet/Peter Field/IPA "Marketing Effectiveness in the digital era", 2017; IPA Databank
RECENT STUDIES BASED ON MARKETING MIX MODELS PROVE TV IS THE MOST EFFECTIVE ADVERTISING MEDIUM

TV HAS THE HIGHEST SALES UPLIFT

Ebiquity, Australia, Sep. 2017
Sales uplift, Index TV=100:

TV HAS THE HIGHEST SALES UPLIFT

TV UP TO 7 TIMES BETTER THAN SEARCH

Neustar, USA, June 2017
Relative lift for USD 1m Investment
Index: average lift factor = 1

NEUSTAR: “TV IS THE MOST POWERFUL BUSINESS DRIVER FOR ADVERTISERS”

1) Source: “Payback Study”, Ebiquity, Australia, 2017
2) Source: “Evaluating the effectiveness of TV advertising in the modern media landscape”, Neustar, USA, 2017
3) Automotive, finance, CPG, retail, telecom analyzed 2015; Movies, quick service restaurants and consumer electronics analyzed 2017
TV’S CONTRIBUTION TO AD-GENERATED PROFIT EXCEEDS BY FAR ITS SHARE OF AD INVESTMENT

Share of ad spend and share of ad-generated profit (3 years) in the UK

TV is strongly undercapitalized related to contribution to ad-generated profit

Base: 1,954 observed campaigns
Source: “Profit Ability: the business case for advertising”, Ebiquity ROI campaign database (Feb’14-May’17) & Gain Theory, 2017
**TV IS THE MOST POWERFUL BUSINESS DRIVER FOR ADVERTISERS**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Only <strong>TV combines reach and speed</strong> of the medium with suggestive and <strong>emotional power</strong> of the ad</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td><strong>Brands grow</strong> by increasing penetration and sales with light buyers of the brand</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td><strong>Reach</strong> is <strong>crucial</strong> for sales and brand growth</td>
</tr>
<tr>
<td><strong>4</strong></td>
<td><strong>TV</strong> is the <strong>major driver</strong> for <strong>brand building</strong> and <strong>short-term activation</strong></td>
</tr>
<tr>
<td><strong>5</strong></td>
<td>All <strong>performance channels</strong> take <strong>advantage of TV campaigns</strong></td>
</tr>
<tr>
<td><strong>6</strong></td>
<td><strong>Activation levels</strong> have <strong>exceeded optimum</strong> and importance of <strong>brand building will rise</strong></td>
</tr>
<tr>
<td><strong>7</strong></td>
<td><strong>Marketing-Mix models</strong> are proving: <strong>TV by far the most effective advertising medium</strong></td>
</tr>
</tbody>
</table>
"We targeted too much, and we went too narrow." 6)

Marisa Thalberg
CMO

"A lot of our campaign recall comes from TV and not from Digital. When ads on Facebook just flow by, with TV ads we’re really able to tell our story." 2)

Per Carloë
Marketing Director Sweden

"When we run a heavy TV schedule, we see a lift in sales and product awareness. We need to run two weeks of digital to get the reach of one day of broadcast." 3)

Rich Lehrfeld
Senior VP of Global Brand Marketing & Communications

"TV remains very important for us. It’s still a very important way for us to drive mass reach, and the right reach as well." 4)

Andrew Clarke
CMO

"The investments in TV advertising would build a foundation for the future." 5)

Glenn Fogel
CEO

"TV is still really powerful for us. It is still the most mass reaching audience and it still works for us." 1)

Marissa Thalberg
CMO

Capital Markets Day – December 6, 2017

PILLAR 1: ENTERTAINMENT

AD SALES & MEDIA TRENDS

Sabine Eckhardt
KEY AD SALES TRENDS IN FAVOR OF TV

- Evolving sophistication of analytics and deeper understanding of ROI
- Fast growing Addressable TV segment, enabling expansion of TV market
- Aging population with increasing relevance for advertisers and TV reach
- Rising importance of brand advertising along with growing eCommerce
- Future opportunities arising with “Voice” and “Search”
- Demand for contextual and thematic advertising
P7S1 LEADER IN GERMANY, AUSTRIA & SWITZERLAND

SHARE OF ADVERTISING

Note: share of advertising in net and gross TV advertising market, 9M 2017
Source: Germany: internal estimate; Austria: internal estimate; P7S1 Group revenues include new subsidiary ATV; with the two channels ATV and ATV2 from April 2017 onwards; Switzerland: German-speaking Switzerland; Media Focus
TACKLING ALL GROWING BUDGET SOURCES

<table>
<thead>
<tr>
<th>NET AD MARKET [in EUR bn]</th>
<th>2017E</th>
<th>2022E</th>
<th>P7S1 GROWTH LEVERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core markets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Linear TV</td>
<td>4.6</td>
<td>5.0</td>
<td>✓</td>
</tr>
<tr>
<td>Digital Video</td>
<td>0.7</td>
<td>3.0</td>
<td>✓</td>
</tr>
<tr>
<td>Sum core markets</td>
<td>5.3</td>
<td>8.0</td>
<td>✓</td>
</tr>
<tr>
<td>Additional markets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Addressable TV/HbbTV</td>
<td>&lt;0.1</td>
<td>0.3</td>
<td>✓</td>
</tr>
<tr>
<td>Performance</td>
<td>6.4</td>
<td>7.8</td>
<td>✓</td>
</tr>
<tr>
<td>(D)OOH</td>
<td>1.1</td>
<td>1.3</td>
<td>✓</td>
</tr>
<tr>
<td>POS &amp; FreeSheets</td>
<td>9.8</td>
<td>10.6</td>
<td>✓</td>
</tr>
<tr>
<td>Sum core &amp; additional markets</td>
<td>17.4</td>
<td>28.0</td>
<td>✓</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital Others</td>
<td>0.6</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Print</td>
<td>4.3</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Radio</td>
<td>0.7</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Source: SOM estimate based on commerce volume released by HDE/Federal Statistical Office of Germany, Magna Global (June 2017) and ZAW Yearbook 2017
OUR LEVERS WILL SECURE GROWTH

P7S1 GROWTH POTENTIAL UNTIL 2022

- Linear TV
- Addressable TV
- Digital Video
- Performance
- DOOH
- POS & Freesheets
- 2022E

TV: Detailed in the following
## SOLID GROWTH BASE WITH BIG ON TOP POTENTIAL FOR TV

### OVERALL GROWTH POTENTIAL

<table>
<thead>
<tr>
<th>GROWTH LEVERS</th>
<th>NET MARKET GROWTH POTENTIAL 2022 VS. 2017 [in EUR m]</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Basic market growth/net price increase</td>
<td>~230</td>
</tr>
<tr>
<td>B National print cannibalization</td>
<td>~360</td>
</tr>
<tr>
<td>C Sales commercial cooperations</td>
<td>~100</td>
</tr>
<tr>
<td>D Call-to-action elements in TV</td>
<td>~50</td>
</tr>
<tr>
<td>E Shift to digital video</td>
<td>-340</td>
</tr>
<tr>
<td><strong>LINEAR TV GROWTH POTENTIAL</strong></td>
<td><strong>SUM ~400 (CAGR 1.7%)</strong></td>
</tr>
<tr>
<td><strong>OVERALL GROWTH POTENTIAL</strong></td>
<td><strong>SUM ~660 (CAGR 2-3%)</strong></td>
</tr>
</tbody>
</table>

1) Addressable TV potential calculated on top of Magna basic market growth

Note: Estimate based on Magna Global (above-the-line, June 2017), SevenOne Media own estimate
TV PRICING LEVERS TO DRIVE MARKET GROWTH

TARGET GROUP SPECIFIC PRICING
Increase niche campaign efficiency for advertisers and capitalization of ad inventory

FURTHER NET CPT INCREASE POTENTIAL
Realize upside monetization potential via further CPT increases, also offsetting potential reach declines
Detailed in the following

NEW INNOVATIVE MODELS
Explore new models, e.g., testing auction-based pricing with internal assets, duration-based pricing for Branded Entertainment Formats
FURTHER MONETIZATION POTENTIAL
VIA TV CPT INCREASE

Net CPT\(^1\) [A 18-49, in EUR\(^2\)]

- **USA**
  - 2010: 19
  - 2016: 29
  - CAGR 7%

- **UK**
  - 2010: 20
  - 2016: 30
  - CAGR 7%

- **Germany**
  - 2010: 9
  - 2016: 11
  - CAGR 4%

  - 2010: 20
  - 2016: 24
  - CAGR 3%

1) Estimate based on AGF/GfK, Nielsen, ZAW, Media Dynamics, egta
2) Currency conversion based on 2016
**TV & DIGITAL SHARE INCREASE DRIVEN BY PRINT LOSS**

**GERMAN MEDIA MIX TODAY [net, in %]**

- 2016:
  - Digital: 35
  - TV: 23
  - Print: 33
  - Others: 9

- 2019E:
  - Digital: 63
  - TV: 23
  - Print: 7
  - Others: 8

**FUTURE MEDIA MIX [net, in %]**

- 2019E:
  - Digital: 52
  - TV: 31
  - Print: 7
  - Others: 10

**FUTURE MEDIA MIX WILL BE DOMINATED BY TV AND DIGITAL, DRIVEN BY LOSS OF PRINT**

Note: Excluding POS budgets; Statements may vary due to rounding
Source: Magna Global (June 2017), Digital including Google and Facebook
### TV LEVERS TO ADDRESS PRINT POTENTIAL

<table>
<thead>
<tr>
<th>LEVER</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REACH</strong></td>
<td>Shift of national reach campaigns to TV</td>
</tr>
<tr>
<td><strong>ADDRESSABLE TV</strong></td>
<td>Accessing new business</td>
</tr>
<tr>
<td><strong>SMALL CHANNELS</strong></td>
<td>Targeting of specific niche print segments</td>
</tr>
<tr>
<td><strong>THEMATIC AD BREAKS</strong></td>
<td>Special interest fields</td>
</tr>
<tr>
<td><strong>SPECIAL INTEREST FORMATS</strong></td>
<td>Formats and magazines for special topics</td>
</tr>
<tr>
<td><strong>HBBTV</strong></td>
<td>Development of advertorial products</td>
</tr>
<tr>
<td><strong>NEW BUSINESS</strong></td>
<td>Dedicated sales force (over 1,100 contacts/year)</td>
</tr>
</tbody>
</table>

**EUR ~360m market growth potential**

Note: Estimate based on Magna Global (above-the-line, June 2017), SevenOne Media own estimate
TV COMMERCIAL COOPS WITH SALES PROMO BUDGETS

1) Note: Estimate based on Magna Global (above-the-line, June 2017), SevenOne Media own estimate
2) Source: P7S1

EUR ~100m MARKET GROWTH POTENTIAL^1^
+25% MORE CAMPAIGNS REALIZED VS. 2016^2^
TV ADS AS SIGNIFICANT CALL-TO-ACTION TRIGGER

1) Estimate based on Magna Global (above-the-line, June 2017), SevenOne Media own estimate
2) 2015-2017 online performance marketing growth, Magna Global 2017

TRAFFIC TRIGGER

TV triggers immediate traffic e.g., search requests, website visits¹)

ENGAGEMENT TRIGGER

TV ads with performance-oriented elements for engagement and conversion

TV AD MARKET BENEFITS FROM GROWING (+10%²) PERFORMANCE MARKETING MARKET

TV ADS ENABLE PERFORMANCE DRIVEN CAMPAIGNS TO PARTICIPATE IN MARKET

EUR ~50m market growth potential¹)

¹) Estimate based on Magna Global (above-the-line, June 2017), SevenOne Media own estimate
²) 2015-2017 online performance marketing growth, Magna Global 2017
TV OPPORTUNITY VIA NEW VOICE RECOGNITION TREND

LEVERAGING POWER OF TV TO TRIGGER ACTIONS

PUSHING CLIENTS’ OWN WEB-SHOP SALES VS. 3RD PARTY SHOPS

SKIPPING (ONLINE) SEARCH AND PUSH BRANDING ON TV

USER ACTIVATION:
“Buy perfume XY at Flaconi online shop”
TV MARKET EXPANSION WITH ADDRESSABLE TV

EXISTING BUSINESS

Providing incremental reach

NEW BUSINESS

II
Ad clients’ niche & secondary brands

III
Medium-sized and decentral business

IV
Local & small business

11.5m DEVICES REACHABLE\(^1\)
446m CONTACTS/MONTH\(^1\)

1) Source: SevenOne Media
Note: Estimate based on Magna Global (above-the-line, June 2017), SevenOne Media own estimate
### ADDRESSABLE TV GROWTH POTENTIAL

**FROM LARGE BUDGETS**

<table>
<thead>
<tr>
<th>Decentral</th>
<th>Niche Branding</th>
<th>Performance-driven Addressable TV potential</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.7</strong></td>
<td><strong>0.8</strong></td>
<td><strong>3.1</strong></td>
</tr>
</tbody>
</table>

**MARKET POTENTIAL [2016, in EUR bn]**

Attracting new budgets

*Note: Based on Nielsen data and P7S1 own estimates*
GROWING ATTRACTIVE ADDRESSABLE TV PORTFOLIO

Addressable TV targeting options
- Audience targeting
- Geo targeting
- Behavioral targeting

Products
- Branded Red Button
- SwitchIn
- Fullscreen Spot Overlay

Successful test in Q4 2017
### NEW BEHAVIORAL TARGETING TO ACCESS UNTAPPED BUDGETS

<table>
<thead>
<tr>
<th>Segment</th>
<th>Lift within Target Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family with kids</td>
<td>+58%</td>
</tr>
<tr>
<td>HHNI above EUR 3,000</td>
<td>+40%</td>
</tr>
<tr>
<td>Generation 50+ households</td>
<td>+39%</td>
</tr>
</tbody>
</table>

- **Print budgets**
  - Budgets of luxury brands
  - Budgets for public channels and print

**Source:** SevenOneMedia

*Bookable since Sep. 2017*
SUCCESSFUL FULLSCREEN SPOT OVERLAY TEST EXECUTED

Spot Overlay with retargeting on ProSieben MAXX
with potential of ~5m devices on HbbTV 1.5

Access Prime Time, October 21, 2017

Daytime, October 28, 2017

Johnson & Johnson
OUR LEVERS WILL SECURE GROWTH

P7S1 GROWTH POTENTIAL UNTIL 2022

Detailed in the following:

- Linear TV
- Addressable TV
- Digital Video
- Performance
- DOOH
- POS & Freesheets
- 2022E
PREMIUM VIDEO MARKET LEADER WITH TWO-FOLD STRATEGY

PREMIUM REACH

SevenOne Media

PREMIUM INVENTORY & WEBSTARS

STUDIO71

TV SITES

- 7
- SIXX
- GSTD
- 7MAX
- DOKU
- 7TV

PREMIUM MANDATES

DIGITAL PREMIUM MANDATES

Auto & Sport
News & Entertainment
Fashion, Beauty & Lifestyle

BLNET.de
fem.
Stylight

1) Source: AGOF daily digital facts April – July 2017 (age 10+); comScore Video Metrix Audience Duplication July 2017 (S71); own calculation SevenOneMedia

2) 408 Mio. Video Views Multiscreen, Source: SevenOne Media

3) per month cross device (Desktop/Mobile/SmartTV), Source: Smartstream.TV

4) per month cross device (Desktop/Mobile/SmartTV), Source: Smartstream.TV

EXTENDED REACH

SMARTSTREAM.TV
Video ad network

>120 VIDEO PUBLISHERS

- vevo
- rockyou
- LOTUM
- 1tv.com
- Spotify
- Outfit7

... and many more

29m UNIQUE VIDEO USERS\(^1\) AND >400m VIDEO VIEWS\(^2\)

With O&O premium portfolio and 3\(^{rd}\) party premium mandates

40m UNIQUE VIDEO USERS\(^3\) AND 350m VIDEO VIEWS\(^4\)

Reach expansion with mid-tail publisher inventory via smartstream.tv

1)\ Source: AGOF daily digital facts April – July 2017 (age 10+); comScore Video Metrix Audience Duplication July 2017 (S71); own calculation SevenOneMedia

2)\ 408 Mio. Video Views Multiscreen, Source: SevenOne Media

3)\ per month cross device (Desktop/Mobile/SmartTV), Source: Smartstream.TV

4)\ per month cross device (Desktop/Mobile/SmartTV) Source: Smartstream.TV
ESOME TO FURTHER CAPTURE PERFORMANCE-DRIVEN BUSINESS

Market leading for all advertising activities within social networks

KPI-driven sales capabilities in all social networks

Expand KPI-driven sales to Display & Addressable TV

Note: esome transaction signed, closing expected in Q1 2018
GAINING TRACTION IN STRONGLY GROWING DOOH MARKET ...

DOOH GROWTH\(^1\)

+16.4%

DOOH MARKET PLAYERS\(^2\)

[2017, revenues in %]

- STRÖER: 70%
- 7SCREEN: 11%
- CITTADINO: 12%
- Others: 7%
- Others: 11%

1) Source: Magna Global forecast (June 2017) for growth 2016 to 2017 in DOOH market  
2) SevenOne Media own estimate based on expert calls with agencies and clients  
3) Currently no equity stake, only sales house  
4) Source: SevenOne Media Research Oct 2017

Focus. Touch Points

- 7AIRPORT: >2.6k screens to address business travelers at 10 airports
- URBAN: Multiple touchpoints incl. innovative spots

Others: 11%

Advertisers aspire to a more balanced market
... PROVIDING STRONG SYNERGIES FOR P7S1 AD CLIENTS

**Source:** Nielsen, FY 2016 in Germany

Galaxy S8 campaign

- **Strong synergies between P7S1 TV customers and DOOH**
- **Samsung with 7Screen on airports**
- **Innovative urban touchpoint**

**Entire market**

- **+50%**
- **30%**
- **20%**

**TV customers booking DOOH**

- [2016, in %]

**60% of entire DOOH budget with P7S1**
MARKTGURU TO CONQUER SALES PROMOTION BUDGETS

MARKET POTENTIAL
[FY 2017]

EUR 1.9 bn\(^1\)

NET FREESHEET MARKET

Currently EUR <100m addressable & strongly growing digital freesheets market

DIGITAL FREESHEET MARKET PLAYERS\(^2\) [2017, revenues in %]

- Offerista: 8%
- Kaufda: 14%
- 78%

1) Further addressable potential of EUR +7.9bn from POS market; Source: ZAW Yearbooks 2013 to 2017, SevenOne Media, Market Insights
2) SevenOne Media own estimate based on expert calls with agencies and clients
OUTPERFORMING KEY COMPETITOR WITH CASHBACK FEATURE

CLEAR USPs VS. KAUFDA

1) Promotion power of TV
2) Access to younger target groups
3) Cashback feature as promotion lever for FMCG advertisers

~4.5x
Revenue growth

1) YTD 1M 2016 vs. 2017, Source: Marktguru 2017
SIX GROWTH LEVERS AND THREE STRONG ENABLERS

- Innovative Advertising Concepts
- Data
- Powerful Sales House
CREATION IS KEY FOR AD CLIENTS

CREATION explains ...

49% ... of SALES Impact

1. CREATIVE
   Content Marketing & 360° campaigns

2. CREATIVE
   innovative ad products

Source: CBS/Nielsen Catalina Solutions, June 2017 (incl. evaluation of hundreds of marketing mix models)
CONTENT MKTG AS TRIGGER TO CONVERT MAJOR PRINT CLIENT

TV-advertorial example: musician raps summary of last show

2x higher ad recall vs. average campaigns

+51% more young viewers vs. average TV audience

2.5m VV + 11.4m contacts on Social Media

CREATIVE 360° MEDIA CONCEPT FOR ALDI’S FIRST TV IMAGE CAMPAIGN

Source: SevenOne AdFactory
TV LIVE COMMERCIALS FOR INCREASED MONETIZATION

Example:

Up to 3x higher monetization vs. classic TV commercials

3x higher top of mind awareness vs. classic commercials

4x rewarded by Art Directors Club renowned creativity award

Source: SevenOne AdFactory
**PREMIUM CONTEXTUAL CUT-IN AS ADVANCED PRODUCT**

**CONTENT:**
- Getting driver’s license at federal office with friends

**5 SEC CONTEXTUAL CUT-IN:**
- Driving home in car, TV ad promotes pay sharing service among friends for gas costs

**CONTENT:**
- Continuation with no further commercial

**MARK-UP:**
- +30% mark-up vs. classic cut-in

**AD AWARENESS:**
- +89% ad awareness vs. classic cut-in

**SHARE:**
- 4x higher share for contextual cut-ins since 2015

Source: SevenOne Media, SevenOne AdFactory

1) Increase in revenue share
NEW 6SEC TV SPOTS TO MONETIZE CLIENT’S DIGITAL CONTENT

Source: SevenOne AdFactory
3-FOLD DATA STRATEGY FOR AUDIENCE-DRIVEN CAMPAIGNS

**COMPREHENSIVE OWN DATA PROFILES**
- **Online Data**
  - 20m+1)
- **Mobile Data**
  - 40m+1)
- **Addressable TV Data**
  - 10m+1)

1) Based on unique cookies active per month  2) Excl. app reach
Source: P7S1

**INTELLIGENT DATA CO-OPERATIONS**
- zalando
- RMG

**STRATEGIC LOG-IN ALLIANCE**
- 1&1
- WEB.DE
- GMX
- MEDIEN GRUPPE RTL
- Zalando
- RTL Deutschland
PERFORMANCE UPLIFTS FOR AD CLIENTS AND OWN ASSETS
ZALANDO DATA EXAMPLE

**AWARENESS AND SALES CAMPAIGN FOR FASHION CLIENT**

- **DRYKORN**
  - +92% Purchase Intent
  - +233% Awareness

**BRAND ENGAGEMENT CAMPAIGN FOR OWN ASSET**

- **FLACONI**
  - +141% Purchase Intent
  - +130% Awareness

Source: SevenOne Media
MOST INNOVATIVE, EFFICIENT & CREATIVE SALES HOUSE

The most innovative, efficient and creative sales house

Deliver best in class monetization and ROIs for our ad customers

Expand existing business of our ad clients and agencies

Win new advertisers and extend value creation

Tackle budgets in new ad segments
# Core and Specialized Sales to Tackle All Budgets

## Focus Budgets

<table>
<thead>
<tr>
<th>Core Sales Units</th>
<th>Key account</th>
<th>Agency</th>
<th>New Business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Specialized Sales Units</strong></td>
<td>Addressable TV</td>
<td>DOOH</td>
<td>Commercial cooperation/Marktguru</td>
</tr>
<tr>
<td>Linear TV</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
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<td>✓</td>
</tr>
</tbody>
</table>

Sales Co-operations

188
THREE THINGS TO REMEMBER

- We more than triple our addressable ad market size
- We continue to grow overall P7S1 ad revenue in next 5 years
- We have a superior, future ready position in the German ad market
PILLAR 1: ENTERTAINMENT

ENTERTAINMENT ALLIANCES & DIGITAL PLATFORMS

Christof Wahl
WE ESTABLISHED **POWERFUL PARTNERSHIPS AND PLATFORMS**

**EUROPEAN BROADCASTER EXCHANGE**

- **Mediaset**
- **Mediaset España**
- **TF1**
- **Mediaset**

**ONE-STOP-PLATFORM FOR ONLINE VIDEO CONSUMPTION**

- **Discovery Communications**

**STUDIO71 CO-INVESTMENT**

- **TF1**
- **Mediaset**

**LOG-IN PARTNER ALLIANCE**

- **1&1**
- **Zalando**
- **MEDIEN GRUPPE RTL**

*Note: Selection, login-in alliance based on joint foundation – subject to approval of anti-trust authorities and deal signing*
New partnerships in 2017 across key markets
EUROPEAN MEDIA ALLIANCE
AS STRONG NETWORK TO FACILITATE COOPERATIONS

Note: GSA = Germany, Switzerland & Austria
WE BUILT AN ADTECH SOLUTION HOUSE ...

Note: AdClear and esome transaction signed, closing expected in Q1 2018; BuzzBird transaction signed, closing expected in Dec 2017

WE ARE BUILDING A BLUEPRINT OF AN ADVERTISING PLATFORM FOR EUROPEAN BROADCASTER COMPETITIVENESS
Allowing partners to create incremental revenues and secure independence

P7S1 Advertising Platform Solutions

- Integrated ad offerings
- High efficiency
- Price optimization
- Pure data sales as second monetization model
- Access to social, performance, and regional budgets
- On top ad revenue through access to pan-European campaigns
- Incremental ad revenue from audience extension

1) FreeWheel not part of P7S1 AdTech stack
Note: esome transaction signed, closing expected in Q1 2018
NEW AD REVENUE STREAMS WITH EBX

PAN-EUROPEAN ONLINE VIDEO AD MARKET

>30% CAGR
2016-2020

>100m
MONTHLY UNIQUE USERS

Tactics:
Aligned target group definition
Joint sales force
One customer interface

P&G SAMSUNG
STRONG CUSTOMER POTENTIAL

L’ORÉAL EA Coca-Cola

PURE PROGRAMMATIC OPERATIONS

Source: EBX analysis based on eMarketer
1) Exemplary advertiser with pan-European campaigns in the past
GERMAN LOG-IN ALLIANCE TO STRENGTHEN TARGETING

Note: Initiative based on joint foundation – subject to approval of anti-trust authorities and deal signing
1) Estimated user base at launch

45m users¹)
EU regulation compliant
Maximum user convenience

¹) Estimated user base at launch
NEW CENTRAL BONUS PLATFORM PLANNED

NEW CENTRAL BONUS PLATFORM

30+ PARTNERS

FLiXBUS  SportScheck  mydays  wegder
maxdome  myToys  zooplus  ASOS
HelloFRESH  GYMONDO  TOM TAILOR  CHRIST
babymarkt  mirapodo  and many more ...

SIGNIFICANT ON-TOP VALUE FOR USERS
DATA COOPS ACROSS AD-RELEVANT VERTICALS...

- **FASHION/ BEAUTY & LIFESTYLE**
  - Zalando
  - SCOUT 24

- **TELCO & ELECTRONICS**
  - MediaMarkt
  - Saturn

- **TRAVEL**
  - Thalia.de
  - Reall

- **FOOD/ BEV & HOME**
  - Stylight
  - Flaconi
  - Verivox
  - Möbel.de
  - 12Auto

- **AUTOMOTIVE**
  - Metro

- **FINANCE/ INSURANCE & B2B**
  - SCOUT 24

1) Test case 2) Excerpt
... TO BUILD **SUCCESSFUL AD PRODUCTS**

**EXAMPLE: ZALANDO COOP**

<table>
<thead>
<tr>
<th>O₂</th>
<th>DRYKORN</th>
<th>FLACONI</th>
</tr>
</thead>
<tbody>
<tr>
<td>![O₂ Image]</td>
<td>![Drykorn Image]</td>
<td>![Flaconi Image]</td>
</tr>
<tr>
<td>+28% Purchase Intent</td>
<td>+92% Purchase Intent</td>
<td>+141% Purchase Intent</td>
</tr>
<tr>
<td>+10% Awareness</td>
<td>+233% Awareness</td>
<td>+130% Awareness</td>
</tr>
</tbody>
</table>
**WE INCREASE QUANTITY & DEPTH OF OUR DATA PROFILES**

<table>
<thead>
<tr>
<th>Platforms &amp; Brands</th>
<th>Total unique profiles&lt;sup&gt;3)&lt;/sup&gt;</th>
<th>Thereof in-depth commerce profiles&lt;sup&gt;4)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desktop Web</td>
<td>20m+</td>
<td>8m+</td>
</tr>
<tr>
<td>Mobile Web&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>40m+</td>
<td>5m+</td>
</tr>
<tr>
<td>HbbTV</td>
<td>10m+</td>
<td>New products in pipeline</td>
</tr>
</tbody>
</table>

<sup>1) Excl. app reach  2) Including strategic minorities collecting data in our DMP  3) Based on unique cookies active per month  4) Based on accumulated unique visits across commerce portfolio</sup>
JOINT INVESTMENT INTO **NEW TECH OPPORTUNITIES**

**STRONG INVESTOR BACKING**
- ProsiebenSat.1 Media SE
- Axel Springer
- Ströer
- Freenet Group

**MEDIA RELATED INVESTMENT FOCUS**
- Ad Tech
- AR/VR
- Video
- Ecommerce
- Native & Content Advertising
SIGNIFICANT SHARED SERVICE POTENTIAL
FOR EUROPEAN PARTNERS

TYPICAL BROADCASTER TECH SERVICES

- Playout
- OTT services
- Content mgmt.
- Content processing
- Content Delivery Network
- AdTech
- Analysis tools

EUR ~700-900m total tech OPEX p.a. of European broadcasters
OUR MID-TERM VISION
JOINTLY BOOST COMPETITIVENESS OF EUROPEAN BROADCASTERS

P7S1 ADVERTISING PLATFORM SOLUTIONS
European advertising platform business with special broadcaster focus

SHARED SERVICE HOUSE
Cost synergies service house providing tech services for European broadcasters
ONE-STOP-SHOP FOR ONLINE VIDEO CONSUMPTION IN GERMANY ...

1) Working title
... WITH FREEMIUM UPSSELL MODEL

1) NPVR = Network Personal Video Recorder  2) Optional service  3) Via maxdome bundle  4) Advertisements partly included  5) Subject to availability of rights  6) AdVoD (total video, incl. YouTube and Facebook) and SVoD market size, Germany

Source: SOM estimates, Magna Global (June 2017), Statista (November 2017)
MAXDOME EVOLUTION: STRENGTHEN P7S1 & NON-US CONTENT AND ENSURE PRESENCE ON ALL PLATFORMS

**Content**
- P7S1 formats
- US-Studios
- Indies

**Product**
- Add-on channels (exemplary)
  - Kids
  - Sports
  - Anime
- New personalized Reco engine
- Google Home integration

**Distribution**
- B2C
- B2B
- 7TV
- T
- DB
- telecolumbus
RED BUTTON PORTAL AS NEW PERSONALIZED INFOTAINMENT & COMMERCE PLATFORM ...
Note: Target state
ATTRACTIVE 7SPORTS PORTFOLIO ...

Fighting platform
Mass Sport platforms
IP & Live Events
Talent management

SPORTDEUTSCHLAND.TV
ran 90Min
YOUSPORT
SAM SPORTS
... WITH INNOVATIVE PLATFORMS

1) Strategic minority JV  
2) Monthly Unique Users in Germany

- Film match with smartphone
- Automatic highlight clip cutting
- Upload & share

- User generated soccer content from voluntary contributors with >2m MUU

1) Strategic minority JV  
2) Monthly Unique Users in Germany
CONTINUOUSLY GROWING HD PENETRATION

GROWING HD SUBSCRIBER BASE

Q3 2012 | Q3 2017
---|---
2.3 m | 8.4 m

+30% CAGR

>20% OF GERMAN TV HOUSEHOLDS PAY FOR TECHNICAL ACCESS TO OUR HD CHANNELS

Note: HD penetration based on total TV households in Germany (38.3m); Source: Astra TV Monitor, freenet
THREE THINGS TO REMEMBER

1) Incl. strategic minority investments

20+ partnerships in 2017 across KEY MARKETS

Strong partnerships are key for future growth

Independent AdTech/Data offers upside potential

3 ASSETS acquired and 5 NEW DATA partnerships in 2017¹)

We build a new video platform with unique value proposition

LIVETV, CATCH-UP, PAYVOD

¹) Incl. strategic minority investments
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