ProSiebenSat.1 Media SE

Annual Report 2022

MOVING FORWARD

RELEVANCE
INNOVATION
VALUES

KEY FIGURES OF PROSIEBENSAT.1 GROUP

in EUR m

	2022	2021[1]
Revenues	4,163	4,495
Total costs[2]	3,978	3,971
Programming expenses	1,031	1,055
Adjusted EBITDA[3]	678	841
EBITDA	666	803
Adjusted net income[4]	301	365
Adjusted earnings per share (in EUR)	1.33	1.61
Payments for the acquisition of programming assets	895	1,060
Free cash flow	388	289
Adjusted operating free cash flow[5]	492	599
Audience share (in %)[6]	24.9	25.5

	12/31/2022	12/31/2021[1]
Employees[7]	7,284	7,906
Programming assets	1,086	1,145
Cash and cash equivalents	504	594
Net financial debt	1,613	1,852
Leverage ratio[8]	2.4	2.2
P7S1 ROCE (in %)[9]	12.4	14.8

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 “Changes in reporting standards and accounting policies”.

2 Total costs comprise cost of sales, selling expenses, administrative expenses and other operating expenses.

3 EBITDA before reconciling items.

4 Net income attributable to shareholders of ProSiebenSat.1 Media SE before the amortization and impairments from purchase price allocations as well as impairments of goodwill, adjusted for the reconciling items. These include valuation effects recognized in other financial result, valuation effects of put option liabilities, valuation effects from interest rate hedging transactions as well as other material one-time items. Moreover, the tax effects resulting from such adjustments are also adjusted. See Group Managment Report, chapter “Planning and Management”.

5 For a definition of the adjusted operating free cash flow, please refer to Group Management Report, chapter “Planning and Management”.

6 ProSiebenSat.1 Group; AGF in cooperation with GfK; market standard: TV; VIDEOSCOPE 1.4; Target group: 14–49.

7 Full-time equivalent positions as of reporting date.

8 Ratio of net financial debt to adjusted EBITDA in the last twelve months.

9 Ratio of earnings (ROCE) of the last twelve months to capital employed (average). Due to the retrospective adjustment of the accounting treatment, the calculation for the quarters during the year was partly based on an assumption-based determination of the capital employed, in particular with regard to the liabilities from voucher transactions.

MOVING FORWARD

RELEVANCE
INNOVATION
VALUES

Stay agile. Look ahead. And courageously rise to the challenges of our time: We make sure we are wherever our viewers and users are. Their needs are at the heart of everything we do. We create offerings that are relevant to them and foster innovation – driven by values that unite our more than 7,000 employees worldwide across all business units. After all, we are the home of popular entertainment and infotainment – and strengthen ProSiebenSat.1 's leading position in the German-speaking entertainment market. Our portfolio is complemented by digital consumer brands in the Commerce & Ventures and Dating & Video segments. Our mission has always been to never stop moving. And above all to always be one step ahead.

AT A GLANCE

OUR RESULTS

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 German-speaking core markets, but also abroad with a particular focus on the region of North America.

Our strategy is centered around our entertainment offerings with our guiding principle: “Viewers and users first.” With the full acquisition of the streaming platform Joyn, the strengthening of the local production business, and the launch of our newsroom, we implemented important steps in 2022 to strengthen our leading position in the German-speaking entertainment market.

OUR RESULTS

High digital reach

>32 MILLION

unique users
use our digital offerings of Seven. One Entertainment Group each month.

Central digital platform

74

free and pay TV channels
can be found on our Joyn streaming platform, including the entire ProSiebenSat.1 channel family, a comprehensive media library as well as exclusive previews and catch-ups of our formats.

Revenues

EUR 4.2 BILLION

Group revenues in 2022

Cash flow management effective

–EUR 238 MILLION

compared to the previous year
Net financial debt

Our P7S1 values

40

employees
from different departments and segments contributed to the development of our corporate values.

Expanding our production activities

9

subsidiaries,
including eight production companies in Germany, the UK, Denmark and Israel as well as the global program distribution business Red Arrow Studios International, are bundled under the umbrella of the newly founded Seven.One Studios.

Together for peace

>EUR 12 MILLION

donations
for fast humanitarian aid in Ukraine were collected at the SOUND OF PEACE rally.

Green investments

>111 HOURS

advertising space on our channels
were given to sustainable companies from the SevenVentures portfolio.

OUR RESULTS

Premium video content

30 MILLION

app downloads
and four million unique users per month are registered for our streaming platform Joyn.

Healthier dating

+10%

more contact requests
are being sent by active Parship members per year following the online dating provider's "Healthy Dating" initiative.

In-house produced news

60

colleagues
comprise the newly created newsroom, which has been producing news for the ProSieben, SAT.1 and Kabel Eins channels as well as all digital platforms since 2023.

International influencer community

1,250

YouTube channels
worldwide are included in the portfolio of our digital media & entertainment company Studio71.

Energy-efficient production

–25%

fewer spotlights
were used in our studio productions in 2022.

Climate protection

–18%

lower operations-related emissions
were recorded in 2022.

Entertainment made in Germany

+10.8%

more local content
was shown on our major TV channels ProSieben and SAT.1 during prime time in 2022.

Limitless flexibility

30

working days
can be spent working on the move by our employees* in eleven selected EU countries within a rolling twelve-month period.

*Employees of ProSiebenSat.1 majority-owned companies in Germany

AT A GLANCE

OUR AMBITIONS

Our goal is to grow profitably across the Group, creating value for all stakeholders including viewers, users, advertising customers, institutional and private shareholders, policymakers and employees. To make this happen, we intend to fully leverage the potential of our fast-paced market environment and transform our Entertainment segment into a platform-independent and data-driven business. Going forward, ProSiebenSat.1 Group will continue to apply financial discipline with a clear focus on earnings and cash flow. Our main medium-term financial targets are summarized in the Strategy chapter.

OUR AMBITIONS

P7S1 ROCE
(return on capital employed)

>15%

medium-term
target

Leverage ratio

1.5x-2.5x

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

Sustainability

CLIMATE NEUTRALITY BY 2030

Profitable, organic
revenue growth

Ø +4-5%

medium- to long-term
per year

MAGAZINE

OUR EXECUTIVE BOARD

Since November 1, 2022, Bert Habets has been the new Group CEO of ProSiebenSat.1 Media SE. Ralf Peter Gierig has been Group CFO since January 1, 2022. Wolfgang Link retains responsibility for Entertainment, while Christine Scheffler continues to oversee HR, Compliance & Sustainability. In this interview, our CEO tells us about his first few months in office, our responsibility as a media company and our ambitions for the future.

Read in the online report

RELEVANCE

It's Newstime! Since January 2023, ProSiebenSat.1 has been producing its own news programs for ProSieben, SAT.1 and Kabel Eins as well as all its digital platforms. Who is behind the information drive and why relevant, target group-specific content is more important than ever.

Read in the online report

INNOVATION

Entertainment from every angle: With our brands and platforms, we offer viewers and users a broad range of services – and accompany them on their journey through our one-of-a-kind entertainment landscape. From social media to TV to our extensive digital content offering around Joyn.

Read in the online report

VALUES

Celebrating successes, overcoming crises and taking stands together: Five values sum up the corporate culture at ProSiebenSat.1. Why these values unite our people through a broad range of different departments – and how we live and breathe these values day in, day out.

Read in the online report

MAGAZINE

CEO BERT HABETS INTERVIEWED BY KLAAS HEUFER-UMLAUF

INTERVIEW

"WE ARE COMPETING FOR OUR USERS' LEISURE TIME. WE WANT EVERY MINUTE OF THEIR LEISURE TIME TO BE SPENT ON OUR SERVICES."

Our Group CEO Bert Habets was a guest in the "Late Night Berlin" studio and spoke with host Klaas Heufer-Umlauf about his start at ProSiebenSat.1, his plans for the company and the role of the streaming platform Joyn. Watch the complete interview in the video!

Klaas Heufer-Umlauf welcomes Bert Habets to the interview in the studio of "Late Night Berlin".

Watch the interview in the online report

Bert, you took over the CEO job towards the end of a very challenging year. How do you look back on ProSiebenSat.1's 2022?

The Russian war against Ukraine obviously had a huge impact on the economy, especially in our core market. Inflation rates and energy prices went up, causing a very difficult second half of the year across our whole Group. So, when I started in November, I immediately joined my Executive Board colleagues to manage the company very actively on the result basis as – due to this economic background – our full-year financial results decreased compared to the previous year.

"We offer a platform for socially relevant themes and create an audience for that."

Can you nonetheless also see a positive note in 2022?

Absolutely. Besides continuing to innovate and launch new formats, a very positive note for me was the launch of our own newsroom on January 1, for which we have been gearing up last year. We now produce the news for our channels and platforms such as Joyn ourselves. Having a news organization inside your organization creates new ideas for programming and for us it's very important to add an independent news organization in the German landscape. In general, it's crucial that we can offer a platform for socially relevant themes and create an audience for that. We take our corporate and social responsibility seriously. That's why we are committed to supporting the formation of opinions and promotion of democracy, championing diversity and equality as well as advancing climate and environmental protection, among other things.

You just mentioned the streaming platform Joyn. Can you tell us a bit more about your plans?

Joyn was part of a joint venture with Discovery for many years. We onboarded Joyn 100% on the first day of my start as CEO, on November 1. Now we are in control of our own destiny in developing the service. That's not an easy assignment as there is a lot of competition in the streaming landscape, and many big players are not earning money. Thus, a huge industry challenge – while at the same time we see it as a big part of our future. To differentiate us, we position Joyn as a freely accessible service for the whole family in the premium content domain. We're at the very beginning to build this. Studio71 talents, TV presenters as well as industry partners such as producers, but also other broadcasters or publishers will be invited to join and bring in their creative ideas for premium programs. That is the beauty of the brand name: join us in this dialogue and start creating new formats for this platform.

How do you assess the outlook for 2023 on top of that?

Economically, we expect the first half of 2023 still to be very difficult, hopefully we will see a recovery in the second half of this year. We will continue our strategic dialogue throughout the year with all the colleagues, the capital market investors, but also business partners like advertisers and agencies. If you reflect and take one step back on us as a company, you can say that we are in the business of competing for leisure time. We want every minute of your leisure time to be spent on our services. So, maximizing this viewing time across TV, Joyn and all our digital offers is our goal. We generate revenues through the traditional way of selling advertising, but also through different monetization forms like subscription and commerce. We have a big Commerce & Ventures business, that interacts in a very creative and successful way with German entrepreneurs in building new businesses with the power of TV and our digital services. Even in a macro economic climate that will remain challenging, there will be new growth opportunities for our Commerce & Ventures business to create shareholder value. And our Dating & Video business is actually an extension of that.

"That is the beauty of the brand name: join us and start creating new formats for this platform."

The 2022 Annual and Consolidated Financial Statements were published later than planned due to regulatory issues at the Jochen Schweizer mydays business. Can you give us an update on this?

At the end of February, we informed that open questions had arisen at Jochen Schweizer mydays regarding possible regulatory requirements. Specifically, the issue was if parts of the business activities of the two companies Jochen Schweizer GmbH and mydays GmbH fall under the German Payment Services Supervision Act (Zahlungsdiensteaufsichtsgesetz – ZAG). A task force comprising representatives from various internal departments and external experts dealt with the matter promptly, but above all with due care. This meant that we stopped the sale of certain vouchers as a precautionary measure and asked the German Federal Financial Supervisory Authority (BaFin) to review processes and certain products – with the result that the adjustment of the product offering was successful and that Jochen Schweizer and mydays therefore do not require an authorization from BaFin to continue operating their adjusted product offering. We remain in a constructive exchange with BaFin in this regard. In this context, we have also adjusted the accounting for these companies retrospectively. At the same time, we are working to ensure that we can offer the customers of Jochen Schweizer and mydays the broadest possible and even improved range of products.

CONTENT

TO OUR SHAREHOLDERS

REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

After a good start to the year, the economic signs have changed more and more in the course of 2022: Russia's war of aggression against Ukraine and the macroeconomic indicators influenced by it, such as sharply increased energy prices and the associated high inflation, are impacting consumer spending in the German-speaking region (Germany, Austria, Switzerland), meaning ProSiebenSat.1 Group's core markets, and thus many companies' business prospects.

As an early-cyclical company, ProSiebenSat.1 is immediately affected by such an economic downturn. Accordingly, this is directly reflected in the business performance of the past year, which showed a significant burdening, particularly from the third quarter onwards. Nevertheless, ProSiebenSat.1 has taken further steps in the past year to prepare for the future. For example, the Group continued its digital transformation with the full acquisition of the primarily advertising-financed streaming platform Joyn. The sustainability strategy was also further developed, with regard among other things to the target of carbon neutrality in 2030.

From a business perspective the focus was not only on strategic decisions, but also on operational and personnel questions. With Bert Habets as the new Group CEO since November 1, 2022, the Group is now led by an experienced transformation expert and passionate entertainment professional.

ProSiebenSat.1 is a diversified set up digital media group and continues to expand its digital business models. The Supervisory Board fully supports this strategy and we believe ProSiebenSat.1 is well equipped for the future, even in these challenging times.

Meanwhile, the current crisis cannot be compared to others: The economic situation and geopolitical instability are presenting new challenges for businesses and industries around the world. At the same time, current world events clearly demonstrate the value of independent media in a liberal democratic society. We are therefore particularly delighted that, as of January 2023, ProSiebenSat.1 Group has increased its focus on relevant content and expanded its information expertise with a newsroom. Because especially in these times, reliable news is more relevant than ever.

COOPERATION BETWEEN THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

We, the Supervisory Board of ProSiebenSat.1 Media SE, provide the Executive Board with comprehensive advice and ongoing support. In financial year 2022, the Supervisory Board again performed the tasks required of it by law, the Company's articles of incorporation, and the rules of procedure, taking into account the recommendations of the German Corporate Governance Code (Deutscher Corporate Governance Kodex).

The Supervisory Board regularly advised the Executive Board on its management of the Company in a spirit of close and trusting cooperation in financial year 2022, and diligently and continuously monitored the Executive Board in conducting the Company's business. We dealt in detail with the strategic and operational development of the Group. To this end, the Supervisory Board was informed regularly, promptly, and comprehensively by the Executive Board regarding all issues relevant to the Company's strategy, planning and business performance.

On February 28, 2023, the Company informed in a mandatory notification that in view of regulatory issues in connection with the business of Jochen Schweizer mydays, which belongs to the Commerce & Ventures segment, the date for the publication of the Annual and Consolidated Financial Statements for the financial year 2022 had to be postponed. On the basis of external audits, the Company must assume that the business activities of the subsidiaries Jochen Schweizer GmbH and mydays GmbH, which essentially consist of the sale of vouchers, fall in part under the Payment Services Supervision Act. Immediately after becoming aware of these facts, the Supervisory Board commissioned an independent external investigation, including in particular an assessment of possible breaches of duty by current and former members of the Executive Board of ProSiebenSat.1 Media SE in connection with the acquisition, management and control of Jochen Schweizer mydays, as well as the reporting on Jochen Schweizer mydays. This investigation has not been completed as of the date of this report. Any statements in this report that relate to the cooperation with the Executive Board, or the work of the Supervisory Board and its committees do not include the facts that are the subject of the external independent investigation commissioned by the Supervisory Board.

The Executive Board explained to the Supervisory Board all deviations from the projected figures in detail and consulted with the Supervisory Board in that regard. We were therefore directly involved in all decisions of fundamental importance to the Company at an early stage.

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

In addition to the Supervisory Board meetings, the Executive Board kept us updated on the Company's key financial indicators in written reports and provided us with both financial information prepared during the financial year and annual financial information and reports in line with legal requirements and the rules of procedure. Information on events of significance was also provided without delay outside of meetings and the regular reporting process and, where necessary, we were asked to adopt resolutions by circular vote in consultation with the Chairman of the Supervisory Board. In addition, the Chairman of the Supervisory Board was in continuous dialog with the Group CEO and was also in close contact with the other Executive Board members.

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

In financial year 2022, the Supervisory Board dealt with the Company's business and financial situation, fundamental questions of corporate strategy, the general personnel situation, and special investment projects. The Executive Board team intensively coordinated the strategic alignment in all areas with the Supervisory Board.

In total, the Supervisory Board of ProSiebenSat.1 Media SE held five regular meetings and eleven extraordinary meetings in 2022. Two meetings were held in person, twelve as virtual meetings by video conference. There were two hybrid meetings, i.e. in-person meetings with the option to attend virtually. The members' participation rate was 98% at the regular meetings and likewise 98% at the extraordinary meetings. The participation rate in the committees was 100%. The table below provides an overview of the meetings and meeting participation:

INDIVIDUAL BREAKDOWN OF MEETING PARTICIPATION IN FINANCIAL YEAR 2022

	Plenary Supervisory Board Regular meetings		Plenary Supervisory Board Extraordinary meetings		Audit and Finance Committee		Compensation Committee		Presiding & Nomination Committee		Limited Presiding & Nomination Committee		Extended Presiding & Nomination Committee		Capital Markets Committee	
Number of meetings / participation in %	Number	in %	Number	in %	Number	in %	Number	in %	Number	in %	Number	in %	Number	in %	Number	in %
Dr. Andreas Wiele, Chairman since May 5, 2022 (appointed by Court as of February 13, 2022)	5/5	100	11/11	100	—		1/1	100	2/2	100	2/2	100	1/1	100	1/1	100
Dr. Marion Helmes, Vice Chairwoman	5/5	100	10/11	91[1]	4/4	100	2/2	100	2/2	100	—		1/1	100	1/1	100
Lawrence A. Aidem	5/5	100	11/11	100	—		2/2	100	2/2	100	—		1/1	100	—	
Erik Huggers	4/5	80[1]	11/11	100	—		—		—		—		1/1	100	—	
Marjorie Kaplan	5/5	100	11/11	100	—		—		2/2	100	2/2	100	1/1	100	—	
Ketan Mehta	5/5	100	11/11	100	—		—		2/2	100	2/2	100	1/1	100	1/1	100
Dr. Antonella Mei-Pochtler	5/5	100	10/10	100	4/4	100	—		2/2	100	—		—		—	
Prof. Dr. Rolf Nonnenmacher	5/5	100	10/11	91[1]	4/4	100	2/2	100	—		2/2	100	1/1	100	1/1	100
Dr. Werner Brandt, (Term of office expired at the end of the Annual General Meeting on May 5, 2022)	2/2	100	4/4	100	1/1	100	1/1	100	—		—		—		1/1	100
Bert Habets, (Resignation from office as of October 31, 2022	3/3	100	1/1	100	—		—		—		—		—		—	
		98		**98**		**100**		**100**		**100**		**100**		**100**		**100**

1 Non-participation due to scheduling conflict.

Key topics of the individual meetings in 2022 were:

- At an extraordinary meeting on January 30, 2022, the Supervisory Board discussed the nomination of the Supervisory Board candidates for the Annual General Meeting on May 5, 2022, and in particular assessed the increased shareholding of MFE-MEDIAFOREUROPE N.V, Amsterdam, Netherlands. (“MFE,” formerly Mediaset).
- At a further extraordinary meeting on February 13, 2022, the Supervisory Board discussed the nomination of the Supervisory Board candidates again. The Supervisory Board confirmed its intention to stand by its nominations. It thus determined to nominate Dr. Andreas Wiele, Bert Habets and Prof. Dr. Rolf Nonnenmacher for election to the Supervisory Board at the Annual General Meeting.
- At the financial statements meeting held on March 1, 2022, the Supervisory Board approved the Annual and Consolidated Financial Statements, the Management Report and Group Management Report, the Non-Financial Report, the Management Declaration, the Report of the Supervisory Board and the Compensation Report for financial year 2021. In addition, the Supervisory Board approved the invitation to the 2022 Annual General Meeting with the corresponding agenda items. Firstly, these included our nominations for the positions on the Supervisory Board. Secondly – based on the recommendation of the Audit and Finance Committee – the Supervisory Board agreed at this meeting to propose the audit firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (“Ernst & Young”), with its registered office in Stuttgart, for election as the statutory auditor for financial year 2022 at the Annual General Meeting. The Supervisory Board also concurred with the Executive Board’s proposal for the allocation of profits, which proposed that the balance sheet profits should be paid out as a dividend with a pay-out ratio of 50% of the Group’s adjusted net income. A dividend of EUR 0.80 (previous year: EUR 0.49) per share was distributed for the past financial year 2021. This corresponded to a year-on-year increase of 63%.

The Supervisory Board also followed the recommendations of the Compensation Committee and approved topics relating to the Executive Board, i.e. the payment of the performance bonus for financial year 2021 and the 2021 target achievement for the 2018 Performance Share Plan.

- At the financial statements meeting, the Supervisory Board also received a detailed overview of the current development of the Company and the financial implications of Russia's war of aggression against Ukraine in particular.

- At an extraordinary meeting on March 18, 2022, the Supervisory Board discussed MFE's investment in the Company and its potential impact on the nominations of Supervisory Board candidates to the Annual General Meeting on May 5, 2022. At this meeting, the Supervisory Board was also informed about an amendment to the Bavarian Media Law (BayMG) that took effect on April 1, 2022. According to the Bavarian Media Law, approval from the regulatory authorities is required as soon as an investor's stake in a listed broadcaster with a Bavarian broadcasting license exceeds certain reporting thresholds – this particularly applies to shareholdings of 25% or more. The Bavarian Media Law supplements the previous requirements under media policy: The Bavarian regulatory authority for new media (Bayerische Landeszentrale für neue Medien; "BLM") examines whether changes in shareholdings influence the information structure in Bavaria. The BLM can also take measures to prevent negative influences on the diversity and independence of the media landscape in Bavaria.

- The Supervisory Board held another extraordinary meeting on March 21, 2022, and finally determined to adhere to the previously nominated Supervisory Board candidates and the invitation to the Annual General Meeting on May 5, 2022, which had been approved on March 1, 2022.

- At the constituent meeting of the Supervisory Board immediately following the Annual General Meeting on May 5, 2022, which was held in person, Dr. Andreas Wiele was elected to succeed Dr. Werner Brandt as the new Chairman of the Supervisory Board, and Dr. Marion Helmes was re-elected as Vice Chairwoman of the Supervisory Board. In addition, the Supervisory Board confirmed the current composition of the Audit and Finance Committee, the Presiding and Nominating Committee, the Compensation Committee and the Capital Markets Committee.

- At a closed session on August 29, 2022, the Supervisory Board was informed about general corporate governance topics.

- At a regular Supervisory Board meeting on September 7 and 8, 2022, which was held in person, the Executive Board provided an outlook for the third quarter of 2022. This meeting focused on an extensive presentation on the Group's strategy and the further expansion of the Group's digital business areas.

- At a meeting on September 21, 2022, the Supervisory Board discussed the process of general succession planning for the Executive Board, taking into account various time horizons. In doing so, we fulfilled our duty and responsibility to ensure appropriate succession planning for the Executive Board. Particularly in times of great economic and sociopolitical challenges for the media industry, it is important that the Board considers questions such as these. Further meetings in which the Supervisory Board discussed this topic were held on September 25, 2022, and on September 30, 2022.

- At an extraordinary meeting on October 3, 2022, the Supervisory Board set the course for the future composition of the Executive Board and resolved to appoint Bert Habets as Group CEO effective November 1, 2022. Rainer Beaujean, former Group CEO of ProSiebenSat.1, resigned from his office with immediate effect by mutual agreement with the Supervisory Board.

- At another extraordinary meeting on November 21, 2022, the Supervisory Board again discussed MFE's investment in the Company and its potential impact on the nominations of Supervisory Board candidates to the upcoming Annual General Meeting.

– At a regular Supervisory Board meeting on December 15, 2022, which was attended in person by all members but one, the Supervisory Board approved the 2023 budget planning for ProSiebenSat.1 Group after a detailed explanation. The Supervisory Board was comprehensively informed about the economic performance of Entertainment, Dating & Video and Commerce & Ventures segments. Furthermore, the Supervisory Board acknowledged and approved the multi-year plan and the Group's strategic alignment.

  At this meeting, the Supervisory Board also approved the targets in the context of variable compensation for the Executive Board members for financial year 2023 as well as the annual Declaration of Compliance.

  In the closed session afterwards, the Supervisory Board examined its own efficiency based on a detailed questionnaire.

In 2022, the Supervisory Board also adopted eight resolutions by way of written circular vote. Based on the recommendations of the Compensation Committee, the Supervisory Board approved the Compensation Report for financial year 2021, the allocations from the Performance Share Plan 2022 to the Executive Board members, and the five-year contract extensions for the Executive Board members Wolfgang Link and Christine Scheffler. Following extensive discussion in the regular Supervisory Board meetings, the Supervisory Board also granted its approval for the disposal of the US production business of Red Arrow Studios to Peter Chernin's The North Road Company LLC ("The North Road Company"). ProSiebenSat.1 Group is therefore continuing the consistent implementation of its strategy and focusing in the Entertainment segment on the successful local programming strategy in the German-speaking region (Germany, Austria, Switzerland).

REPORT ON THE WORK OF THE COMMITTEES

The Supervisory Board of the Company has formed various committees to support it in its work. In 2022, the Supervisory Board had four committees to ensure efficient execution of its duties: the Presiding and Nominating Committee, the Compensation Committee, the Audit and Finance Committee, and the Capital Markets Committee. The committees reported to the Supervisory Board regularly and comprehensively on their activities in its plenary sessions. The main emphases of the committees' work are described below.

The **Presiding and Nominating Committee** coordinates the work of the Supervisory Board and prepares its meetings. In addition, it is responsible for the tasks of a nominating committee in accordance with the German Corporate Governance Code and adopts resolutions that have been delegated to it under the Supervisory Board's rules of procedure. This includes examining license agreements, distribution agreements, and sales agreements.

In its function as Nominating Committee, the committee met five times in 2022, twice in reduced composition on July 18, 2022, and November 21, 2022. The subject of these meetings were the four Supervisory Board positions up for election at the next Annual General Meeting. As previously agreed at the constituent meeting of the Supervisory Board on May 5, 2022, Dr. Marion Helmes, Lawrence A. Aidem and Dr. Antonella Mei-Pochtler – whose periods in office end with the 2023 Annual General Meeting – are not participating in the process to select the Supervisory Board members to be elected or re-elected at the 2023 Annual General Meeting. Prof. Dr. Rolf Nonnenmacher is participating in the selection process and is particularly supervising the selection procedure for potential suitable candidates for the Audit and Finance Committee. There were three further meetings on August 16, 2022, on August 30, 2022, and on December 15, 2022, which dealt with the selection process for potential candidates for the Supervisory Board as well as initial considerations regarding general succession planning for the Executive Board on various time horizons. One meeting was held as a hybrid meeting, i.e. an in-person meeting with the possibility to virtually participate; all others were held as virtual meetings by video conference.

In addition, the Presiding and Nominating Committee passed four resolutions by way of circular vote in 2022, including the extension of the exclusive contracts between ProSieben and the entertainers Joko Winterscheidt and Klaas Heufer-Umlauf. The contract extensions with the most important media agencies were likewise approved by way of written circular vote.

The **Compensation Committee** prepares resolutions on personnel-related Executive Board matters for plenary sessions of the Supervisory Board. In 2022, the committee held two meetings by video conference and passed one resolution by way of circular vote. At its first meeting on February 16, 2022, the committee dealt with the provisional target achievement under the 2018 Performance Share Plan, the allocation from the 2022 Performance Share Plan to the Executive Board members, and the provisional individual target achievement levels for the 2021 performance bonus for Executive Board members. Finally, the Compensation Committee dealt with the Compensation Report for financial year 2021 and approved a corresponding recommendation to the Supervisory Board.

At another meeting on July 12, 2022, the Compensation Committee discussed the extension of the Executive Board contracts of Wolfgang Link and Christine Scheffler in detail. The committee recommended that the contracts be extended by further five years in each case, starting January 1, 2023, until the end of December 31, 2027. The Supervisory Board followed this resolution.

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

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

The Audit and Finance Committee monitored the accounting process and the effectiveness of the internal control system, the risk management system, and of the internal audit system as well as the audit of the financial statements, also considering the corresponding reports by the Head of Internal Audit and the auditor. The Audit and Finance Committee explicitly discussed and addressed the components of COSO (Committee of Sponsoring Organizations of the Treadway Commission) in this process.

In addition, the Audit and Finance Committee dealt with the preparation of the Supervisory Board's proposal for the election of the auditor for financial year 2022 by the Annual General Meeting on May 5, 2022, the engagement of the auditor, and the auditor's fee agreement. It monitored the effectiveness and quality of the audit of the financial statements and the independence of the auditor, as well as the services performed by the auditor in addition to auditing services. The Audit and Finance Committee submitted an appropriate recommendation to the Supervisory Board to elect Ernst & Young as auditor for financial year 2022 and to appoint it for the period up to the Annual General Meeting in 2023. The Audit and Finance Committee continuously engaged in dialog with the auditor regarding the main audit risks and the required focus of the audit of the financial statements and discussed the audit findings. It established an internal regulation on services by the auditor that are not related to the audit of the financial statements ("non-audit services") and ensured that the auditor and the Executive Board informed it at each meeting about corresponding contracts and the fees incurred in this context, which it approved.

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

The Executive Board regularly informed the Audit and Finance Committee of the status of various activities to finance and secure liquidity for the Company. We welcome the measures taken again this year to further reduce the Group's gross financial debt and put ProSiebenSat.1 on a robust footing for the long-term. For example, on December 1, 2022, the Group repaid promissory notes totaling EUR 275 million ahead of stated maturity. The Group thus has no repayment obligation or need to refinance financial liabilities before 2025.

In addition to the Executive Board, the heads of the responsible departments also attended the Audit and Finance Committee's meetings for selected items of the agenda, providing reports and answering questions. In addition, the Chairman of the Audit and Finance Committee, Prof. Dr. Nonnenmacher, held discussions on important individual topics between the meetings, particularly with the Chairman of the Supervisory Board, the Group CFO, and the auditor, with whom he particularly discussed the progress of the audit. The main results of these discussions were regularly reported to the Audit and Finance Committee, as well as to the Supervisory Board where necessary.

In the reporting period, the committee met four times in presence of the Group CEO, the Group CFO and the auditor in form of video conferences. The regular meetings were supplemented by a closed session afterwards, which the Audit and Finance Committee and the auditor attended.

The **Capital Markets Committee** has the authority to decide instead of the full Supervisory Board on whether to approve the use of the Company's authorized capital, to authorize the issue of conversion and/or option rights, to authorize the acquisition and use of treasury shares and/or the use of derivatives when acquiring treasury shares as well as on the associated measures in each case. During financial year 2022, the Capital Markets Committee met on February 23, 2022. This meeting dealt in particular with MFE's shareholding and the current market environment.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2022

In view of regulatory issues in connection with the business of Jochen Schweizer mydays, which belongs to the Commerce & Ventures segment, ProSiebenSat.1 Media SE has postponed the date for the publication of the Annual and Consolidated Financial Statements for the financial year 2022. On the basis of external audits, the Company must assume that the business activities of the subsidiaries Jochen Schweizer GmbH and mydays GmbH, which mainly consist of the sale of vouchers, are partly covered by the Payment Services Supervision Act. The product offer of Jochen Schweizer mydays has been adjusted in the meantime, as has their accounting. The aforementioned circumstances have affected the audit work for the Annual and Consolidated Financial Statements. As a result of the later disclosure of the Annual and Consolidated Financial Statements, the Annual Press Conference and the date of the Annual General Meeting also had to be postponed.

The Annual and Consolidated Financial Statements of ProSiebenSat.1 Media SE and the Management Report and Group Management Report for financial year 2022 were audited by Ernst & Young and were issued with an unqualified audit report on April 27, 2023.

All documents relating to the Financial Statements, the Non-Financial Report, the Risk Report, and the Ernst & Young audit reports were made available to the members of the Supervisory Board in due time and were subjected to a thorough review by us.

The auditor reported on the main findings of its audit. Furthermore, the auditor reported on weaknesses in the internal control and risk management system related to the accounting process in connection with business activities of the subsidiaries Jochen Schweizer GmbH and mydays GmbH, which mainly consist of selling vouchers. No circumstances arose that could give cause for concern about the independence of the auditors.

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

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

CONFLICTS OF INTEREST

The members of the Supervisory Board are required to disclose possible conflicts of interest to the Presiding and Nominating Committee without delay. In financial year 2022, due to one Supervisory Board member simultaneously having seats on corporate bodies of competitors or business partners of ProSiebenSat.1 Media SE, there was the following indication of a conflict of interest:

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

Otherwise, there were no indications for conflicts of interest.

CORPORATE GOVERNANCE

The Executive Board and Supervisory Board report on corporate governance in the form of the Management Declaration pursuant to Sections 289f and 315d of the German Commercial Code, which you can find online and in the Annual Report.

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

The members of the Supervisory Board independently take the training measures necessary for their tasks. In the reporting year 2022, a refresher course regarding the most important corporate governance topics took place on August 29, 2022, with the involvement of an external law firm. New Supervisory Board members receive a comprehensive induction. In doing so, they have the opportunity to meet members of the Executive Board and specialist executives for a bilateral exchange on fundamental and current topics of the respective Executive Board responsibilities, thus obtaining an overview of the relevant topics of the Company and its governance structure.

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

The Supervisory Board has made various decisions regarding the composition of the Executive Board in order to drive ProSiebenSat.1 Group's digital transformation.

Bert Habets took over the Chair of the Executive Board as Group CEO on November 1, 2022. He had already been a member of the Supervisory Board from May 5, 2022 to October 31, 2022, and he obtained a good insight into the Group during this time. Bert Habets has in-depth experience in managing global media companies as well as extensive expertise in launching and expanding video streaming services. Rainer Beaujean resigned from his office as Group CEO on October 3, 2022, by mutual agreement with the Supervisory Board. In summer, the Supervisory Board of ProSiebenSat.1 had also resolved to extend the Executive Board contracts of Wolfgang Link and Christine Scheffler by further five years each from January 1, 2023 to the end of 2027. Both have been on the Group's Executive Board since March 2020. Wolfgang Link remains responsible for the Entertainment segment. Christine Scheffler will continue to look after HR, Compliance & Sustainability. Since January 1, 2022, Ralf Peter Gierig has been in charge of the Finance as Group CFO. Bert Habets is responsible for the Dating & Video and Commerce & Ventures segments, among other things.

There were also personnel changes on the Supervisory Board: After Dr. Andreas Wiele was initially court-appointed to the Supervisory Board with effect as of February 13, 2022, the Annual General Meeting elected him as a member of the Supervisory Board on May 5, 2022. Following the meeting, the Supervisory Board elected Dr. Andreas Wiele as its new Chairman. He thus succeeded Dr. Werner Brandt. The whole Supervisory Board thanks Dr. Werner Brandt for his many years of commitment and dedication to ProSiebenSat.1.

Bert Habets, formerly CEO of RTL Group S.A., Luxembourg, Luxembourg ("RTL Group"), was elected as another new Supervisory Board member at the Annual General Meeting. He resigned from his office as of October 31, 2022, in order to assume the position of Group CEO of ProSiebenSat.1 Media SE as of November 1, 2022.

Prof. Dr. Rolf Nonnenmacher was re-elected by the Annual General Meeting and was therefore able to continue his successful work as Chairman of the Audit and Finance Committee. He has been a member of the Supervisory Board since May 2015.

THANK YOU FROM THE SUPERVISORY BOARD

Rainer Beaujean has focused on profitability and positioned the Company financially for the future, partly through consistent portfolio management. With Bert Habets, one of Europe's highest-profile and most successful media managers has taken over as Group CEO of ProSiebenSat.1 on November 1, 2022. He is now making thorough use of his TV and digital expertise as well as transformation experience to drive the further expansion of ProSiebenSat.1's digital business areas. We are confident that ProSiebenSat.1 is in an excellent position for the future with Bert Habets and his team.

I also wish to give special thanks to all employees at ProSiebenSat.1. In a very challenging environment, everyone showed extraordinary commitment and ensured the continuation of ProSiebenSat.1's digital transformation.

In conclusion, I would like to express our thanks to you, dear shareholders, for your trust in the Company and the ProSiebenSat.1 share. 2022 was a year that not only posed economic challenges. We must find responses to developments that jeopardize the principles of our democratic media system, which is based on diversity and independence. With its wide reach, ProSiebenSat.1 Group has the special opportunity to take a stance, to take responsibility, and to stand up for these democratic values on its platforms. We would be pleased if you, dear shareholders, continued to accompany ProSiebenSat.1 on this path.

Unterföhring, April 2023

On behalf of the Supervisory Board

DR. ANDREAS WIELE

CHAIRMAN OF THE SUPERVISORY BOARD

MEMBERS OF THE SUPERVISORY BOARD

MEMBERS OF THE SUPERVISORY BOARD OF PROSIEBENSAT.1 MEDIA SE AND THEIR MANDATES ON OTHER SUPERVISORY BOARDS AS OF DECEMBER 31, 2022[1]

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, 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[2], Covestro Deutschland AG, Leverkusen[2]
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 other supervisory boards required by German law as well as memberships in comparable domestic and foreign supervisory bodies of commercial enterprises.
2 Until April 21, 2022.

MEMBERS OF THE EXECUTIVE BOARD

MEMBERS OF THE EXECUTIVE BOARD OF PROSIEBENSAT.1 MEDIA SE AND THEIR MANDATES ON OTHER SUPERVISORY BOARDS AS OF DECEMBER 31, 2022[1]

Member of the Executive Board		Executive Board responsibilities	Mandates on other Supervisory Boards
Hubertus ("Bert") Habets, Chairman of the Executive Board (Group CEO)	Chairman of the Executive Board (Group CEO) since November 1, 2022	Segment Dating & Video: e.g. ParshipMeet Group, Segment Commerce & Ventures: e.g. SevenAccelerator, SevenVentures and NuCom Group, Holding: e.g. Strategy, M&A, Internal Audit, IT, Communications, Investor Relations, Legal, Regulatory & Governmental Affairs	Domestic Mandates: NCG – NUCOM GROUP SE, Unterföhring (Member of the Supervisory Board 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	Holding & Segments: e.g. Controlling (incl. Risk Management), Accounting & Taxes, Shared Services, Treasury, Procurement & Real Estate, Corporate Security	Domestic Mandate: NCG – NUCOM GROUP SE, Unterföhring (Member of the Supervisory Board and Vice 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	Segment Entertainment: e.g. Seven.One Entertainment Group, Joyn, Seven.One Studios, Studio71	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	Holding & Segments: Human Resources, Compliance, Sustainability, Organizational Development & Operational Excellence	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	Segment Dating & Video: e.g. ParshipMeet Group, Segment Commerce & Ventures: e.g. SevenAccelerator, SevenVentures and NuCom Group, Holding: e.g. Strategy, M&A, Internal Audit, IT, Communications, Investor Relations, Legal, Regulatory & Governmental Affairs	Domestic Mandates: NCG – NUCOM GROUP SE, Unterföhring (Member 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 The presentation of mandates describes the memberships in supervisory boards required by German law as well as memberships in comparable domestic and foreign supervisory bodies of commercial enterprises.

MANAGEMENT DECLARATION

In this Management Declaration, the Executive Board and Supervisory Board report on corporate governance pursuant to sections 289f and 315d of the German Commercial Code (HGB). It includes information on relevant corporate governance practices and other aspects of corporate governance in addition to the annual Declaration of Compliance pursuant to section 161 of the German Stock Corporation Act (AktG). The Executive Board and Supervisory Board regard good corporate governance as an essential component of responsible, transparent management geared toward long-term value creation. With the German Corporate Governance Code (GCGC), in the version dated April 28, 2022, a standard for transparent control and management of companies was established. In line with Principle 22 of the GCGC in the version of December 16, 2019 and in line with Principle 23 of the GCGC, in the present Management Declaration the Executive Board and Supervisory Board report on the Company's corporate governance and give their views on the Code's recommendations and proposals. Information on Executive Board and Supervisory Board compensation can be found in the Compensation Report. The Compensation Report for the last financial year and the auditor's report pursuant to section 162 AktG, the applicable compensation system pursuant to sections 87a (1) and (2) sentence 1 AktG and the last compensation resolution of the Annual General Meeting pursuant to section 113 (3) AktG are made publicly available on the following website of the Company:

→ www.prosiebensat1.com/en/investor-relations/corporate-governance/remuneration-reportable-securities

In addition to the current Management Declaration and the current Declaration of Compliance, the declarations of the last at least five years are available on the Company's website.

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

The Executive Board and the Supervisory Board of ProSiebenSat.1 Media SE declare that the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of December 16, 2019 as published in the official section of the Federal Gazette (*Bundesanzeiger*) on March 20, 2020 in the period since the issuance of the last declaration of compliance in December 2021 have been complied with.

The Executive Board and the Supervisory Board of ProSiebenSat.1 Media SE further declare that the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of April 28, 2022 as published in the official section of the Federal Gazette (*Bundesanzeiger*) on June 27, 2022 will be complied with in future.

December 2022

Executive Board and Supervisory Board of ProSiebenSat.1 Media SE

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

In December 2022, the Executive Board and the Supervisory Board of ProSiebenSat.1 Media SE last issued a declaration of compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of December 16, 2019 as published in the official section of the Federal Gazette (*Bundesanzeiger*) on March 20, 2020 and in future with the recommendations in the version of April 28, 2022 as published in the official section of the Federal Gazette (*Bundesanzeiger*) on June 27, 2022 (the latter hereinafter referred to as the "GCGC") pursuant to Section 161 of the German Stock Corporation Act.

This declaration is updated as follows:

Due to the postponement of the publication of the annual and consolidated financial statements for financial year 2022 as announced by ad-hoc publication on February 28, 2023 and the circumstances underlying such postponement, in deviation from recommendation F.2 of the GCGC, the consolidated financial statements and the group management report for the financial year 2022 cannot be made publicly available within 90 days of the end of the financial year and also the quarterly statement for the first quarter 2023 cannot be made publicly available within 45 days from the end of the reporting period. The Company will again publish future consolidated financial statements and group management reports as well as mandatory interim financial information within the respective periods as set out in recommendation F.2 of the GCGC.

Otherwise, the declaration of compliance from December 2022 remains unchanged.

In April 2023

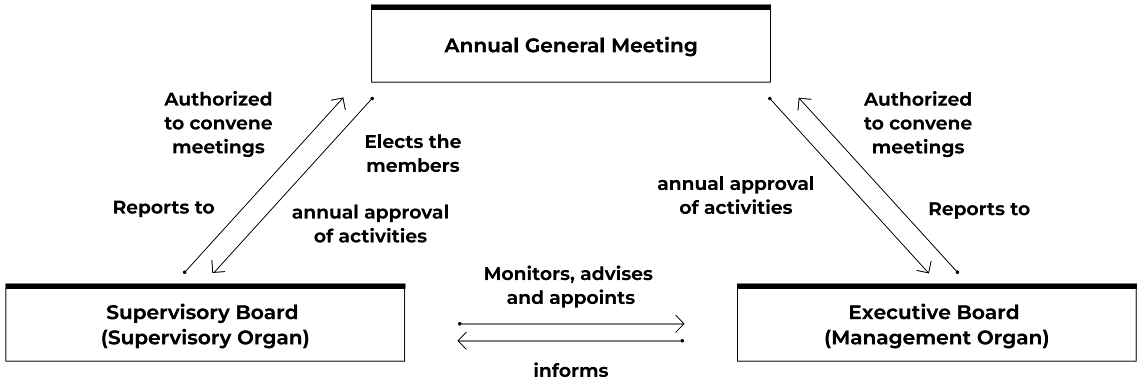
Executive Board and Supervisory Board of ProSiebenSat.1 Media SE

CORPORATE GOVERNANCE AND THE COMPANY'S GOVERNING BODIES

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

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

CORPORATE GOVERNANCE STRUCTURE OF PROSIEBENSAT.1 MEDIA SE



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

MANAGEMENT AND MONITORING

Executive Board

The Executive Board is convinced that sustainable economic success in a competitive environment can be achieved only on the basis of integrity and lawful business practices. In addition to preventing corruption, with regard to compliance ProSiebenSat.1 Group particularly focuses on the issues of money laundering prevention, sanctions and embargoes, and data protection. An appropriate and effective internal control system and risk management system, including an effective compliance management system (CMS), are the foundation of good corporate governance. The main objective of the CMS is to ensure that all employees consistently think and act with integrity and in accordance with company policies and the law, thus preventing law- and rule-breaking in advance.

The Executive Board also sees the effective monitoring of compliance with sustainability standards as a significant aim. This applies to both regulatory and internal standards. In this regard, the Executive Board systematically assesses and identifies the opportunities and risks for the Company associated with social and environmental factors as well as the social and ecological impacts of the Company's operations. ProSiebenSat.1 Group strategy resulting on the basis of this evaluation therefore also covers social and ecological targets to the due extent. It is also important to the Executive Board to appropriately account for the relevant issues besides financial issues in the corporate planning.

In view of its Group structure, ProSiebenSat.1 Group has established both a central and a decentralized compliance organization. The central organization is made up of the Compliance Committee and the Group Compliance department headed by the Group's Chief Compliance Officer (CCO), which are assisted in the performance of their duties by experts from other areas, such as the Legal department. The Compliance Committee is made up of the Executive Board member responsible for compliance, the Senior Vice President Internal Audit and the Chief Compliance Officer, as well as the Group function Legal, the Unit Compliance Officers (UCO) of the different segments and the Group Data Protection Officer. The Compliance Committee and the CCO support and advise the Executive Board with the implementation, monitoring and development of the CMS. The CCO, who is based in the Executive Board department covering HR, Compliance & Sustainability, is entrusted with implementing the CMS in the Group, carries out risk analyses and training, and advises the Executive Board on the development and implementation of appropriate measures to minimize risks. In addition, he or she monitors legal developments and makes proposals for updating the CMS.

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

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

Another central compliance instrument for ProSiebenSat.1 Group is the whistleblower system. In addition to internal reporting channels, until December 2022 it was also possible to report legal violations anonymously via an external ombudsman service. As of January 2023, the ability to submit anonymous reports has been replaced by the introduction of an electronic whistleblower system. This also covers the complaints procedure under the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz, LKSG) and meets the requirements of the German Whistleblower Protection Act. Regardless of the chosen reporting channel, the CCO must promptly inform the management of reports of serious suspicions that following preliminary internal evaluation prove to be potentially justified or have particularly high potential for damage.

ProSiebenSat.1 Group values the diversity of individual characteristics, experience and expertise that its employees and managers contribute to the Company and regards diversity as an important success factor for the Group's development. In particular, the proportion of women in management positions is a key diversity aspect for ProSiebenSat.1 Group. In a resolution dated June 30, 2022, with reference to section 76(4) of the German Stock Corporation Act (AktG) in conjunction with article 9(1) lit. c) ii) of the SE Regulation (SE-VO), the Executive Board of ProSiebenSat.1 Media SE established the following targets – to be reached by June 30, 2027 – for the proportion of women at the two management levels below Executive Board level:

- First management level: 15%
- Second management level: 30%

Based on the number of employees at the time of the resolution, this corresponds to a total number of at least four women for the first management level and a total number of at least nine women for the second management level.

The targets set by the Executive Board in 2017 for the proportion of women in the two management levels below the Executive Board of 15% (for the first management level) and 30% (for the second management level) were achieved by June 30, 2022.

The targets with regard to the proportion of women in the two management levels below the Executive Board were also achieved in the reporting period: The proportion of women in the first management level of ProSiebenSat.1 Media SE rose to 33.3% or seven women at the end of the past financial year (previous year: 31.8%). The proportion of women in the second management level also recorded an increase of 1.5 percentage points to 40.0% or twelve women (previous year: 38.5%).

Supervisory Board

The Supervisory Board appoints and dismisses the members of the Executive Board, monitors and advises the Executive Board in managing the Company and is to be involved in all decisions of decisive importance for the Company. The subjects of the monitoring and advice are particularly the strategy and planning of ProSiebenSat.1 Group, which also cover social and ecological targets. The Chairman of the Supervisory Board is elected by the Supervisory Board from among its members. He coordinates the work in the Supervisory Board and represents the Supervisory Board's interests externally. In this context, the Chairman of the Supervisory Board talks to investors where reasonable about topics specific to the Supervisory Board, although not in connection with the Company's strategy or management.

Annual General Meeting

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

As a result of the ongoing spread of the COVID-19 pandemic, on the basis of the German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic of March 27, 2020, in its current version, the Company's Executive Board, with the consent of the Supervisory Board, resolved to once again hold the Annual General Meeting on May 5, 2022, as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies. There was a live sound and video broadcast of the entire virtual Annual General Meeting via the online shareholder portal on the website. Shareholders or their proxies were able to submit their votes either in writing or on the basis of electronic communication (postal vote) as well as by authorizing a shareholder representative named by the Company. On the basis of electronic communication, shareholders were able to address questions to the Executive Board and the Supervisory Board using the online shareholder portal up until two days before the Annual General Meeting. In addition, there was an opportunity to submit comments on the agenda in the form of video statements and to ask follow-up questions during the Annual General Meeting via electronic communication. Shareholders who exercised their voting right on the basis of a postal vote or via proxies were able to submit objections to the resolutions of the Annual General Meeting on the basis of electronic communication via the online shareholder portal from the start of the virtual Annual General Meeting until it ended.

COMPOSITION OF THE EXECUTIVE BOARD

According to the Company's articles of incorporation, the Executive Board must be composed of one or more members. The number of Executive Board members is determined by the Supervisory

Board. With the appointment of Ralf Peter Gierig as Group CFO as of January 1, 2022, the Executive Board consisted of four members as of December 31, 2022 (previous year: three members). There was also a change in the chair of the Executive Board in 2022. As of November 1, 2022, Bert Habets took over as Chairman of the Executive Board (Group CEO) of ProSiebenSat.1 Media SE. 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.

Members of the Executive Board are in principle appointed and removed by the Supervisory Board in accordance with Article 39 (2) SE Regulation. In doing so, the Supervisory Board is mindful of the integrity and management experience required for such a role in an international group and of personal aptitude and individual professional qualification for the Executive Board position. Diversity is also considered when filling Executive Board positions.

In accordance with section 7 (2) sentence 1 of the articles of incorporation in conjunction with article 46 SE Regulation, Executive Board members can be appointed for a maximum period of five years. Initial appointments are generally not made for the this maximum period, but for a maximum of three years. Reappointments are permitted for a maximum of five years. The Supervisory Board has set an age limit for members of the Executive Board, as recommended by the GCGC. Persons who would turn 65 years before the expiration of their intended term of office shall not be appointed to the Executive Board. In the past year, the Supervisory Board and the Presiding and Nominating Committee again discussed issues of the short-, medium- and long-term succession planning for the Executive Board, discussed the topic with the Executive Board and analyzed both the key focuses for future Executive Board work and the executives currently available in the Company. The criteria that could be crucial for possible succession candidates include requirements regarding both personal and professional aptitude. In the event of a specific succession decision, a structured interview process is conducted. If necessary, the Supervisory Board is supported by external consultants in the development of requirement profiles and the selection of candidates.

→ Members of the Executive Board

Targets for Executive Board Composition

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

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

WORKING PROCEDURES OF THE EXECUTIVE BOARD

The Executive Board manages the Company’s businesses on its own authority in accordance with the applicable laws, the articles of incorporation, its rules of procedure and the allocation of duties. It ensures that the statutory, regulatory and internal provisions are complied with and endeavors to achieve their compliance throughout the Group.

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

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

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

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

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

→ **Management Declaration, Management and Monitoring**

COMPOSITION OF THE SUPERVISORY BOARD

As of December 31, 2022, the Supervisory Board of ProSiebenSat.1 Media SE was made up of eight members, following the resignation of Bert Habets with effect from October 31, 2022 (previous year: nine members), each of whom was elected by the Annual General Meeting. New Supervisory Board members take part in a structured onboarding process, in which they are familiarized with the Company and their tasks.

→ **Members of the Supervisory Board**

Targets for the Composition of the Supervisory Board

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

- the Supervisory Board should include an appropriate number of independent members, whereby more than half of Supervisory Board members should be independent of the Company and the Executive Board;
- the share of women should be at least 1/3 (one third), to be attained by no later than March 31, 2024;

- the members of the Supervisory Board should have specific international expertise and experience in the areas of broadcasting, media, and communication;
- the international activities of the Company should be taken into account. The Supervisory Board should be filled with members who, based on their origin or professional activities, represent regions or cultures in which the Company has significant business operations. In this context, diversity should also be taken into account when appointing members to the Supervisory Board, and the current level of diversity should be maintained. The Supervisory Board should be filled with members who, based on their origin, their personal background, their education, or professional activities, are able to contribute a wide range of experience and specific expertise;
- the Supervisory Board will continue to assess how it intends to handle potential or actual conflicts of interest in order to continue to guarantee unbiased monitoring of and provision of advice to the Executive Board of the Company in the Company's best interests in each individual case within the legal framework and taking into account the German Corporate Governance Code;
- the age limit of 70 years at the time of appointment to the Supervisory Board, as stipulated in the rules of procedure adopted by the Supervisory Board, should continue to apply;
- individuals who have been members of the Company's Supervisory Board for three full consecutive terms, and thus generally for fifteen years, should as a rule no longer be nominated for re-election to the Supervisory Board.

The Supervisory Board already meets the aforementioned targets it has set for its composition pursuant to the German Corporate Governance Code and the German Stock Corporation Act. The Supervisory Board considers all Supervisory Board members independent for the financial year 2022 as defined by the relevant recommendations of the German Corporate Governance Codex in its applicable version.

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

Name	Date of initial appointment/ Date of re-appointment	End of the term of office [as of the end of the AGM of the year or resignation]
Dr. Andreas Wiele (Chairman)	02/13/2022 (appointed by court) 05/05/2022	AGM 2025 [3 years]
Dr. Marion Helmes (Vice-Chairwoman)	06/26/2014 06/12/2019	AGM 2023 [4 years]
Lawrence A. Aidem	06/26/2014 06/12/2019	AGM 2023 [4 years]
Erik Huggers	06/26/2014 06/12/2019	AGM 2024 [5 years]
Marjorie Kaplan	05/16/2018 06/12/2019	AGM 2024 [5 years]
Ketan Mehta	11/24/2015 06/12/2019	AGM 2024 [5 years]
Dr. Antonella Mei-Pochtler	04/13/2020 (appointed by court) 06/10/2020	AGM 2023 [3 years]
Prof. Dr. Rolf Nonnenmacher	05/21/2015 06/12/2019 05/05/2022	AGM 2025 [3 years]
Dr. Werner Brandt	06/26/2014 06/12/2019	AGM 2022 [3 years] Term of office expired at the end of the Annual General Meeting on May 5, 2022
Bert Habets	05/05/2022	AGM 2025 [3 years] Resignation from office with effect of October 31, 2022

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

Skills Profile for the Supervisory Board

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

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

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

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

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

In addition, at least one member of the Supervisory Board must have expertise in the field of accounting, and at least one other member must have expertise in the field of auditing. Further information can be found under "Composition and Working Procedures of the Supervisory Board Committees."

→ Management Declaration, Composition and Working Procedures of the Supervisory Board Committees

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

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

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

The implementation status of the skills profile is also shown in the following qualification matrix:

AREAS OF EXPERTISE AND TARGETS FOR SUPERVISORY BOARD COMPOSITION

	Skills profile							**Further targets for composition**			
Name	Management experience in listed companies[1]	Management experience in transformation[2]	Industry experience in existing business fields[3]	Industry experience in new business fields[4]	Financial experience[5]	People development[6]	Corporate Governance experience[7]	Sustainability[8]	Independence acc. to DCGK[9]	Share of Women*	Duaration of Supervisory Board membership
Lawrence Aidem	•		•	•					•		2014
Bert Habets**	•	•	•	•	•	•	•		•		2022
Dr. Marion Helmes	•				•[(a)]	•	•		•	•	2014
Erik Huggers	•	•	•	•		•			•		2014
Marjorie Kaplan	•	•	•	•		•		•	•	•	2018
Ketan Mehta			•	•	•				•		2015
Dr. Antonella Mei-Pochtler		•	•	•		•	•	•	•	•	2020
Prof. Dr. Rolf Nonnenmacher					•[(b)]	•	•		•		2015
Dr. Andreas Wiele	•	•	•	•		•	•	•	•		2022
Sum	**6**	**5**	**7**	**7**	**4**	**7**	**5**	**3**	**9**	**3**	

1 Experience in the management of a listed, internationally operating company.
2 Experience in the transformation of media companies towards a digital group.
3 In-depth understanding for ProSiebenSat.1 Group's different business areas – particularly content and broadcasting, distribution, digital entertainment – in particular streaming, e-commerce, and production – and of the Group's market environment and media regulation/policy.
4 In-depth knowledge in the field of digital business development, digital diversification and platform strategies (such as Addressable TV), data and advertising technology, and M&A.
5 (a) Expert in accounting and control systems; (b) expert in auditing.
6 In-depth knowledge in the fields of human resources development and management.
7 In-depth knowledge in the fields of risk management, governance and compliance.
8 In-depth knowledge in the implementation of a sustainability strategy with a strong focus on social responsibility and public value, in particular due to the scope of a media company.
9 Definition: 30%.
* Definition: 1/3.
** Resignation as of October 31, 2022.

WORKING PROCEDURES OF THE SUPERVISORY BOARD

The Supervisory Board appoints and dismisses the members of the Executive Board, monitors and advises the Executive Board in managing the Company and is involved in all decisions of decisive importance for the Company.

The Audit and Finance Committee has a specific monitoring function and in particular reviews the effective use of the internal control and risk management system, which also covers the sustainability-related targets.

The Executive Board provides the Supervisory Board with prompt and complete information – both in writing and at the Supervisory Board's quarterly meetings – on planning, business performance, and the situation of the Company, including risk management and the internal control system as well as compliance and sustainability matters. Where indicated, an extraordinary meeting of the Supervisory Board is called to address important events. The Executive Board includes the

Supervisory Board in company planning and strategy as well as in all matters of fundamental importance to the Company. The Company's articles of incorporation and the rules of procedure for the Executive Board stipulate that all significant transactions must be approved by the Supervisory Board. Such significant transactions requiring the consent of the Supervisory Board include adopting the annual budget, making major acquisitions or divestments, and investing in program licenses. More information on cooperation between the Executive Board and the Supervisory Board and on the significant matters on which they consulted in financial year 2022 is available in the Report of the Supervisory Board.

→ Report of the Supervisory Board

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

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

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

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

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

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

The recommendation contained in item D.13 of GCGC 2019 and D.12 of GCGC 2022 states that the Supervisory Board should regularly implement a self-assessment of its activities. The review extends primarily to the Supervisory Board's view of its mission, the organization of its activities, the independence of its members, the handling of potential conflicts of interest, and the composition of its committees. The last review of the efficiency of Supervisory Board work took place on December 15, 2022 in the context of a closed session on the basis of a detailed list of questions.

COMPOSITION AND WORKING PROCEDURES OF THE SUPERVISORY BOARD COMMITTEES

In the financial year 2022, the Supervisory Board formed four committees. The Supervisory Board decides on the composition of its committees. In selecting committee members, potential conflicts of interest involving Supervisory Board members are taken into account, as are their professional qualifications. In addition, the committee members are selected in accordance with statutory requirements and the applicable recommendations of the German Corporate Governance Code.

COMPOSITION OF THE SUPERVISORY BOARD COMMITTEES AS OF DECEMBER 31, 2022

PRESIDING AND NOMINATING COMMITTEE
Dr. Andreas Wiele (Chairman), Dr. Marion Helmes, Lawrence A. Aidem, Marjorie Kaplan, Ketan Mehta, Dr. Antonella Mei-Pochtler

AUDIT AND FINANCE COMMITTEE
Prof. Dr. Rolf Nonnenmacher (Chairman), Dr. Marion Helmes, Dr. Antonella Mei-Pochtler

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

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

Prof. Dr. Rolf Nonnenmacher (Chairman of the Audit and Finance Committee), as a German Public Auditor (Wirtschaftsprüfer) and through his many years of professional activity in auditing, has special expertise and experience in the field of auditing and in the application of financial reporting principles and internal control and risk management systems. Until 2013, he held senior positions at KPMG AG Wirtschaftsprüfungsgesellschaft. Dr. Marion Helmes, another member of the Audit and Finance Committee, has special expertise and experience in the application of accounting principles and internal control systems due to her education and professional background. Dr. Marion Helmes' relevant professional experience comes from her posts as CFO of Celesio AG (2012 to 2014), CFO of Q-Cells SE (2010 to 2011), CFO of ThyssenKrupp Elevator AG (2006 to 2010), and CFO of ThyssenKrupp-Stainless AG (2005 to 2006).

All members of the Audit and Finance Committee are independent within the meaning of the recommendation in item C.10 of GCGC 2019 and GCGC 2022.

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

The Group CEO, Group CFO, and the independent auditor participate regularly attended the meetings of the Audit and Finance Committee in 2022. The Audit and Finance Committee regularly meets with the independent auditor without the Executive Board. In addition, the Chairman of the Audit and Finance Committee invites in particular senior executives from the areas of Finance and Accounting, Controlling, Internal Audit and Compliance to provide information at meetings if required. The Supervisory Board has issued rules of procedure to govern the work of the Audit and Finance Committee. The Audit and Finance Committee and the auditors also maintain a regular dialog between meetings. The individual breakdown of participation in meetings of the Supervisory Board in the financial year 2022 can be found in the following section:

→ Report of the Supervisory Board

TRANSPARENCY AND EXTERNAL REPORTING

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

The financial calendar presents the publication dates of financial reports and quarterly reports well in advance, along with other important dates such as the date of the Annual General Meeting. The calendar is available on the ProSiebenSat.1 website:

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

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

Four times a year, ProSiebenSat.1 Group presents information on the Group's business performance as well as its financial position and earnings as part of the Company's annual and interim financial reporting. In an ad-hoc publication on February 28, 2023, the postponement of the publication of the Annual and Consolidated Financial Statements for financial year 2022 was announced. Due to the circumstances mentioned in the publication, in deviation from recommendation F.2 of the GCGC, the Consolidated Financial Statements and the Group Management Report for the financial year 2022 cannot be made publicly available within 90 days of the end of the financial year and also the quarterly statement for the first quarter 2023 cannot be made publicly available within 45 days from the end of the reporting period. The Company will again publish future Consolidated Financial Statements and Group Management Reports as well as mandatory interim financial information within the respective periods as set out in recommendation F.2 of the GCGC:

→ www.prosiebensat1.com/en/investor-relations/publications/results

As required by law, matters that could significantly influence the price of the Company's stock are announced immediately in ad-hoc disclosures outside of the scheduled reports and are made available online:

→ www.prosiebensat1.com/en/newsroom/press-releases/ad-hoc-disclosures

Notifications of changes in significant voting rights pursuant to sections 33 et seq. of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) are published immediately upon receipt. Current information is available on the Company's website:

→www.prosiebensat1.com/en/investor-relations/publications/voting-rights-notifications

Directors' dealings notifications in accordance with article 19 of Regulation (EU) No. 596/2014 (Market Abuse Regulation – MAR) are likewise published immediately upon receipt:

→ www.prosiebensat1.com/en/investor-relations/publications/directors-dealings

In the financial year 2022, nine transactions in company stock or in financial instruments relating to company stock were reported to ProSiebenSat.1 Media SE by management personnel or related parties in compliance with article 19 of the Market Abuse Regulation.

As of December 31, 2022, members of the Executive Board held a total of 54,388 shares (previous year: 209,970) and members of the Supervisory Board a total of 80,303 shares (previous year: 133,713) in ProSiebenSat.1 Media SE.

INDIVIDUALIZED SHAREHOLDINGS OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD AS OF DECEMBER 31, 2022

	Number of shares	Share value on purchase (in EUR)	Share value as of Dec 31, 2022 (in EUR)[5]
EXECUTIVE BOARD[1]			
Bert Habets (Appointment in November 2022)	0	0	0
Rainer Beaujean (Resignation in October 2022)	270,000	3,197,252	2,014,200[6]
Ralf Peter Gierig	2,700[2]	55,370	22,545
Wolfgang Link	28,860	349,102	240,981
Christine Scheffler	22,828	271,691	190,614
SUPERVISORY BOARD[3]			
Dr. Andreas Wiele (Appointment in February 2022)	0	0	0
Dr. Werner Brandt (Resignation in May 2022)	55,600	900,410[4]	464,260
Dr. Marion Helmes	14,800	264,473[4]	123,580
Lawrence A. Aidem	7,625	152,852[4]	63,669
Bert Habets (Appointment in May 2022 / Resignation in October 2022)	—	—	—
Erik Huggers	6,439	140,106[4]	53,766
Marjorie Kaplan	6,329	77,165[4]	52,847
Dr. Antonella Mei-Pochtler	8,046	125,656[4]	67,184
Ketan Mehta	24,000	369,683[4]	200,400
Prof. Dr. Rolf Nonnenmacher	13,064	209,961[4]	109,084

1 Until the prescribed level of 100% of an annual fixed gross basic salary is reached, the Executive Board members are obliged to invest in each financial year an amount corresponding to at least 25% of the annual gross payout from the performance bonus and Performance Share Plan. For Bert Habets and Ralf Peter Gierig, this applies for the first time when the performance bonus for 2022 will be paid out in financial year 2023.
2 2,700 shares acquired before taking office.
3 The members of the Supervisory Board have declared to the Supervisory Board as part of a "voluntary self-commitment" that they will each purchase shares of ProSiebenSat.1 Media SE stock each year for 20% of the annual fixed compensation granted under Section 14 (1) and (2) of the Articles of Incorporation (before deduction of taxes) in each case for a term of four years, but for no longer than the term of their membership of the Supervisory Board of ProSiebenSat.1 Media SE. The investment is generally made after payment of the compensation for the fourth quarter in the following year.
4 Total from investments made under the "voluntary self-commitment" since the beginning of the term.
5 Share price as of Dec 31, 2022: EUR 8.35.
6 Share price at the date of resignation on Oct 3, 2022: EUR 7.46.

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

→ Compensation Report → Notes to Consolidated Financial Statements, note 26 "Shareholders' Equity"

ProSiebenSat.1 Group's financial reporting conforms to the IFRS (International Financial Reporting Standards) as adopted by the European Union. The Annual Financial Statements of ProSiebenSat.1 Media SE, the Group parent, are prepared under the accounting principles of the German Commercial Code (HGB). Both the single-entity financial statements of ProSiebenSat.1 Media SE and the Consolidated Financial Statements are available on the Company's website, whereby the single-entity financial statements of ProSiebenSat.1 Media SE can be accessed from the point at which the Company's Annual General Meeting is convened:

→ www.prosiebensat1.com

Both sets of financial statements are audited and issued an audit opinion by an independent accounting and auditing firm. The financial statements for financial year 2022 were duly audited by Ernst & Young with Nathalie Mielke acting as the lead auditor. They were issued an unqualified audit opinion on April 27, 2023. Tobias Schlebusch also signed the audit opinion. Nathalie Mielke has been working with the Company as lead auditor at Ernst & Young since the financial year 2019.

→ Report of the Supervisory Board

SUSTAINABILITY

REPORTING STANDARDS AND MATERIAL TOPICS

This sustainability chapter summarizes the key environmental, societal and social developments at ProSiebenSat.1 Group. In combination with the other contents of the Annual Report 2022, this provides a comprehensive presentation of ProSiebenSat.1 Group's performance on the basis of financial and non-financial information. The sustainability chapter comprises the ProSiebenSat.1 Group Sustainability Report prepared in accordance with the standards of the Global Reporting Initiative (GRI). The complete GRI content index can be found in the "Information" section in the Online Annual Report 2022.

▼ The sustainability chapter contains the separate Non-Financial Report (NFR) for ProSiebenSat.1 Group in accordance with section 315b (1) and (3) of the German Commercial Code (HGB). The contents of the NFR are indicated by a red triangle at the beginning (▼) and end (▲) of the respective passage. In preparing the NFR, we are guided by the GRI standards as an international framework for sustainability reporting. In the NFR for financial year 2022, ProSiebenSat.1 Group reports on the main non-financial aspects with the corresponding information needed in order to understand the Group's business development, operating results and position and the effects of the business activities in this regard. Material risks for individual non-financial aspects were not determined in this context.

In accordance with section 317 (2) Sentence 4 HGB, the auditor checked that the NFR was presented in line with the legal requirements. In addition, the Supervisory Board commissioned Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft ("Ernst & Young") to audit the content of the NFR with reasonable assurance. The audit opinion dated April 27, 2023, which describes the type, scope and findings of this audit, is reproduced in the "Information" section in the Annual Report 2022. The audit was conducted using the relevant auditing standards "Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 revised)" in order to obtain reasonable assurance with regard to the legally required disclosures in accordance with sections 315b and 315c in conjunction with sections 289b to 289e HGB and the requirements of the EU Taxonomy Regulation.

The topics reported are the result of our current materiality analysis. In financial year 2021, a renewed and comprehensive materiality analysis was conducted in order to determine the main sustainability issues for ProSiebenSat.1 Group. This took into account both the statutory requirements and the definition of materiality according to GRI. After identifying potential issues and compiling a list of topics, we proceeded to the analysis phase, in which we looked at the results of research and studies, conducted an online survey amongst ProSiebenSat.1 employees, held interviews with internal stakeholders from all segments and representatives of employee networks, monitored the media, including competitors of ProSiebenSat.1, and carried out an analysis of relevant ESG ratings. The results were then evaluated in an internal review process by employees and managers from different departments based on different materiality perspectives (importance for stakeholders, impact of the Company's operations and relevance to business performance). ProSiebenSat.1 Group conducts every second year a new materiality analysis and validates the analysis the other year. Following this process, the materiality analysis from 2021 was validated in an internal review process in the reporting year 2022 by employees and managers and by the Executive Board, and the results were confirmed unchanged for 2022. In 2023 a renewal of the analysis is scheduled. ▲

▼ CONTENTS OF THE NON-FINANCIAL REPORT GRI 3-1, 3-2, 3-3 ▲

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

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

→ Organization and Group Structure

According to the GRI definition, aspects are classed as material, which have the most important actual and potential negative or positive impact on economy, environment and people, including impacts on their human rights, across our activities and business relationships. Based on this different definition of materiality compared with the NFR, the Sustainability Report includes additional topics. Ernst & Young conducted an audit of the Sustainability Report to obtain limited assurance in accordance with ISAE 3000 (revised). The audit opinion dated April 27, 2023, which describes the type, scope and findings of this audit, is reproduced in the “Information” section in the Annual Report 2022.

ADDITIONAL CONTENTS OF THE SUSTAINABILITY REPORT GRI 3-1, 3-2, 3-3

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

▼ REPORTING SCOPE AND DATA COLLECTION ▲

The organizational reporting framework for the information on concepts and key figures for our sustainability performance as contained in the sustainability chapter essentially comprises all Group companies and corresponds to the scope of consolidation of ProSiebenSat.1 Group as of the end of financial year 2022, which is managed centrally by ProSiebenSat.1 Media SE. The distinction of the scope of consolidation follows the control principle of IFRS 10. Changes in the scope of consolidation are accounted for in accordance with the recognition in financial reporting. Exceptions and restrictions with regard to the scope of reporting for individual content and data collection for key figures are described below or are indicated accordingly in the information on the individual topics. Unless indicated otherwise, the statements and key figures in the "Employees" section as well as with regard to diversity and equal opportunities mainly relate to the HR management approach and all employees of ProSiebenSat.1 Group, with the exception of international assets of Seven.One Studios, which comprised less than 1% of the Group's employees at the end of the year. The topics described in the following with regard to employee matters are pursued throughout the Group, but individual measures are not implemented in the same way in all companies due to the diversity of the business models. The information on ProSiebenSat.1 Group's public value offerings particularly, but not exclusively, relates to the Group's business activities in the Entertainment segment. The background to this is our special responsibility in the media sector. We want our TV stations and platforms to play a relevant part in shaping opinions and promoting democracy. With the compliance management system (CMS), ProSiebenSat.1 Group covers significant legal areas which are relevant to non-financial reporting, such as anti-corruption and data protection, Group-wide. Due to different legal regulations abroad and a lack of areas of application for many companies, for example in the production business, the concepts on media law provisions relate primarily to the companies in the Entertainment segment in Germany.

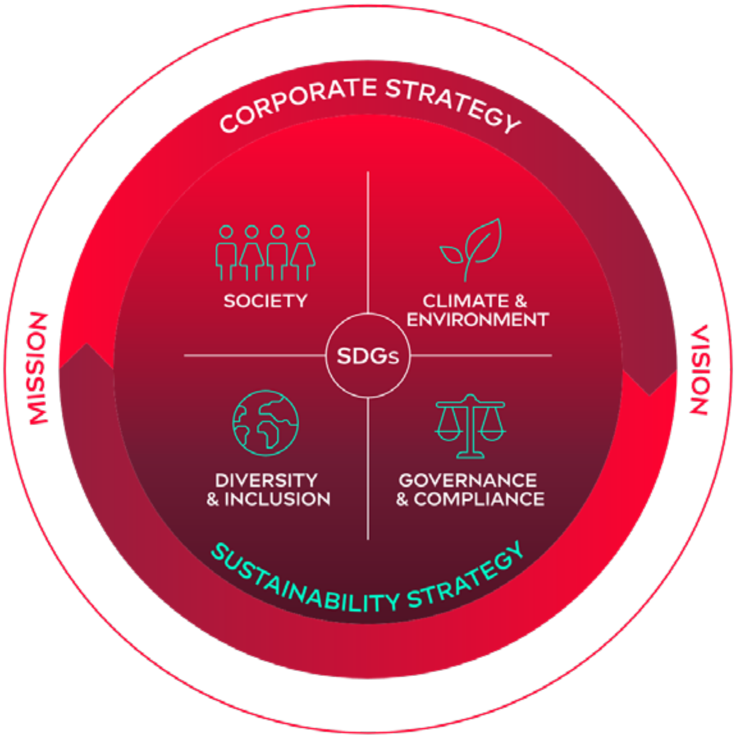
SUSTAINABILITY STRATEGY

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

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

→ Compensation Report

▼ SUSTAINABILITY STRATEGY ▲



▼ Our sustainability strategy is based on the UN Sustainable Development Goals (SDGs). These define global priorities and sustainable development goals for 2030 and aim to mobilize global efforts to achieve a common set of goals and targets. ProSiebenSat.1 Group also wants to contribute to this transformation. As part of the development of the strategy, we have classified the following six goals as particularly relevant to our business activities and their contribution to the SDGs: quality education (SDG 4), gender equality (SDG 5), reduced inequalities (SDG 10), climate action (SDG 13), peace, justice and strong institutions (SDG 16), and partnerships for the goals (SDG 17). Based on this, we have transferred our sustainability management into four fields of action in which we bundle our activities thematically and set individual principles in each case: society, diversity & inclusion, climate & environment, and governance & compliance. The specific goals of the sustainability strategy and their implementation in 2022 are described in the following sections on the respective topics reported. ▲

▼ RELEVANT UN SUSTAINABLE DEVELOPMENT GOALS (SDGS) ▲

▼ ACTION AREAS AND PRINCIPLES ▲

SOCIETY	DIVERSITY & INCLUSION	CLIMATE & ENVIRONMENT	GOVERNANCE & COMPLIANCE
We form opinions and promote democracy.	**We promote equal rights and equal opportunities.**	**We are committed to ecological sustainability and climate protection.**	**We stand for openness and honesty.**

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

These principles can be found in corresponding form in the ProSiebenSat.1 Code of Conduct. This Code of Conduct provides orientation and a binding framework – both for dealing with each other and with business partners, customers, suppliers and other third parties. The Code of Conduct is binding for all ProSiebenSat.1 Group employees worldwide. The Code of Conduct provides guidance, amongst other topics, on the working environment and interpersonal relationships, with the aspects human rights, diversity and anti-discrimination, working conditions, health and safety as well as ownership. The Code of Conduct is adopted by the Executive Board and is made available to all employees via the appendix to the employment contract, the intranet and electronic training systems. It is available to third parties on the website. The principles of our Code of Conduct are made binding for business partners through the Code of Conduct for Business Partners. ProSiebenSat.1 reserves the right to review compliance with the requirements of this Code of Conduct after giving reasonable advance notice and encourages its business partners to introduce their own binding guidelines for ethical behavior.

→ Code of Conduct → Code of Conduct for Business Partners

Further information is explained in the Governance & Compliance section. **GRI 2-23, GRI 2-24, GRI 2-25**

→ Governance & Compliance

ORGANIZATION AND MANAGEMENT

▼ Executive-level responsibility for non-financial aspects, sustainability performance indicators, and ESG (environment, social, governance) information at ProSiebenSat.1 Group mainly lies with the member of the Executive Board who is responsible for HR, Compliance, & Sustainability. Within the sustainability organization, the Sustainability Steering Committee represents a centralized and interdisciplinary body for managing, monitoring, and developing the sustainability strategy. Chaired by the Executive Board member responsible for HR, Compliance & Sustainability, it is made up of the Group CFO, managers and specialists from relevant central functions and operating corporate divisions as well as a works council representative. As of this financial year, there are Sustainability Officers in each of the three segments – Entertainment, Dating & Video and Commerce & Ventures – who bear operating responsibility for the sustainability goals and their implementation in the segments. They are also the segments' representatives in the Sustainability Steering Committee and have regular operational discussions with the Group Sustainability Office. In the past year, the Sustainability Steering Committee held three meetings. These focused on the sustainability goals for 2022, the structure and organization of sustainability in the Group, updates on focus topics in the defined action areas, and the new sustainability umbrella brand #OneTomorrow. The Group Sustainability Office (previous year: Corporate Sustainability Office) is responsible for the Group-wide coordination, implementation, and communication of sustainability activities as well as the stakeholder dialog. The Head of the Group Sustainability Office reports to the Executive Board member responsible for HR, Compliance & Sustainability. ▲ **GRI 2-13**

EMPLOYEES

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

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

Information on employee numbers and on Group employees by segments and regions can be found in the Management Report section:
→ **Our Employees**

Talent Acquisition

▼ Highly qualified and committed talents are an important prerequisite for our Company's success and future viability. In a dynamically changing environment, our employees' ability to innovate plays a particularly important part in the further development of our products and services and thus in the economic success of the Group. In our recruitment, we rely on a skills-based model, which defines the key ProSiebenSat.1 skills of "Reflect," "Cooperate," "Create," "Deliver," "Know-how" and "Lead & Empower" that it is important for our employees to have in order to achieve our strategic corporate goals.

With our employer brand "ProSiebenSat.1 careers," we aim to position the Group as an attractive employer among applicants as well as our employees. At the same time, it forms the umbrella for all our employer branding activities. In order to expand the presence of our employer brand, we rolled out the employer branding campaign "#CreateMomentsThatMatter" in the reporting period. The campaign comprises general and target group-specific elements such as visuals, slogans, a trailer, and short videos. We use our social media careers channels to share content relating to moments from our employees' everyday working lives, which is intended to show potential applicants the diverse job and development opportunities at ProSiebenSat.1 Group.

To address job candidates, we also use a selection of complementary employer branding measures. Our careers website, which we further developed based on our employer positioning in 2022, is a central element. For example, it was expanded with the “Why Work With Us” page, on which we provide potential job candidates with relevant content relating to our corporate values and benefits as an employer. The Group not only publishes specific vacancies on the website, but also offers insights into the working environments of ProSiebenSat.1 Group. In the reporting period, for example, we followed the establishment of our newsroom in a video blog on the careers site. We also keep talents informed with stories on the ProSiebenSat.1 careers blog and our social media channels and share highlights from the Group. In 2022, we released our employer podcast “Hausgemacht – der ProSiebenSat.1 careers-Podcast” (Homemade – the ProSiebenSat.1 careers podcast). In the podcast, we profile employees from various areas of the Group and present their working environment.
→ careers.prosiebensat1.com

As our target groups are very diverse, in addition to a general employer branding strategy, we also pursue specific strategies for the particularly relevant fields of Tech & Data; Finance, Investment, M&A; Content & Creative; and Sales. For each of these core target groups, we have defined a specific mix of employer branding measures. For example, the “Tech for Ukraine” campaign specifically targets tech experts from Ukraine: To do this, we provide information about our English-speaking IT job offers on a landing page on the careers site and post vacancies on job portals that help Ukrainians search for jobs. With target group-specific employer branding events and via networks such as “Women in Big Data,” we also want to increasingly position ProSiebenSat.1 Group in Germany as an attractive employer for women.

In addition to events, we use sourcing channels such as social media, approaching talents directly, and university partnerships to get in contact with potential candidates. For example, ProSiebenSat.1 Group implemented a semester partnership with the Technical University of Munich under the patronage of Executive Board member Christine Scheffler in the reporting period. As part of the course “Transformation Processes of a Digital Group,” students had the opportunity to attend practical lectures and work on specific projects from various areas of the Group.

At Group level, an average of 46.8 people (previous year: 36.3) applied for each professional position that was advertised in 2022. The early turnover rate was 6.0% (previous year: 14.4%). It is defined as the percentage of employees who leave the Company within six months of being hired owing to the termination or annulment of their employment contract. ▲ **GRI 401-1**

Employee Development and Retention

▼ In view of the dynamic market environment, it is crucial to strengthen our employees’ specialist knowledge and general skills. We are convinced that continuous training and development of our employees is a key factor in the success of ProSiebenSat.1 Group. At the same time, it is vital for our attractiveness as an employer and for a strong performance culture that we offer qualified and committed employees development opportunities and retain them within the Group.

ProSiebenSat.1 Group offers an extensive range of technical and personal training courses. In the period under review, the Group provided an average of 7.4 hours of training per employee (previous year: 6.3 hours) and 9.4 hours of training per manager (previous year: 9.5 hours). Our internal P7S1 Academy plays a vital role in training and development for our employees. Its training offers for employees in German-speaking countries are largely digitized and have been increasingly geared toward the requirements of the hybrid workplace. With appropriate training and workshops, we impart know-how regarding the use of collaborative tools and help employees to enhance the hybrid cooperation in their teams. Its offerings are closely aligned with the Group’s strategic corporate goals and the needs of the individual operating segments. In addition, our employees can use many training offers on the “LinkedIn Learning” platform. We also see regular dialog between employee and manager as essential for the targeted and ongoing development of our employees. In the reporting period, we introduced “Up2Me,” a standardized dialog format relating to individual performance, targets and development potential for employees of Group entities, particularly in Unterföhring. In addition, there is an internal job portal to strengthen employees' internal mobility and make talented individuals aware of development opportunities within ProSiebenSat.1 Group.

Our fundamental aim is to provide our employees with an attractive working environment and to retain them within the Company in the long-term. We therefore offer our staff compensation in line with the market, many social and fringe benefits, healthy meals in the campus canteens, and sports programs. In 2022, ProSiebenSat.1 Group agreed on a cooperation with Urban Sports GmbH ("Urban Sports Club"), which enables our employees in Germany to use the sport, fitness and wellness offering at a reduced price. Family-oriented services and our in-house daycare center in Unterföhring complete the offer. In addition, ProSiebenSat.1 Group cooperates with an external service provider that arranges childcare, provides coaching for those in difficult circumstances and offers support with caring for relatives. Through our established employee share program "MyShares" in Germany, employees also benefit financially from remaining with the Company. In the reporting period, we increased the employer contribution in the form of contribution shares from EUR 360 to EUR 480.

Through flexible working hours models, remote working and part-time work, we aim to make it easier for employees to juggle work and private life and to enable a positive work-life balance. As of the end of 2022, the proportion of employees working part-time was 18.2% (previous year: 17.7%). The proportion in our German entities was 18.9%, compared with 18.3% in the previous year.

In 2022, ProSiebenSat.1 Group introduced Group-wide corporate values. The rollout of the values aims to strengthen the corporate culture and lay a shared foundation for our decisions and actions. Our corporate values "Passion," "Innovation," "Courage," "Goal-Orientation" and "Responsibility" were devised by employees from various areas of the Group working together. Various formats help our employees to integrate the values into their day-to-day work.

To ensure that we can continue to offer our employees an attractive and modern working environment in the future, we have already started to design the hybrid working environment of ProSiebenSat.1 Group in 2021. For the development of the working models, the Executive Board defined guidelines on which basis the corporate units each devised and established their model. The models are tailored to the respective work requirements and culture of the individual corporate units. In most cases, flexible and hybrid models were implemented. To share ideas, concepts and specific experiences within the Group, there are regular cross-departmental dialog events. We also want to offer our employees a high degree of flexibility with regard to mobile working in the EU. Therefore, our employees in Germany have been able to work mobile 30 working days within a rolling twelve-month period in eleven selected EU countries since August 2022.

The turnover rate in the Group decreased to 15.0% in the reporting period (previous year: 16.5%). In our German entities it was 14.9%, compared with 16.2% in the previous year. For the calculation of the turnover rate, the number of former employees who left in the reporting period due to resignations and termination agreements is divided by the number of employees as of December 31. Departures due to fixed-term contracts, the end of an apprenticeship, retirement or death are not taken into account. ▲ **GRI 2-7, GRI 401-1, GRI 404-1**

Management Development

▼ The skills of our managers are of central importance to ProSiebenSat.1 Group's success. With our measures and services for management development and our guiding principles for management, comprising the three leadership levels "Lead Self," "Lead Team" and "Lead Business" we want to establish a consistent understanding of leadership throughout the Group and to strengthen the performance and development of our managers. For that reason, we also offer impulse and dialog formats in addition to training and advice at all management levels.

Through training offers, we want to empower our managers to enhance their skills and capabilities with regard to their management work. At the top management level in particular, skills play a special strategic role. The "Leading in times of uncertainty" program was developed specially for this target group. In addition to a standardized analysis of management behavior, it also includes experience-oriented tasks and interactive discussions in order to optimize participants' own leadership style. Self-reflection and agency are already strengthened during the training and further supported in subsequent, individual coaching sessions. The COVID-19 pandemic significantly increased the importance of hybrid leadership. To give our managers the best possible support for leadership and cooperation in hybrid teams, we initiated the "Managing Hybrid Teams" training course in 2022. In the context of hybrid leadership, we see the recognition and professional handling of employees' psychological stress as a key factor. For the first time, therefore, a specific offering for managers on the topic of "Peer Support for Mental Health" was offered in the reporting period. The aim is to recognize employees' psychological stress and deal with it appropriately. Hybrid working models have also altered the requirements of managers' communication skills. In our training course "Mastering Leadership Conversations," we therefore aim to reinforce our managers' communication skills and provide them with strategies for effective communication and persuasive conversation techniques, for example. In addition, we see the recognition of unconscious bias as an important element of good leadership. We raise managers' awareness of this with our "Unconscious Bias" training. The training also prioritizes the importance of diversity in the Company as well as fair cooperation.

Managers often face very individual challenges, which is why we complement our training offer with targeted consulting services. For example, we offer managers coaching to guide them in particular management situations and help them perform their management tasks.

Another element of the development of our managers is their networking across all segments. We want to encourage dialog between managers through impulse and dialog formats. From the start, we offer new managers the opportunity to network at the "Leadership@P7S1" onboarding event. In the regular "Leadership Hour," we create space for continuous dialog and provide additional impetus. The internal "LeadingWomen@P7S1" network offers female managers from the Group entities, particularly in Unterföhring, an additional opportunity to exchange. ▲

OVERVIEW OF KEY EMPLOYEE FIGURES

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

Employee headcount, average number of hours per employee

	2022	2021
Gender		
Women	8.4	6.6
Men	6.4	5.9
Diverse	—	—
	7.4	**6.3**
Management level		
Managers with direct report to Managing Director or Member of the Executive Board	9.8	8.0
Other managers	9.2	10.2
Employees without management responsibility	7.1	5.8
	7.4	**6.3**
Area		
Production	5.5	5.9
Administration	10.0	7.9
Sales	7.0	5.0
	7.4	**6.3**

Not including international assets of Seven.One Studios.
Due to the expansion of the reporting boundaries and the associated retroactive collection of data, it was not possible to fully record the training hours at individual companies in the previous year.

▼ EMPLOYEES IN FULL-TIME AND PART-TIME EMPLOYMENT BY GENDER AND REGION / GRI 2-7 ▲

Employee headcount as of December 31

	2022			2021		
	Part-time	Full-time	**Total**	Part-time	Full-time	**Total**
Gender						
Women	1,007	2,832	3,839	928	2,681	3,609
Men	387	3,437	3,824	380	3,394	3,774
Diverse	—	3	3	—	—	—
	1,394	**6,272**	**7,666**	**1,308**	**6,075**	**7,383**
Region						
Germany	1,223	5,260	6,483	1,148	5,138	6,286
Austria/Switzerland	162	415	577	152	397	549
US	2	392	394	3	384	387
UK	—	30	30	1	30	31
Other	7	175	182	4	126	130
	1,394	**6,272**	**7,666**	**1,308**	**6,075**	**7,383**

Not including international assets of Seven.One Studios.

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

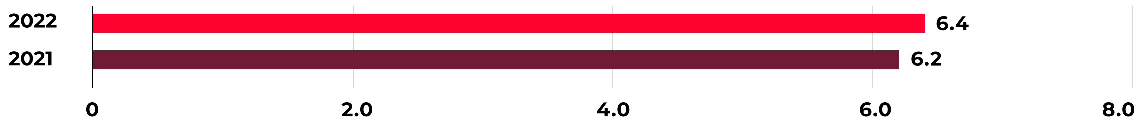
Employee headcount in %

	Turnover rate	
	2022	2021
Age group		
<30 years	21.0	24.9
30–50 years	14.7	15.3
>50 years	6.0	7.9
	15.0	**16.5**
Gender		
Women	13.8	16.5
Men	16.2	16.5
Diverse	33.3	—
	15.0	**16.5**
Region		
Germany	14.9	16.2
Austria/Switzerland	12.5	11.7
US	18.5	22.5
UK	46.7	87.1
Other	14.8	17.7
	15.0	**16.5**

Not including international assets of Seven.One Studios.

AVERAGE DURATION OF EMPLOYMENT

In years as of December 31



Not including international assets of Seven.One Studios.

EMPLOYEES BY EMPLOYMENT CONTRACT, GENDER, AND REGION / GRI 2-7

Employee headcount as of December 31

	Temporary		Permanent	
	2022	2021	**2022**	2021
Gender				
Women	586	657	3,253	2,952
Men	363	465	3,461	3,309
Diverse	—	—	3	—
	949	**1,122**	**6,717**	**6,261**
Region				
Germany	921	1,098	5,562	5,188
Austria/Switzerland	21	18	556	531
US	—	3	394	384
UK	2	2	28	29
Other	5	1	177	129
	949	**1,122**	**6,717**	**6,261**

Not including international assets of Seven.One Studios.

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

Employee headcount

	New hires		New hire rate[1]	
	2022	2021	**2022**	2021
Age group				
<30 years	698	724	43.0%	45.9%
30–50 years	814	921	16.0%	18.6%
>50 years	62	116	6.5%	13.6%
	1,574	**1,761**	**20.5%**	**23.9%**
Gender				
Women	858	883	22.3%	24.5%
Men	713	878	18.6%	23.3%
Diverse	3	—	100.0%	—
	1,574	**1,761**	**20.5%**	**23.9%**
Region				
Germany	1,323	1,496	20.4%	23.8%
Austria/Switzerland	107	105	18.5%	19.1%
US	84	115	21.3%	29.7%
UK	13	18	43.3%	58.1%
Other	47	27	25.8%	20.8%
	1,574	**1,761**	**20.5%**	**23.9%**

Not including international assets of Seven.One Studios.
1 Proportion of new employees by headcount.

Health and Safety

The health and safety of employees are a high priority for ProSiebenSat.1 Group, both during the COVID-19 pandemic and beyond. Since the beginning of the pandemic in March 2020, our crisis team, the so-called “COVID-19-Taskforce” has worked closely with Group Safety, Occupational Health and Safety and the works council to implement the SARS-CoV-2 Occupational Health and Safety Standards. Against the backdrop of the COVID-19 crisis, the majority of our employees worked remotely from home up to and including May 2022. Employees of the so-called critical infrastructure from the broadcasting area continued to work at the campus in Unterföhring throughout the entire pandemic. To guarantee the best possible protection of the employees on site, we therefore installed preventive measures such as UV air filters in the control rooms and studios and CO_2 traffic lights in conference rooms. After the decline in infection rates, we enabled all employees to return to the campus in Unterföhring from June 2022. The COVID-19-Taskforce continually evaluates the current developments with regard to certain criteria, such as a rapid rise in COVID-19 infections in the population or the workforce. If necessary, the measures will be adjusted accordingly. The Taskforce is also in dialog with the various companies in different locations. This year, our employees were again offered a COVID-19 vaccination. In fall 2022, our employees also had the opportunity to be vaccinated against influenza.

Our employees’ health remains an important priority for us beyond the COVID-19 pandemic. We are aware of other potential health risks that could arise from work-related stress or a lack of physical activity, for example. For this reason, we have established our occupational health management system “P7S1 cares for you” for the Group entities, particularly in Unterföhring. This comprises the three pillars of occupational health and safety, operational integration management, and promotion of health in the workplace. The Group bundles a range of measures here: Along with a special operational integration management program, these also include flexible working hours and sabbaticals, as well as preventive physical and mental health services.

As remote working in particular has required employees to have more self-reliance in handling their personal resources, the “P7S1 Mental Health Days” took place again in both spring and fall of the reporting year. Here, employees in Germany had the opportunity to attend presentations, workshops and training sessions on topics such as mindfulness, resilience and how to deal with stress. At the same time, the Group wants to promote an open approach to the topic of mental health and its destigmatization. To mark the "Mental Health Days" in fall, a pilot project was also implemented with Instahelp, an online platform for psychological counseling. Employees were able to utilize the platform's offering during an eight-week cooperation. **GRI 403-1, GRI 403-3, GRI 403-6**

SOCIETY

Social Responsibility (Public Value)

▼ With our entertainment and commerce offerings, we reach several million viewers, users and customers every day via all platforms. With its 15 free and pay TV stations in Germany, Austria and Switzerland, ProSiebenSat.1 addresses a variety of target groups and reaches over 60 million people per month in its core market Germany. The own online channels reach nearly 12 million unique users. With over 30 million app downloads and more than 4 million unique users a month, our German streaming platform Joyn has firmly established itself on the market after just three years. The audience share of ProSiebenSat.1's stations in the period under review came to 24.9% (previous year: 25.5%) among viewers aged 14 to 49. On YouTube alone, the digital media & entertainment company Studio71 generated 11.8 billion video views a month on its 1,250 channels in the reported year 2022 (previous year: 10.7 billion video views). For a detailed description of the development of ProSiebenSat.1 Group's relevant market environments with corresponding reach figures and information on the sources, please refer to the sections:
→ Organization and Group Structure → Group Environment

We are aware of the high levels of attention that our products attract and pursue the goal of using the wide reach of our TV stations and platforms responsibly. With this approach, ProSiebenSat.1 raises public awareness of socially relevant issues in its programs and platforms, with its own formats, issue films, and campaigns, and generates public value. Public value is generally understood to refer to the value and benefits that an organization provides to society. In the program principles of the German Interstate Media Treaty (MStV), it is already stipulated that private-sector broadcasters should express the diversity of opinions in their content and allow important political, ideological, and social players to have a say in an appropriate manner. The German state media authorities also adopted a charter on public value in fall 2021, which states that media offerings will be easier to find if they are particularly relevant to the shaping of public opinion. In the reporting period, the public value offerings were selected by the state media authorities in a procedure in accordance with section 84 (5) MStV. ProSieben, SAT.1, and Kabel Eins were considered with their broadcasting and telemedia offerings.

ProSiebenSat.1 has integrated the aspects of shaping opinions and promoting democracy into the principles for its commitment to sustainability via the action area of "Social Responsibility". We want to integrate our sustainability goals more strongly into TV stations' programming as well as the other platforms and online offerings. We aim to also reach young target groups with sociopolitically relevant topics. The Group Sustainability Office and the Sustainability Officers in the three segments work to increase public value content in all programs and on all platforms by communicating the sustainability strategy in the Group and driving the continuous dialog with the relevant interfaces in the Group.

We consider it our duty to explain current social and political developments for our viewers and users. In 2022, we established an own news team with over 60 journalistically working colleagues who have been producing and broadcasting live news for the entire Group since January 2023. In addition to studios in Unterföhring, we have a capital city studio very close to the German government at Potsdamer Platz in Berlin. For further information on journalistic due diligence and the independence of editorial work, please refer to the section:
→ Governance & Compliance

Outside of traditional news shows, we also want to provide a stage for socially and politically relevant topics. As part of our "Green Seven Week," formats such as "JENKE. Das Klima-Experiment" (JENKE. The Climate Experiment), "Zervakis & Opdenhövel. Live" and "Die ProSieben Politik Show" (The ProSieben Politics Show) focused on the topics sustainability, environment and society. In the new podcast show "Frau Bauerfeind rettet die Welt" (Ms. Bauerfeind saves the world) by and with Katrin Bauerfeind, which has been going out since December 13, 2022, 18 start-ups with sustainable products and concepts are competing for prize money of EUR100,000. The PULS 4 format "Klimaheld:innen" also won the Austrian Environmental Journalism Award in 2022.

In the show "Joko & Klaas gegen ProSieben" (Beat the Channel), the two presenters Joko Winterscheidt and Klaas Heufer-Umlauf compete for a 15-minute slot in prime time that they can use however they wish. They regular use the time that they win to garner both attention and reach for current events such as the protest movement in Iran. In order to increase this reach, they both permanently handed over their high-reach Instagram accounts to two Iranian activists in 2022. In addition to Joko and Klaas, there were also two benefit concerts ("Sound of Peace" and "We Stand with Ukraine") in Berlin and Vienna, which ProSiebenSat.1 broadcast and co-hosted, devoted to Russia's ongoing war of aggression against Ukraine, as well as the "Ukraine Spezial" special broadcasts. Further public value highlights in 2022 included Iranian singer Rana Mansour's performance of the protest anthem "Baraye" at the "The Voice of Germany" final, the documentary "Route 4" on sea rescue and refugee routes at sea, the "Kannste Regieren" (Do you know how to govern?) formats with German Chancellor Olaf Scholz and German Foreign Minister Annalena Baerbock, among others, and "ProSieben THEMA. Waffen für den Frieden. Deutschland rüstet auf" (ProSieben THEMA. Weapons for peace? Germany is arming itself.).

The segments Dating & Video and Commerce & Ventures also accept their social responsibility and want to raise awareness of socially relevant issues with initiatives and campaigns. In our Dating & Video segment, the dating provider Parship dispensed with its long-standing slogan "Alle 11 Minuten verliebt sich ein Single auf Parship" (A single finds love on Parship every 11 minutes) at the beginning of 2022 and instead proclaimed a new start for healthier online dating. With the growing popularity of online dating, the challenges for the entire online dating industry are becoming increasingly clear. The market research studies initiated by Parship show that issues such as ghosting or impersonal messages are among the most common negative experiences in online dating and increased further during the pandemic. With help of the study as well as interviews with singles, it was also possible to identify central needs such as authenticity, commitment, respect and safety. In order to meet these needs, Parship called for more respect, authenticity and safety in online dating with a broad-based campaign under the slogan "Healthy Dating". At the same time, Parship overhauled the platform itself, for example with a safety check on registration, a "message quality" feature, which requires initial messages to comprise at least seven words and deactivates copy and paste, and a no filter policy, which bans heavily edited profile photos. All this is intended to create a safer, more positive and authentic dating experience on Parship.

In our Commerce & Ventures segment, experts from wetter.com provided and explained daily environmental news as part of the "Green Seven Week". Besides the latest weather news, wetter.com also provides background information on developments and events relating to the environment, climate, and climate change. With its "Conscious Care" initiative, the online beauty provider Flaconi is highlighting cruelty-free, vegan, environmentally friendly or nature-based products on its website and allowing customers to filter by the relevant criteria. Since 2022, customers have also been able to order refills for certain products instead of buying new ones, whereby Flaconi is promoting sustainable multi-use packaging, such as for perfume.

Furthermore, ProSiebenSat.1 also provides charities with media volume at a large discount or pro bono, sometimes up to a seven-figure sum in euro. As a founding member, ProSiebenSat.1 Group has thus amongst others supported the association startsocial since 2001. In addition to media volume, employees have been supporting the initiative on a voluntary basis as coaches, jury members and on the Advisory Board for several years. startsocial promotes voluntary social engagement all over Germany and, with the German Chancellor as its patron, presents awards and allocates advisory grants to outstanding voluntary initiatives.

Through various charitable, local initiatives or company volunteering projects, our employees are actively engaged in further climate and environment as well as social projects throughout the Group. In addition, the Group, subsidiaries and employees regularly organize fund raising campaigns for charities.

In order to further discuss important topics and action areas relating to public value in cooperation with scientific representatives, ProSiebenSat.1 participated in a study titled "Klima und Biodiversität. Eine Programmanalyse und Rezeptionsstudie zum deutschen TV-Programm" (Climate and Biodiversity. A Program Analysis and Reception Study on German TV Programming) in the financial year 2022, which was initiated by the MaLisa Foundation and implemented by the University of Rostock. The findings of the study will be published in 2023.

As a founding member of the Bavarian Media Sustainability Pact, which was unveiled to the public at the "Munich Media Days" in October 2022, we also want to provide impetus for the responsible formation of a more sustainable media industry. Coordinated by the Bavarian regulatory authority for new media, we and other founding members such as Vodafone, Amazon Prime Video, Bayerischer Rundfunk, egoFM, scientific representatives and the Bavarian journalists' association have developed an approach that – in addition to the three pillars of economy, environment and social affairs, also defines journalistic responsibility as a key component of sustainability at media companies for the first time. Based on these four pillars, guidelines and FAQs are intended to enable small and medium-sized media companies to develop a sustainability strategy with reasonable outlay in terms of time and human resources and to embed sustainability and public value within the company.

Since 2011, the Group has placed its public value activities in a larger social context and underscored their relevance for the Group by establishing an Advisory Board. The interdisciplinary body chaired by Bavaria's former minister-president Dr. Edmund Stoiber advises ProSiebenSat.1 Group on relevant social, ethical and media policy issues and provides impetus on important topics such as education and culture. In 2022, the Advisory Board held four meetings, with updates on ProSiebenSat.1 Group's sustainability strategy regularly featuring on the agenda.

In 2022, ProSiebenSat.1 Group created a Group-wide umbrella brand for its engagement. Under the brand #OneTomorrow, the Group communicates its sustainability activities throughout the Group both internally and externally. #OneTomorrow bundles and covers all engagement from the pillars Society & Public Value, Diversity & Inclusion and Climate & Environment. This includes public value programs and initiatives in the segments and in the Group as well as the social engagement of Seven.One AdFactory GmbH ("Seven.One AdFactory") with projects such as the crowdfunding campaign #Flutwein for the restoration of the Ahrweiler wine-growing region, which used our various platforms under the #OneTomorrow umbrella. As sustainability is increasingly characterizing the advertising campaigns of many major brands, #OneTomorrow also offers selected advertising customers the opportunity to book spots in environments produced with low carbon emissions or to calculate the carbon footprint for the campaigns. In the future, we will place this wide variety of initiatives and projects under the #OneTomorrow brand and communicate them across all our channels. ▲

Anti-discrimination

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

All employees are encouraged to report discrimination or violations of principles set out in the Code of Conduct. A central compliance instrument for ProSiebenSat.1 Group is the whistleblower system. In addition to internal reporting channels, until December 2022 it was also possible to report legal violations anonymously via an external ombudsman service. The ability to submit anonymous reports was replaced in January 2023 by the introduction of an electronic whistleblower system. Via the private media association VAUNET, we also participate in the Themis advice center against sexual harassment and violence, which provides assistance for those affected in the film, television and theater industry. In 2022, as in the previous year, there was one case of violations in connection with discrimination, which was closed in the reporting period.▲ **GRI 406-1**

DIVERSITY & INCLUSION

Diversity and Equal Opportunity

▼ For us, diversity means recognizing and valuing differences and individuality. Our goal is to create a working environment that is free of prejudice and shows all employees the same high level of appreciation – regardless of their age, disability, ethnic background and nationality, sex and gender identity, religion and ideology, or sexual orientation and identity. We regard the differences and diversity of our employees as an important requirement for our Company's success. Against this backdrop, ProSiebenSat.1 Group signed the Diversity Charter in 2014 and follows the guidelines specified in it. Our internal guidelines also stipulate that employees at all hierarchy levels should be hired exclusively according to objective criteria and promoted solely on the basis of their abilities. We pursue the goal of promoting diversity within our workforce and champion equal rights and equal opportunities in accordance with the guiding principle for the action area of diversity. The "Diversity & Inclusion" department, which was created in April 2022 as part of HR, is responsible for the further development of diversity management, the targeted focus, and the operational implementation of associated measures. We wish to illustrate our commitment to diversity and inclusion with the "Diversity Principles," which have been published throughout the Group. They form the foundation for our activities to promote tolerance and diversity – in our Company and in society. We see this as a task for all our employees and our managers.

This action also includes the further development of our inclusion efforts. In 2021, the Group management and the works council concluded an inclusivity agreement with the representative body for disabled employees. On May 1, 2022, an Inclusion Officer was appointed. In addition, ProSiebenSat.1 Group is also cooperating for the second year in a row with myAbility, a talent program that supports students and university graduates with disabilities and chronic illnesses in German-speaking countries by providing them with career coaching and opportunities for networking and job shadowing. As part of the talent program, myAbility carried out "sensitivity training for job shadowing providers" in July 2022. The participants were particularly made aware of how to handle various forms of disability. On December 3, 2022, the International Day of People with Disabilities, we again took part in the global #PurpleLightUp campaign. The campaign is supported in the German-speaking region by myAbility as an official partner of PurpleSpace Ltd. ("PurpleSpace") and is intended to draw attention to the necessity of economic autonomy for people with disabilities. Employees' awareness of issues of inclusion, accessibility and ableism was raised with a presentation by the "Sozialheld*innen," a charity campaigning for social justice via project work.

The diversity of our Company is aided by the best possible balance of men and women and a diversity of genders in the workforce and in management positions. As of December 31, 2022, 50.1% (previous year: 48.9%) of employees in the Group were female and 49.9% (previous year: 51.1%) were male. The percentage of employees who have chosen the sex marker “diverse” is about 0.0% due to the low number. The proportion of female managers increased slightly from 35.0% to 35.8%. When it comes to filling management positions in the Group, men and women should be hired purely on the basis of professional and personal aptitude. We have therefore integrated “gender equality” into ProSiebenSat.1 Group’s sustainability strategy as a United Nations Sustainable Development Goal (SDG 5) that is particularly relevant to us. The internal and external communication of this goal sends a clear signal to both potential managers and to decision-makers at all management levels during selection processes. ▲ GRI 405-1

▼ SHARE OF EMPLOYEES BY GENDER GRI 405-1 ▲
Employee headcount as of December 31, in %

	Employees		Managers	
	2022	2021	**2022**	2021
Group				
Women	50.1	48.9	35.8	35.0
Men	49.9	51.1	64.2	65.0
Diverse	0.0	—	—	—
	100.0	**100.0**	**100.0**	**100.0**
Germany				
Women	50.4	49.5	35.9	34.2
Men	49.6	50.5	64.1	65.8
Diverse	0.0	—	—	—
	100.0	**100.0**	**100.0**	**100.0**
ProSiebenSat.1 Media SE				
Women	63.8	61.3	43.9	34.4
Men	36.2	38.7	56.1	65.6
Diverse	—	—	—	—
	100.0	**100.0**	**100.0**	**100.0**

Not including international assets of Seven.One Studios.

As of December 31, 2022, the average age of employees at ProSiebenSat.1 Group was 37.7 years (previous year: 37.4 years). The proportion of employees who were of foreign nationality was 15.8% (previous year: 14.9%).

▼ An open-minded working climate with regard to sexual orientation and gender identity is a key criterion for us to be perceived as a modern employer. That is why we specifically support initiatives aimed at promoting diversity and inclusivity. An example of this is the LGBT+ network (Lesbian, Gay, Bisexual and Transgender) PROUD@ProSiebenSat.1, which has been set up by employees and aims to make diversity more visible within the Group. In 2022, the network took part in Christopher Street Day in Munich for the first time with its own float. Our goal is to create an inclusive working environment in which all individuals are shown the same appreciation. That includes the use of equal language. For that reason, we made a recommendation to our employees in 2021 that they should use gender-sensitive language. This is presented during the welcome days for the onboarding of new employees.

Since the beginning of the year, our Executive Board member Christine Scheffler has been on the Advisory Board of the “BeyondGenderAgenda” initiative. BeyondGenderAgenda supports the further strengthening of diversity and inclusive working environments in the culture of listed and medium-sized companies.

ProSiebenSat.1 Group wants to set an example for diversity with the reach of its entertainment offerings. Examples from the 2022 reporting period are the ProSieben programs on International Women's Day, the International Day for the Elimination of Racial Discrimination, and PRIDE Day. On the initiative of the state media authorities of Bremen, the media companies ARD, ZDF, Deutsche Welle, Deutschlandradio, RTL Deutschland and ProSiebenSat.1 came together and founded the new alliance "Medien für Vielfalt" (Media for Diversity) in 2021. The alliance represents a clear commitment to diversity in the media sector. At a event organized by the Alliance "Medien für Vielfalt" in April 2022, experts discussed various aspects of diversity and inclusion. The central question was how media can and must campaign against racism and for the communication and promotion of tolerance, respect, and diversity. ▲

OVERVIEW OF KEY DIVERSITY FIGURES

▼ DIVERSITY OF EMPLOYEES / GRI 405-1 ▲

As of December 31 (headcount), in %

		2022	2021
Managers with direct report to Managing Director or Member of the Executive Board	Women	35	32
	Men	65	68
Other managers	Women	36	36
	Men	64	64
Employees without management responsibility	Women	52	51
	Men	48	49
Managers with direct report to Managing Director or Member of the Executive Board	<30 years	1	2
	30–50 years	81	82
	>50 years	17	16
Other managers	<30 years	4	5
	30–50 years	81	81
	>50 years	15	14
Employees without management responsibility	<30 years	24	24
	30–50 years	64	65
	>50 years	12	11
Production	Women	45	44
	Men	55	56
Administration	Women	53	50
	Men	47	50
Sales	Women	56	54
	Men	44	46
Production	<30 years	19	19
	30–50 years	65	67
	>50 years	15	15
Administration	<30 years	22	23
	30–50 years	68	68
	>50 years	11	9
Sales	<30 years	24	23
	30–50 years	67	66
	>50 years	10	11

Not including international assets of Seven.One Studios.
Employees who have chosen the sex marker "diverse" are not shown due to the small number in order to protect personal rights.

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

As of December 31 (headcount), in %

	Executive Board		Supervisory Board	
	2022	2021	**2022**	2021
Gender				
Women	25.0	33.0	37.5	37.5
Men	75.0	67.0	62.5	62.5
Diverse	—	—	—	—
	100.0	**100.0**	**100.0**	**100.0**
Age group				
<30 years	—	—	—	—
30–50 years	—	—	25.0	25.0
>50 years	100.0	100.0	75.0	75.0
	100.0	**100.0**	**100.0**	**100.0**

Accessible Offerings

ProSiebenSat.1 Group is committed to barrier-free access to its offerings. We offer subtitled programming areas and audio descriptions for blind and visually impaired people on our channels, among other things, in order to improve the dissemination of information. Back in 2000, ProSieben already introduced the first regular subtitle service for the deaf on German private television. The Group broadcasts accessible offerings on nearly all its free TV stations and continually drives their expansion. In 2022, the range of programs with subtitles was expanded, and in particular the number of formats with additional audio description was increased. Specific examples include ProSieben shows such as “The Masked Singer” and “Joko & Klaas gegen ProSieben” (Beat the Channel) and feature films on ProSieben as well as soccer broadcasts on SAT.1. In addition, sign language was used in some reports in the “ProSieben THEMA” series as well as in shows such as “Kannste Regieren? Baerbock, Scholz & Lauterbach zurück in der Schule” (Do you know how to govern? Baerbock, Scholz & Lauterbach back at school). For the first time, subtitles in simple language were also offered for the “JENKE. Das Klima-Experiment: Sind wir noch zu retten?” (JENKE. The Climate Experiment: Can we still be saved?) and “ProSieben THEMA. Waffen für den Frieden? Deutschland rüstet auf.” (ProSieben THEMA. Weapons for peace? Germany is arming itself.) reports. For the future, we aim to further expand our barrier-free offerings.

Moreover, the German Interstate Media Treaty requires broadcasters of nationwide programs and video-on-demand providers to expand their range of accessible content within the limits of their technical and financial capabilities. From 2023, the German Interstate Media Treaty requires broadcasters to draw up concrete action plans for this. Individual states and the German government have already published action plans to implement the UN Convention on the Rights of Persons with Disabilities, which also aim to include more accessible formats on television. The state media authorities regularly monitor this expansion. Subtitles are currently included in the programming on five German ProSiebenSat.1 stations: ProSieben, SAT.1, Kabel Eins, sixx, and ProSieben MAXX. On average in 2022, subtitled minutes as a percentage of linear programming as a whole (24 hours) amounted to 48.2% on ProSieben, 27.5% on SAT.1, 44.7% on Kabel Eins, 32.7% on sixx and 12.7% on ProSieben MAXX.

CLIMATE & ENVIRONMENT

▼ ProSiebenSat.1 Group is aware of its ecological responsibility. Therefore, together with our employees and in dialog with our external stakeholders, we want to make our contribution to mitigating climate change and protecting our environment. We have set climate neutrality as a central, Group-wide target for 2030. Since the target was set in 2019, we have therefore continually reduced our operational emissions. In 2022, we can report a reduction by 18% year-on-year.

At our Unterföhring site – the Group's headquarters – we supply our office buildings, production studios, and data centers exclusively with green electricity. In addition, ProSiebenSat.1 also wishes to take an active role in the adoption of ecological heating. The Group uses renewable geothermal energy to heat the entire headquarters. We also use the waste heat from our data centers to heat our office buildings. The conversion to LED lighting, which is almost complete, also contributes to increasing energy efficiency. In addition, sustainability certification in accordance with the LEED model (Leadership in Energy and Environmental Design) is planned for the new campus in Unterföhring, which is currently under construction.

With the "Clean shoot!" initiative, Seven.One Entertainment Group GmbH ("Seven.One Entertainment Group") developed an extensive package of measures in 2019 to make film and television productions more sustainable. The initiative defines requirements and recommendations for production companies on how to reduce CO_2 emissions and conserve resources. ProSiebenSat.1 is a signatory of the "Joint industry declaration for sustainability in film and series production," a coalition of Germany media producers coordinated by Prof. Monika Grütters, former Federal Government Commissioner for Culture and the Media.

In addition to environmentally friendly production, ProSiebenSat.1 also champions climate protection issues in numerous formats, such as in "Green Seven Week". Since 2009, the initiative has comprehensively examined current environmental and climate protection topics every year, especially for a young target group. More information can be found in the section:
→ **Social Responsibility**

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

Energy

▼ Total energy consumption within the Group came to around 33 gigawatt hours (previous year: 33 GWh) in the period under review. The main areas of consumption were electrical energy (14 GWh) and the requirement for heating and cooling (13 GWh). The energy consumption of the vehicle fleet was 5 GWh. Overall, the share of energy from renewable sources in total consumption was 66% in 2022.[1]

▼ ENERGY INTENSITY / GRI 302-3 ▲

	2022	2021[1]	2020
Total energy consumption in GWh	33.26	33.43	36.67
_ energy from renewable sources	21.99	—	—
_ energy from non-renewable sources	11.27	—	—
Revenues in EUR m	4,163	4,495	4,047
Average FTE[2]	7,501	7,956	7,128
Energy consumption/revenues in MWh/EUR m	**7.99**	**7.44**	**9.06**
Energy consumption/average FTE in MWh/average FTE	**4.43**	**4.20**	**5.14**

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".
2 The number of average employees is presented in full-time equivalents (FTE).

In response to the strained situation on the European energy market in fall 2022, the Group set itself the goal of contributing to its alleviation through energy-saving measures. Among other things, ProSiebenSat.1 decided to reduce the room temperature at all European offices of the Group to 20°C, to largely avoid hot water in sanitary facilities, and to reduce lighting at night. ▲ **GRI 302-1, 302-3, 302-4**

Emissions

▼ As in the previous year, the direct emissions (Scope 1) of ProSiebenSat.1 Group in 2022 resulted mostly from the emissions of ProSiebenSat.1's vehicle fleet. The Group is undergoing an incremental transformation to locally emission-free electric mobility. There are more than 80 charging stations at the campus in Unterföhring; further expansion has already been approved. Apart from charging company cars, employees can also use them for their private vehicles at a discounted rate.

Also relevant for direct emissions are the local generation of heat and the operation of the emergency standby systems at the broadcasting site in Unterföhring, which run on light heating oil in the event of disruption to the electricity supply.

Indirect emissions through the generation of purchased energy (Scope 2) declined by 663 t year-on-year to 1,373 tCO_2e[2]. In addition to the energy saving measures implemented, this is primarily due to the use of more electricity from renewable energy. With the Unterföhring headquarters having exclusively procured electrical energy from hydropower since 2019, we switched more locations to

1 As part of the sustainability strategy, ProSiebenSat.1 is continuously updating its ESG reporting structure. In this financial year, among other things, we collect the energy consumption of sites of Commerce&Ventures companies outside of Unterföhring for the first time. This enables us in the chapter "Energy" to report the consumption of the whole Group. In the last reporting period, only data from the main site was included, therefore a year-on-year comparison is not possible like-for-like.
2 For emissions reporting, we use the unit CO_2 equivalent (CO_2e), a unit of measurement to standardize the climate impact of the different greenhouse gases.

electricity from 100% renewable energy this year, such as Flaconi's logistics center in Halle (Saale) and the headquarters of The Meet Group, Inc. ("The Meet Group") in New Hope, US.

District heating from low-emission geothermal energy was used for the heating supply at the Unterföhring headquarters.

The emissions recorded for the upstream and downstream value chain (Scope 3) apart from energy production and transmission losses (28%) primarily arise from employee commuting (33%) and essential business travel (39%). Due to the gradual recovery after two years marked by the COVID-19 pandemic, the volume of travel and commuting increased again, but remained well below the emissions in 2019 (business travel 2019: 7,797 t; employee commuting 2019: 6,474 t). The other emission categories are currently being analyzed; we plan to include them in the carbon footprint successively in 2023.

Overall, operational emissions (Scope 1, Scope 2) fell by 18% year-on-year. Across all emission categories (Scope 1, Scope 2, Scope 3), an increase by 25% is recorded due to the partly normalization of employee mobility. As in the previous year, ProSiebenSat.1 Group plans to offset 10% of the total emissions (Scope 1, Scope 2, Scope 3) by purchasing certificates from high-quality climate protection projects.

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

Greenhouse gas emissions (CO_2 equivalent) in metric tons[1]	2022	Change	2021	2020
Scope 1 – Direct greenhouse gas emissions	**1,618**	**0**	**1,615**	**1,599**
_ Vehicle fleet[2]	**1,401**	**−12 %**	1,596	1,560
_ Emergency power supply[3]	25	**32 %**	19	40
_ Stationary heating[4]	192	—	—	—
Scope 2 – Indirect greenhouse gas emissions[5]	**1,373**	**−33 %**	**2,036**	**2,188**
_ Electricity[6]	428	**−45 %**	775	1,054
_ District heating and geothermal energy[7]	946	**−25 %**	1,261	1,134
Scope 3 – Greenhouse gas emissions from upstream and downstream stages of the value chain	**8,399**	**53 %**	**5,495**	**5,797**
_ Fuels and energy-related activities not included in Scope 1 or 2	2,373	**−1 %**	2,405	1,898
_ Waste from operating processes	18	**6 %**	17	23
_ Employee commuting	2,758	**85 %**	1,491	2,529
_ Business travel[8,9]	3,250	**105 %**	1,582	1,347
Operational emissions (Scope 1 and 2)	**2,991**	**−18 %**	**3,651**	**3,787**
Total emissions (Scope 1, 2 and 3)[10,11]	**11,390**	**25 %**	**9,147**	**9,584**

1 In determining the carbon footprint, we followed the criteria and definitions of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). The data collection was based on internal guidelines. In addition, we used the following standards to calculate our carbon footprint and selected data on indirect CO_2 emissions (Scope 3): Greenhouse Gas (GHG) Protocol – Corporate Accounting and Reporting Standard, Corporate Value Chain Accounting and Reporting Protocol of the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). All of the ProSiebenSat.1 Group's own sites and employees were included in the carbon footprint. The coverage with measurement data in Scope 1 and 2 is 82% (previous year: 75%). We used the market-based method for the calculation.
2 Excluding electricity for EVs.
3 Light heating oil is used for the emergency power supply in Unterföhring (description in previous year's carbon footprint: "heating oil").
4 By expanding the database to among others include the Commerce & Ventures companies outside the main location Unterföhring, buildings with stationary heat supply (natural gas) were identified for the first time.
5 Scope 2 emissions according to the location-based method amounted to 6,599 tCO_2e in the reporting period (previous year: 7,166 tCO_2e).
6 The location-based emissions in the electricity category amounted to 4,477 tCO_2e in the reporting period (previous year: 5,032 tCO_2e).
7 The location-based emissions in the category district heating and geothermal energy amounted to 2,123 tCO_2e in the reporting period (previous year: 2,133 tCO_2e).
8 Plane, train, rental car, taxi and public transport.
9 In the business travel category, 599 tCO_2e were offset in the reporting period (previous year: 324 tCO_2e).
10 Total emissions according to the location-based method amounted to 16,616 tCO_2e in the reporting period (previous year: 14,244 tCO_2e).
11 The remaining non-reduced and non-compensated emissions in the reporting period were 9,791 tCO_2e (previous year: 8,823 tCO_2e).

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

→ Notes on the carbon footprint

▼ GHG EMISSIONS INTENSITY / GRI 305-4 ▲

	2022	2021[1]	2020
GHG emissions in metric tons CO_2e	11,390	9,147	9,584
Revenues in EUR m	4,163	4,495	4,047
Average FTE[2]	7,501	7,956	7,128
GHG emissions/revenues			
in metric tons CO_2e/EUR m	**2.74**	**2.04**	**2.37**
GHG emissions/average FTE			
in metric tons CO_2e/average FTE	**1.52**	**1.15**	**1.34**

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".
2 The number of average employees is presented in full-time equivalents (FTE).

Waste

Waste at ProSiebenSat.1 mainly occurs from office activities and the cafeteria, since there is no production of physical goods. In addition, there is waste from the current construction project at the main site in Unterföhring. The waste reported here arises from our own activities. Waste generated at the Unterföhring headquarters amounted to 487 t in the period under review (previous year: 527 t), 145 t (previous year: 173 t) of which was attributable to the construction of the new campus. Waste that cannot be recycled is disposed of in an environmentally friendly manner. ProSiebenSat.1 follows local regulations and classifies waste as hazardous or non-hazardous in accordance with the respective national laws. In 2022, the amount of hazardous waste decreased to 0.4 t (previous year: 6 t). As in previous reporting periods, measures to reduce waste and reuse materials were further intensified, for example through the establishment of paperless office concepts. **GRI 306-1, GRI 306-2, GRI 306-3**

Disclosures in accordance with the EU Taxonomy Regulation

▼ With the “European Green Deal,” the European Commission is pursuing a plan to organize the European economy more sustainably in the future and especially to direct capital flows into sustainable economic activities. To enable the categorization of economic activities according to their sustainability, the European Commission has created a classification system with the Taxonomy Regulation, which applies to non-financial statements and reports published after January 1, 2022. The following explanatory notes and tables reflect our interpretation of the current legal situation with regard to the EU Taxonomy Regulation.

Reporting is initially required with respect to the two environmental objectives “climate change mitigation” and “climate change adaptation,” on which the European Commission has published the “Climate Delegated Act” and its Annexes. These contain a description of taxonomy-eligible economic activities. An economic activity is taxonomy-eligible if it is covered by the Taxonomy Regulation (Regulation (EU) 2020/852), i.e. listed in the Annexes of the associated “Climate Delegated Act,” and thus has the potential to be classified as sustainable within the meaning of the Taxonomy Regulation (= taxonomy-aligned). The economic activity is only taxonomy-aligned if the technical screening criteria likewise found in the Annexes and the requirements for minimum social safeguards are met. The technical screening criteria relate firstly to the substantial contribution that an economic activity must make to an environmental objective and secondly to the criteria of “do no significant harm” (DNSH) in regard to other environmental objectives. In the previous year, only eligibility for classification under the Taxonomy Regulation needed to be assessed in accordance with a relief option provided by the EU. The following describes how ProSiebenSat.1 Group has reviewed its taxonomy-eligible economic activities for the financial year 2022 with regard to their taxonomy-alignment and subsequently determined the corresponding taxonomy KPIs related to revenues, capital expenditure and operating expenditures.

The analysis carried out in the previous year regarding taxonomy-eligible economic activities in the areas of "climate change mitigation" and "climate change adaptation" was updated in the reporting year and revalidated by various Group representatives. There was no change in the assessment of the taxonomy-eligibility of the Group's economic activities compared to the previous year.

As a result of the previous year's analysis, the Group has identified various potentially relevant economic activities in relation to the environmental objective of "climate change adaptation," for example activity 8.3. "Programming and broadcasting activities" or 13.3. "Motion picture, video and television program production, sound recording and music publishing activities" in the "Climate Delegated Act." However, no revenues can be assigned to these within the meaning of the taxonomy: In our opinion, these economic activities are not enabling in nature as laid down in the "Climate Delegated Act," which is a requirement in order for them to be reported in relation to revenues. This is understood to refer to an economic activity that directly enables other activities to make a significant contribution to one of the two climate-related environmental objectives of the Taxonomy Regulation. However, this is not the core purpose of ProSiebenSat.1 Group's activities. Moreover, we were unable to identify any capital expenditure or operating expenditures in connection with the environmental objective of "climate change adaptation". In our view, this can be claimed only for expenses that are incurred in order to make an activity climate-resilient, i.e. to reduce the most significant physical climate risks.

In addition, ProSiebenSat.1 Group has identified various taxonomy-eligible activities in connection with the environmental objective of "climate change mitigation" that are linked to capital expenditure and operating expenditures. At ProSiebenSat.1 Group, these mainly relate to expenses for the vehicle fleet (activity 6.5. in the "Climate Delegated Act"), new buildings, renovations, expenses for the maintenance and repair of assets (activities 7.1.-7.7. in the "Climate Delegated Act"), and for data centers (activity 8.1. in the "Climate Delegated Act"). All relevant investment projects were examined with regard to allocation to these activities and marked accordingly in the Group-wide consolidation and reporting system in order to enable the recognition of the associated capital expenditure. All activities were assigned here without ambiguity, so there was no double counting.

As the identified activities exclusively relate to purchased products and services from third parties, evidence of taxonomy-alignment must generally be obtained by requesting the relevant information from these business partners. However, the responses to the requests regarding fulfillment of the substantial contribution criteria, the DNSH criteria, and the minimum safeguards were not sufficient to permit the conclusion of taxonomy-alignment for the financial year 2022. Therefore, ProSiebenSat.1 Group cannot present any taxonomy-aligned KPIs for the financial year 2022. ▲

▼ ENVIRONMENTAL RESPONSIBILITY ▲

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

REVENUES

▼ The underlying revenues correspond to the revenues reported in the consolidated income statement. No revenues from taxonomy-eligible economic activities were identified for the financial year 2022. ▲

→ Group Earnings

▼ REVENUES 2022 ▲

Proportion of Revenues from products or services associated with taxonomy-aligned economic activities

				Substantial contribution criteria					
Economic activites	Code(s)	**Absolute Revenues**	**Proportion of Revenues**	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems
		in EUR m	in %	in %	in %	in %	in %	in %	in %
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
Revenues of environmentally sustainable activities (taxonomy-aligned) (A.1)		—	—						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
Revenues of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		—	—						
Total (A.1 + A.2)		—	—						
B. Taxonomy-non-eligible activities									
Revenues of taxonomy-non-eligible activities (B)		**4,163**	**100.0**						
Total (A + B)		**4,163**	**100.0**						

▼ REVENUES 2022 ▲

	DSNH criteria ("Do not significantly harm")										
Economic activites	Climate change miti-gation	Climate change adap-tation	Water & marine resources	Circular economy	Pollution	Bio-diversity & eco-systems	Mini-mum safe-guards	**Taxo-nomy-aligned propor-tion of Reve-nues 2022**	Taxo-nomy-aligned propor-tion of Revenues 2021	Category (enabling activity)	Category (transitio-nal activitiy)
	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	in %	in %	E	T
A. Taxonomy-eligible activities											
A.1. Environmentally sustainable activities (taxonomy-aligned)											
Revenues of environmentally sustainable activities (taxonomy-aligned) (A.1)								—			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)											
Revenues of Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)											
Total (A.1 + A.2)								—			
B. Taxonomy-non-eligible activities											
Revenues of taxonomy-non-eligible activities (B)											
Total (A + B)											

CAPITAL EXPENDITURES (CAPEX)

▼ ProSiebenSat.1 Group's capital expenditure comprises additions to programming assets, other intangible assets as well as property, plant and equipment and rights-of-use to property, plant and equipment. In the financial year 2022, there were additions due to changes in the scope of consolidation. These are taken into account for accordingly.

Taxonomy-eligible capital expenditures are related to the Group's vehicle fleet, new buildings or renovations, data centers and spending on the maintenance and servicing of assets. The largest contribution comes from the new campus building in Unterföhring.

For the identification of the KPI accounted for the relevant leasing accounts, on which in particular additions relating to buildings and the vehicle fleet are booked. In addition, the capital expenditure marked as taxonomy-eligible in the Group-wide consolidation and reporting system was also included.

The potential taxonomy-alignment of these activities could not be confirmed due to insufficient information from business partners. For the financial year 2022, ProSiebenSat.1 Group has not identified any expenditure in connection with the environmental objective of "climate change adaptation". ▲

→ Notes to Consolidated Financial Statements, Notes to the Consolidated Statement of Financial Position

▼ CAPITAL EXPENDITURE (CAPEX) 2022 ▲

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

				Substantial contribution criteria					
Economic activites	Code(s)	**Absolute CapEx**	**Proportion of CapEx**	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems
		in EUR m	in %	in %	in %	in %	in %	in %	in %
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		—	—						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
Transport by motorbikes, passenger cars and light commercial vehicles	6.5.	2	0.2						
Construction of new buildings	7.1.	53	4.5						
Renovation of existing buildings	7.2.	0	0.0						
Installation, maintenance and repair of energy efficiency equipment	7.3.	2	0.2						
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4.	0	0.0						
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5.	0	0.0						
Acquisition and ownership of buildings	7.7.	16	1.4						
Data processing, hosting and related activities	8.1.	6	0.5						
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**80**	**6.8**						
Total (A.1 + A.2)		**80**	**6.8**						
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible activities (B)		**1,099**	**93.2**						
Total (A + B)		**1,179**	**100.0**						

▼ CAPEX 2022 ▲

	DSNH criteria ("Do not significantly harm")										
Economic activites	Climate change miti-gation	Climate change adap-tation	Water & marine resources	Circular economy	Pollution	Bio-diversity & eco-systems	Mini-mum safe-guards	**Taxo-nomy-aligned propor-tion of CapEx 2022**	Taxo-nomy-aligned propor-tion of CapEx 2021	Category (enabling activity)	Category (transitio-nal activitiy)
	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	in %	in %	E	T
A. Taxonomy-eligible activities											
A.1. Environmentally sustainable activities (taxonomy-aligned)											
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)								—			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)											
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)											
Total (A.1 + A.2)								—			
B. Taxonomy-non-eligible activities											
CapEx of Taxonomy-non-eligible activities (B)											
Total (A + B)											

OPERATING EXPENSES (OPEX)

▼ Operating expenses in accordance with the definition in the EU Taxonomy, which essentially comprise non-capitalized expenses for servicing and maintenance of property, plant and equipment as well as research and development, came to EUR 29 million for the ProSiebenSat.1 Group in the reporting period. These expenses are not material (<1%) in the context of the Group's total spending. Thus, there are no material operating expenses related to taxonomy-eligible or -aligned activities. ▲

▼ OPERATING EXPENSES (OPEX) 2022 ▲

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

				Substantial contribution criteria					
Economic activites	Code(s)	**Absolute OpEx**	**Proportion of OpEx**	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems
		in EUR m	in %	in %	in %	in %	in %	in %	in %
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (taxonomy-aligned)									
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		—	—						
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		—	—						
Total (A.1 + A.2)		—	—						
B. Taxonomy-non-eligible activities									
OpEx of taxonomy-non-eligible activities (B)		**29**	**100.0**						
Total (A + B)		**29**	**100.0**						

▼ OPEX 2022 ▲

Economic activites	Climate change mitigation	Climate change adaptation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx 2022	Taxonomy-aligned proportion of OpEx 2021	Category (enabling activity)	Category (transitional activitiy)
	DSNH criteria ("Do not significantly harm")										
	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no	in %	in %	E	T
A. Taxonomy-eligible activities											
A.1. Environmentally sustainable activities (taxonomy-aligned)											
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)								–			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)											
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)											
Total (A.1 + A.2)								–			
B. Taxonomy-non-eligible activities											
OpEx of taxonomy-non-eligible activities (B)											
Total (A + B)											

GOVERNANCE & COMPLIANCE

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

→ Management Declaration → Compensation Report

▼ The Executive Board of ProSiebenSat.1 Media SE is convinced that sustainable economic success in a competitive environment can be achieved only by ensuring that business practices comply with the applicable laws. In addition to preventing corruption, ProSiebenSat.1 Group particularly focuses on the issues of money laundering prevention, sanctions and embargoes, as well as data protection, in the area of compliance. ProSiebenSat.1 Group has implemented a compliance management system (CMS) for these legal areas.

The main objective of the CMS is to permanently anchor integrity as well as conduct that complies with guidelines and regulations in the thinking and actions of all employees, and thus to prevent violations of laws and regulations. The central compliance organization is made up of the Compliance Committee and the Group Compliance department headed by the Chief Compliance Officer (CCO), which are assisted in the performance of their duties by experts from other areas, such as the Legal Affairs and Internal Audit. In addition, Unit Compliance Officers (UCOs) have been appointed who are responsible for the CMS at Group entities and are in direct contact with the respective subject experts. The delegation of compliance responsibilities is governed by the "Compliance Management System" guideline. The responsibilities and areas of responsibility in the management of the Group entities, the establishment of a uniform Group-wide reporting system, and cooperation between the entitiesand Group Compliance are thus clearly assigned. Responsibility for antitrust law was transferred from Group Compliance to Legal Affairs as part of the update of delegation in 2021. Nevertheless, the following information also relates to antitrust provisions.

In its Code of Conduct ProSiebenSat.1 Group has laid down basic guidelines and policies. These define the general standards for conduct in business, legal and ethical matters and also govern how employees can report misconduct in the Company. They serve all members of the Executive Board, the management of the Group entities, and the employees of ProSiebenSat.1 Group as a binding reference and regulatory framework for dealing both with each other and with business partners, customers, suppliers, and other third parties. The new Code of Conduct came into force in January 2022 and replaces the previous Code as a unifying element across all segments of ProSiebenSat.1 Group.

Another central compliance instrument for ProSiebenSat.1 Group is the whistleblower system. In addition to internal reporting channels, until December 2022 it was also possible to report legal violations anonymously via an external ombudsman service. The ability to submit anonymous reports has been replaced in January 2023 by the introduction of an electronic whistleblower system. This also covers the complaints procedure under the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LKSG). Regardless of the chosen reporting channel, the Chief Compliance Officer must promptly inform the management of reports of serious suspicions that following preliminary internal evaluation prove to be potentially justified or have particularly high potential for damage.

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

In addition, ProSiebenSat.1 Group has implemented a compliance training concept that includes both online and classroom trainings. Online trainings are mandatory for all employees and are intended to provide a basic understanding of the main compliance risks. The online trainings must be repeated every two years, the online “occupational health and safety” training every year. The classroom trainings, most of which once again took place virtually in 2022, are targeted at risk groups and carried out by Legal Affairs, Group Compliance, HR Law, Taxes, Corporate Information Security, the Data Protection Officer and the Youth Protection Officers for their individual areas. In addition, ProSiebenSat.1 Group offers seminars for the managers of German affiliated entities at its P7S1 Academy to give them a comprehensive overview of their rights and obligations as well as the relevant legal bases. ▲
GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26

COMPLIANCE TRAININGS GRI 2-26

	2022			2021		
Topic	Events (live/virtual)	Participants (live/virtual)	Online trainings	Events (live/virtual)	Participants (live/virtual)	Online trainings
Media, copyright, advertising law, German Unfair Competition Act (UWG)	6	193	—	5	114	6,549[1]
Compliance[2]	18	245	5,188[1]	5	48	
Antitrust law	2	41				
Money laundering	2	67		—	—	
Sanctions & embargoes	1	25		—	—	
General Act on Equal Treatment (AGG), labour law	1	7	3,280	5	55	5,544
Data protection	24	545	3,498	19	385	5,876
Information security	—	—	6,344	—	—	3,243
Youth protection	2	24	417	4	62	376
Occupational health and safety	—	—	7,360	—	—	7,385
Tax law	3	4	—	4	7	—
Management seminars	7	48	—	4	47	—

1 Since October 2021 incl. money laundering and sanctions & embargoes and excl. media, copyright, advertising law, German Unfair Competition Act (UWG).
2 Trainings on the compliance management system and anti-corruption.

Effective January 1, 2023, ProSiebenSat.1 Group falls under the scope of the LKSG. The LKSG requires German companies to provide protection against risks relating to human rights and the environment in their supply chain (including of their own business area). 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.

Anti-corruption and Antitrust Law

▼ Legally compliant behavior and the prevention of violations of laws and regulations are a prerequisite for a company's sustainable success. Therefore, preventing corruption and anti-competitive behavior is highly relevant to business and represents an important success factor for achieving corporate goals. Free competition is a key pillar of our economic system and is given special protection by antitrust laws and criminal law. Violations of competition laws may result in large fines and claims for damages that may affect not only the Company but also employees personally. In addition, corruption offenses can result in fines or custodial sentences. In order to obtain an independent assessment of the CMS, an audit firm conducted a review of the anti-corruption component during 2022. For 2022, as in the previous year, we are not aware of any investigations into the Group, its subsidiaries or employees of ProSiebenSat.1 Group with regard to corruption offenses or antitrust violations. ▲ **GRI 205-1, GRI 205-3, GRI 206-1**

Data Protection

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

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

In 2022, there were nine cases (previous year: nine) of substantiated complaints regarding the violation of customers' privacy at companies of ProSiebenSat.1 Group in Germany, of which eight (previous year: nine) were from external parties, one (previous year: none) from regulatory authorities. Furthermore, 20 cases of data leaks, data theft, or data loss were reported, of which only two cases (previous year: twelve) had to be reported in accordance with GDPR. ▲ **GRI 418-1**

Information Security

Various types of information are of key importance to the business activities of ProSiebenSat.1. Ensuring that business processes, IT, infrastructure and critical information are kept sufficiently secure is therefore a strategic factor in the Group's competitiveness. Company-wide, process-oriented information security serves as a tool for identifying relevant risks in good time and dealing with them appropriately. The IT Security division in particular is responsible for the protection of IT systems. As a holding function, the Information Security Office defines guidelines, organizes assessments and penetration tests – including for websites and online shops – as well as e-learning courses and trainings, and is responsible for incident and risk management. It also provides advice within the Group on issues relating to information security. Every two years assessments of the Information Security Management System (ISMS) are carried out in accordance with ISO 27001 and confirmed a high maturity level overall in 2021. The Information Security Guidelines define the fundamental principles and minimum requirements for handling information at ProSiebenSat.1 Group. They apply to all business units and areas worldwide and to all associated subsidiaries with majority shareholdings and their employees. In addition, they apply to all internal and external service providers, business partners, and other third parties that collect, process or use company information of ProSiebenSat.1 Group and that have committed to comply with the guidelines.

The Information Security Office registers cases throughout the Group that violate the security objectives of confidentiality, integrity, availability, or authenticity of information, IT systems and/or other assets and have resulted or could result in a loss for ProSiebenSat.1 Group. In the period under review, most of the cases are minor data protection cases, such as to misdirected e-mails or accidentally unhidden mailing lists. In addition, there were also cases of phishing attacks or attempts to infiltrate the Group with malware.

In 2022, 26 cases were reported at companies of ProSiebenSat.1 Group in Germany. Of these, 20 cases also related to possible data leaks as well as data theft or data loss.
GRI 416-1, GRI 416-2

Media Regulation

▼ The issues that are relevant to ProSiebenSat.1 Group from the point of view of media law include journalistic independence, the principles of the separation of advertising and programming, and the requirements for the protection of young people. These issues also form part of our Code of Conduct. For 2022, we recorded a total of 17 violations (previous year: twelve) of journalistic due diligence, program principles, and provisions for the protection of minors and personal rights.

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

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

Provisions for the protection of young people are also considered very important in the context of media regulation. ProSiebenSat.1 Group's youth protection officers play a key role in this. They are tasked with making sure that all TV and online content for which the Group is responsible is offered in an age-appropriate way. The goal is to make it difficult for children and young people to gain access to content that is unsuitable for their age group. The German Interstate Treaty on Youth Protection in the Media (Jugendmedienschutz-Staatsvertrag, JMStV) and the German Youth Protection Act (Jugendschutzgesetz, JuSchG) stipulate clear requirements for this. The youth protection officers are autonomous in their assessments and are responsible for advising stations so that content that is unsuitable for children and young people is broadcast only at the legally stipulated times. Moreover, the youth protection officers are involved in the conception, production, and purchasing of programs as early as possible. At the same time, they are expected to ensure that technical means are used (e.g. PIN procedures or the filtering software JusProg) for dissemination of content that is relevant to the protection of young people on the Group's websites. The youth protection officers carry out internal training for TV and online editors and themselves participate in the certification program in accordance with JuSchG. In addition, youth protection is actively involved in the committees of the Voluntary Self-Regulation of Television Association (Freiwillige Selbstkontrolle Fernsehen, FSF) and the Voluntary Self-Monitoring of Multimedia Service Providers Association (Freiwillige Selbstkontrolle Multimedia Diensteanbieter, FSM). ▲
GRI 416-1, GRI 416-2

Other significant instances of non-compliance

In 2022, there was one reportable event regarding a possible violation of laws or regulations. This was a possible violation of the State Treaty on Gambling, which resulted in a prohibition by the administrative authority. Legal action was taken against this prohibition in the form of an action for annulment. No fine was imposed.

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. **GRI 2-27**

→ Significant Events and Changes in the Scope of Consolidation

COMPENSATION REPORT

INTRODUCTION

The Compensation Report describes the main features of the compensation system for the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE for the financial year 2022. It explains the structure and level of compensation of the individual current or former members of the Executive Board and Supervisory Board. In line with the German Act for the Implementation of the Second Shareholder Rights Directive (ARUG II) and the German Corporate Governance Code (GCGC), the Supervisory Board adopted changes to the compensation system for the members of the Executive Board and submitted the compensation system for the Annual General Meeting's approval on June 1, 2021. The Annual General Meeting approved the compensation system for the members of the Executive Board by a broad majority of around 96%. The new compensation system (hereinafter: 2021 compensation system) applies to all new Executive Board employment contracts and to contract extensions. Due to the appointment of Ralf Peter Gierig as Group CFO as of January 1, 2022, and of Bert Habets as Group CEO as of November 1, 2022, the 2021 compensation system was applied to both. For the ongoing Executive Board employment contracts of Wolfgang Link and Christine Scheffler, the previous compensation system (hereinafter: 2018 compensation system) continued to apply in the financial year 2022, which was approved by a similarly broad majority of around 93% at the Annual General Meeting on May 16, 2018. For the former Group CEO Rainer Beaujean, whose contract was extended effective July 1, 2022, the 2018 compensation system was applied pro rata from January to June 2022 and the new 2021 compensation system from July to his departure at the end of October 2022.

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.

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

The Compensation Report for the previous financial year was approved by a broad majority of around 95% at the Annual General Meeting on May 5, 2022. Therefore, the format and content of this Compensation Report are based on the previous year's Compensation Report.

The Compensation Report also takes into account the recommendations of the German Corporate Governance Code (GCGC) in the version of April 28, 2022 (see the December 2022 Declaration of Compliance updated by the Declaration of April 2023).
→ www.prosiebensat1.com/en/investor-relations/corporate-governance/management-declaration

COMPENSATION OF THE EXECUTIVE BOARD

Responsibility and Procedure for Determining Executive Board Compensation

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

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

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

DETERMINING EXECUTIVE BOARD COMPENSATION

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

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

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

Principles of the Compensation System and Relationship to Corporate Strategy

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

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

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

In designing both the 2018 and 2021 compensation systems, the Supervisory Board was guided by the following principles:

PRINCIPLES OF EXECUTIVE BOARD COMPENSATION

The Executive Board Compensation includes ...

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

The Executive Board Compensation avoids ...

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

Overview of the 2018 and 2021 Compensation Systems

Both Executive Board compensation systems comprise non-performance-based (fixed) and performance-based (variable) components. The fixed components include the basic compensation, the fringe benefits and the Company pension. The variable components include the Short-Term

Incentive (STI) as the short-term variable compensation ("Performance Bonus") and the Long-Term Incentive (LTI) as the long-term variable compensation ("Performance Share Plan").

Among other things, the revised 2021 compensation system defines maximum compensation for Executive Board members, expands the existing clawback provision, and adds a malus provision to the variable compensation. Following the revision, the financial performance targets for the variable compensation were also adjusted to the Group strategy. These are in line with the strategic objective of continuous value enhancement of ProSiebenSat.1 Group. In addition, relevant and simultaneously quantifiable ESG (Environmental, Social, Governance) targets were integrated as separate sub-components of the Short-Term Incentive into the Executive Board compensation system, where they replace the previous modifier for non-financial targets. The change of control clause was adjusted so that Executive Board members are no longer entitled to a severance payment if the special right of termination is exercised following a change of control.

The table below provides an overview of individual compensation and other contractual components of the two compensation systems, which are then described in detail:

COMPARISON OF THE COMPENSATION SYSTEMS

2018 compensation system		2021 compensation system
	Non-Performance-Based (fixed) Compensation	
– Fixed base salary which corresponds to the area of activity and responsibility of the respective Executive Board member and is paid in monthly installments.	**Base salary**	– Fixed base salary which corresponds to the area of activity and responsibility of the respective Executive Board member and is paid in monthly installments.
– Non-performance-based fringe benefits, particularly in the form of provision of a company car, group accident insurance, insurance policy contributions.	**Fringe benefits**	– Non-performance-based fringe benefits, particularly in the form of provision of a company car, group accident insurance, insurance policy contributions.
– Defined contribution plan: Annual payment into a pension account in the amount of 20% of the gross base salary. – Payout either as a monthly retirement payment or as a one-off retirement payment (after reaching the age of 62).	**Company pension scheme**	– Defined contribution plan: Annual payment into a pension account in the amount of 20% of the gross base salary. – Payout either as a monthly retirement payment of as a one-off retirement payment (after reaching the age of 62).
	Performance-Based (variable) Compensation	
	Short-Term Incentive (STI)	
– Target bonus system	**Type of plan**	– Target bonus system
– 1 year	**Performance period**	– 1 year
– 50%: EBITDA (target achievement 0% - 200%). – 50%: Free cash flow (target achievement 0% - 200%). – Modifier: 0.8 – 1.2 for individual targets and team targets.	**Performance targets**	– 40%: adjusted EBITDA (target achievement 0% - 200%). – 40%: adjusted Operating FCF (target achievement 0% - 200%). – 20%: ESG targets (target achievement 0% - 200%).
– In cash after the end of the financial year (cap: 200% of the target amount).	**Payout**	– In cash after the end of the financial year (cap: 200% of target amount).
	Long-Term Incentive (LTI)	
– Performance Share Plan	**Type of plan**	– Performance Share Plan
– 4 years	**Performance period**	– 4 years
– 50%: adjusted net income (target achievement 0% - 200%). – 50%: relative TSR compared to the STOXX Europe 600 Media Index (target achievement 0% - 200%).	**Performance targets**	– 70%: P7S1 ROCE (target achievement 0% - 200%). – 30%: relative TSR compared to the STOXX Europe 600 Media Index (target achievement 0% - 200%).
– In cash after the end of the performance period of the respective tranche (cap: 200% of the allocation amount).	**Payout**	– In cash after the end of the performance period of the respective tranche (cap: 200% of the allocation amount).

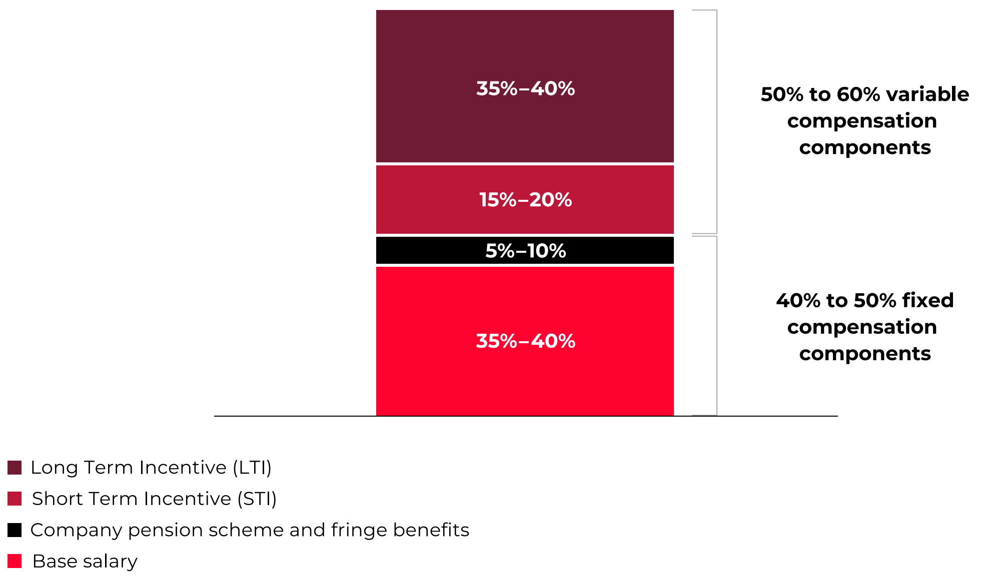
	Further Contractual Components	
– Full or partial reclaim of compensation already paid out under the STI in case of an incorrect consolidated financial statement.	**Malus- and Clawback-provisions**	– Full or partial reduction of unpaid variable compensation (STI and LTI) and also reclaim of variable compensation already paid out in the event of material compliance violations and an incorrect consolidated financial statement.
– 100% of the gross base salary.	**Share Ownership Guidelines**	– 200% of the gross base salary for the Chairman of the Executive Board. – 100% of the gross base salary for the other members of the Executive Board.
– No maximum compensation.	**Maximum compensation**	– EUR 7,500,000 for the Chairman of the Executive Board. – EUR 4,500,000 for the Ordinary Members of the Executive Board.
– Limitation of severance commitments in the event of premature termination of Executive Board contact without good cause to the amount of two years' total compensation (severance cap), but not exceeding the amount of compensation that would have been paid until the end of the contract period. – Change of control clause: Entitlement to a severance payment in the event of termination in the context of a change of control.	**Commitments in the event of termination of Executive Board employment**	– Limitation of severance commitments in the event of premature termination of Executive Board contact without good cause to the amount of two years' total compensation (severance cap), but not exceeding the amount of compensation that would have been paid until the end of the contract period. – Change of control clause: Non entitlement to severance payment in the event of a change control.

Structure and Components of Executive Board Compensation

The total compensation of an Executive Board member comprises the sum of the fixed and variable compensation components. In order to follow the "pay for performance" principle of compensation, the Supervisory Board ensures that the target amount of variable compensation (in the event of 100% target achievement) exceeds the fixed compensation. In addition, a focus on the long-term development of ProSiebenSat.1 Group is ensured by weighting the Long-Term Incentive higher than the Short-Term Incentive.

With the aim of granting Executive Board members compensation that is equally appropriate and competitive in terms of amount and structure, the Supervisory Board defined bands for the weighting of the individual compensation components (in the event of 100% target achievement in variable compensation) in the 2021 compensation system, which are shown in the graphic below:

COMPENSATION STRUCTURE



In accordance with the contractually agreed target compensation, the weighting of the individual compensation components (excluding Company pension scheme and fringe benefits) for all Executive Board members in the 2018 compensation system is 40 : 20 : 40 (basic compensation : Short-Term Incentive : Long-Term Incentive).

NON-PERFORMANCE-BASED COMPENSATION

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

BASIC COMPENSATION

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

FRINGE BENEFITS

In addition, Executive Board members receive non-performance-based fringe benefits (particularly, the provision of company cars that can also be used privately, group accident insurance, insurance policy contributions, and occasionally the reimbursement of costs associated with joining the Company (e.g. flights home, relocation costs, housing cost allowance)).

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

COMPANY PENSION SCHEME

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

As of December 31, 2022, pension provisions measured in accordance with IFRS for active and former Executive Board members totaled EUR 24.3 million before netting with plan assets. In accordance with Section 162 (5) AktG, disclosures regarding former Executive Board members who left the Executive Board more than ten years ago are not made personalized, but as a total under Others.

AMOUNT OF PENSION OBLIGATION (DBO) AS OF DECEMBER 31, 2022

in EUR k

	Amount of pension obligation (DBO)	thereof entitlements from deferred compensation
	Executive Board members in office in the financial year	
Bert Habets	22.6	—
Ralf Peter Gierig	496.9	363.3
Wolfgang Link	391.0	—
Christine Scheffler	510.3	171.8
Rainer Beaujean	774.6	—
Total	**2,195.5**	**535.1**
	Former members of the Executive Board	
Conrad Albert	3,224.2	1,750.4
Andreas Bartl	752.0	—
Thomas Ebeling	8,284.6	6,617.8
Jan David Frouman	580.7	217.2
Dr. Ralf Schremper	246.9	—
Heidi Stopper	327.1	—
Christof Wahl	311.1	—
Dr. Christian Wegner	1,211.3	484.7
Dr. Gunnar Wiedenfels	265.4	265.4
Total Others	6,944.8	3,491.2
Total	**22,148.1**	**12,826.6**
Total	**24,343.6**	**13,361.8**

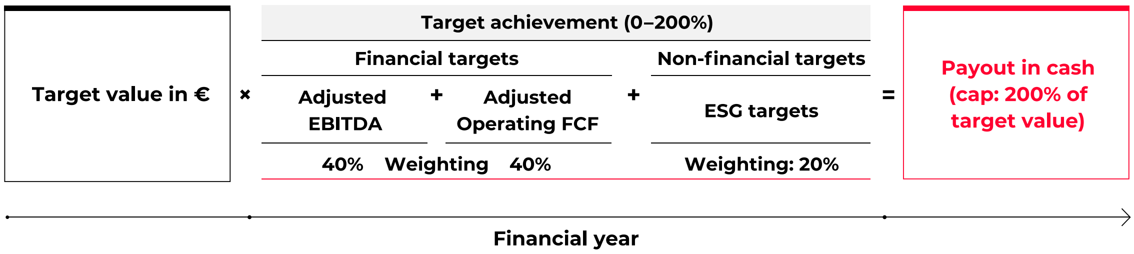
PERFORMANCE-BASED COMPENSATION

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

SHORT-TERM INCENTIVE (PERFORMANCE BONUS) – 2021 COMPENSATION SYSTEM

For Bert Habets and Ralf Peter Gierig, the STI in the financial year 2022 was designed in accordance with the 2021 compensation system. The Short-Term Incentive depends on ProSiebenSat.1 Group's business performance in the past financial year. It is calculated on the basis of the achievement ascertained for the financial year of adjusted EBITDA and adjusted operating free cash flow (adjusted operating FCF) targets at Group level and of ESG targets. The weighted target achievements are aggregated after the end of a financial year, with the two financial performance indicators being weighted at 40% each and the ESG targets at 20%. The final payment is capped at a maximum of 200% of the individual target amount agreed in each employment contract.

HOW THE SHORT-TERM INCENTIVE WORKS – 2021 COMPENSATION SYSTEM



ADJUSTED EBITDA AT GROUP LEVEL

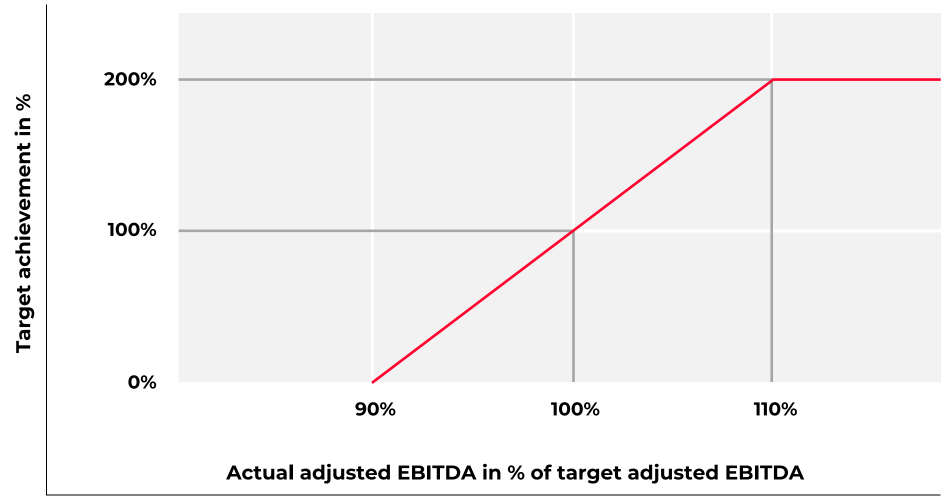
Adjusted EBITDA is one of the most important financial performance indicators in ProSiebenSat.1 Group's management system based on key figures and helps the Executive Board assess the operating profitability of the Group and its segments. This performance indicator thus replaces EBITDA in the previous Performance Bonus (STI).

Adjusted EBITDA stands for adjusted earnings before interest, taxes, depreciation and amortization. It describes the operating result (earnings before interest, taxes, depreciation, and amortization) adjusted for certain influencing factors (see "Treatment of Reconciling Items in the 2021 Compensation System"). Adjusted EBITDA is an industry-standard and frequently used measure of operating earnings, which in our Entertainment, Dating & Video and Commerce & Ventures segments provides a high degree of comparability with other businesses and is also regularly used on the capital market for enterprise valuations. ProSiebenSat.1 Group reports on adjusted EBITDA in its regular financial reporting.

Before the start of a financial year, the Supervisory Board sets the target value in EUR for adjusted EBITDA, adopting the budgeted value from the budget planning for the respective financial year as the 100% value. To ascertain the target achievement, the actual adjusted EBITDA as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE is compared with the target value for the respective financial year.

If the achieved adjusted EBITDA corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target value of 10% or more. To reach the maximum target achievement of 200%, the achieved adjusted EBITDA must exceed the target value by 10% or more. Intermediate values are interpolated in a straight line.

ADJUSTED EBITDA TARGET ACHIEVEMENT CURVE



ADJUSTED OPERATING FREE CASH FLOW AT GROUP LEVEL

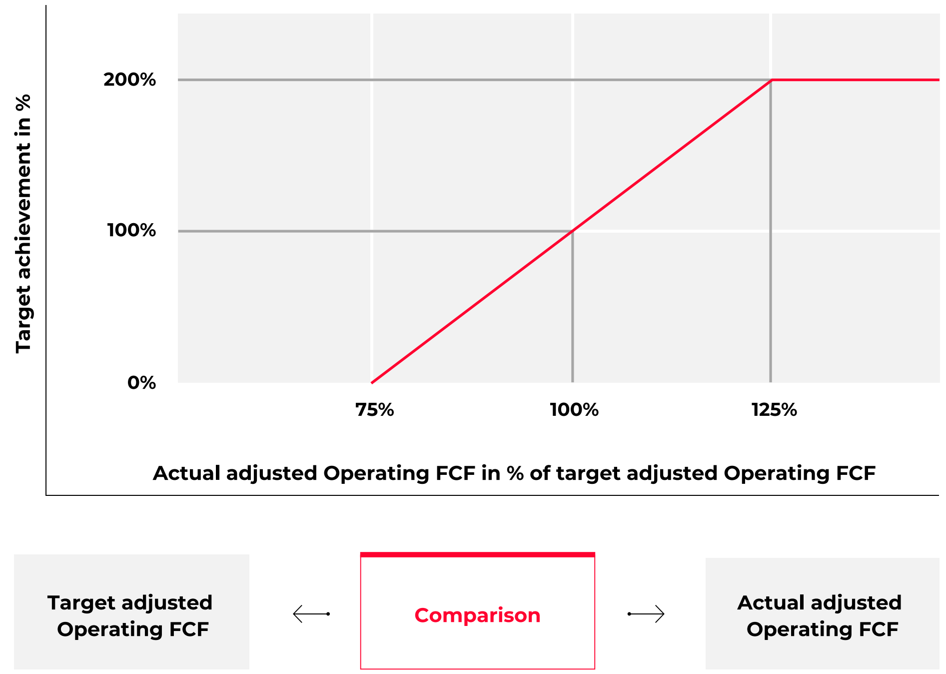
For the segments' focused operating cash flow management, the Group introduced adjusted operating FCF as the most important financial performance indicator from financial year 2021 instead of the previous segment management. This thus replaces free cash flow before M&A in the previous Performance Bonus (STI).

Adjusted operating FCF is defined as operating free cash flow before interest and taxes. It 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. Working capital is primarily calculated as current assets less cash and cash equivalents and current liabilities. All changes from reconciling items corrected for in adjusted EBITDA (see "Treatment of Reconciling Items in the 2021 Compensation System") are likewise corrected for in working capital. Adjusted operating FCF is one of the most important performance indicators in ProSiebenSat.1 Group's financial and liquidity planning. It is also an important measure for shareholders, as it reflects the cash and cash equivalents generated with operating business, which in turn make up a significant portion of the cash and cash equivalents available for distributions to shareholders. ProSiebenSat.1 Group reports on adjusted operating FCF in its regular financial reporting.

Before the start of a financial year, the Supervisory Board sets the target value in EUR for adjusted operating FCF, adopting the budgeted value from the budget planning for the respective financial year as the 100% value. To ascertain the target achievement, the actual adjusted operating FCF as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE is compared with the target value for the respective financial year.

Because adjusted operating FCF is smaller than adjusted EBITDA in absolute terms and thus more volatile, it is a challenge to set a target value that is both ambitious and plausible. Therefore, the Supervisory Board provides for a broader target achievement corridor in both directions (+/- 25%). If the achieved adjusted operating FCF corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target value of 25% or more. To reach the maximum target achievement of 200%, the achieved adjusted operating FCF must exceed the target value by 25% or more. Intermediate values are interpolated in a straight line.

ADJUSTED OPERATING FCF TARGET ACHIEVEMENT CURVE



ESG TARGETS AT GROUP LEVEL

The successive implementation of ProSiebenSat.1 Group's sustainability strategy is tracked by annual ESG targets at Group level in the Short-Term Incentive. This enables relevant and simultaneously quantifiable ESG targets to be taken into account in line with the annual targets for the implementation of the sustainability strategy. As part of budget approval, the Supervisory Board therefore sets binding, specific, and measurable targets from a defined list of criteria before the start of the respective financial year. The list of criteria comprises ecological and social targets derived from the fields of action of the sustainability strategy. These currently include the issues of social responsibility, diversity and inclusion, climate and environment, and compliance. For example, they relate to making ProSiebenSat.1 Group climate neutral by 2030, among other things by reducing CO_2 emissions, to the expansion of accessible content with more subtitled programming and audio description, and to the increased, responsible use of media reach for sociopolitically relevant issues.

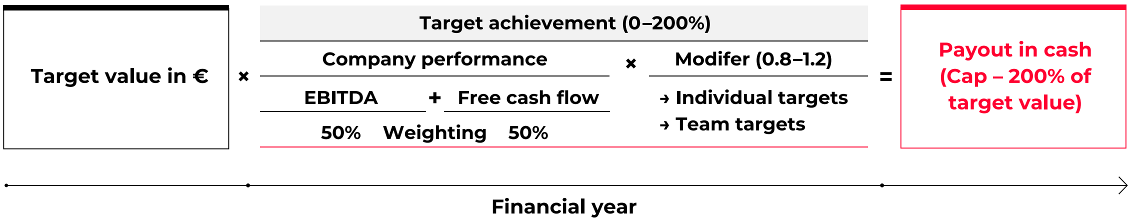
Before the start of a financial year, the Supervisory Board defines a quantifiable target value for each ESG target as part of the budget discussion. To ascertain the target achievement, the value actually achieved is compared with the target value for the respective financial year.

If the value achieved corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a significant negative deviation from the target value. To reach the maximum target achievement of 200%, the value achieved must significantly exceed the target value.

SHORT-TERM INCENTIVE (PERFORMANCE BONUS) – 2018 COMPENSATION SYSTEM

For Wolfgang Link, Christine Scheffler and pro rata for Rainer Beaujean, the STI in the financial year 2022 was designed in accordance with the 2018 compensation system. The Short-Term Incentive is calculated on the basis of the target achievement (0% - 200%) identified for the financial year for EBITDA and free cash flow before M&A (referred to hereinafter as FCF or free cash flow), both at Group level, and a modifier (0.8 - 1.2) for the assessment of the individual and collective performance of the Executive Board members. The final payment is capped at a maximum of 200% of the individual target amount agreed in each employment contract.

HOW THE SHORT-TERM INCENTIVE WORKS – 2018 COMPENSATION SYSTEM



EBITDA AT GROUP LEVEL

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

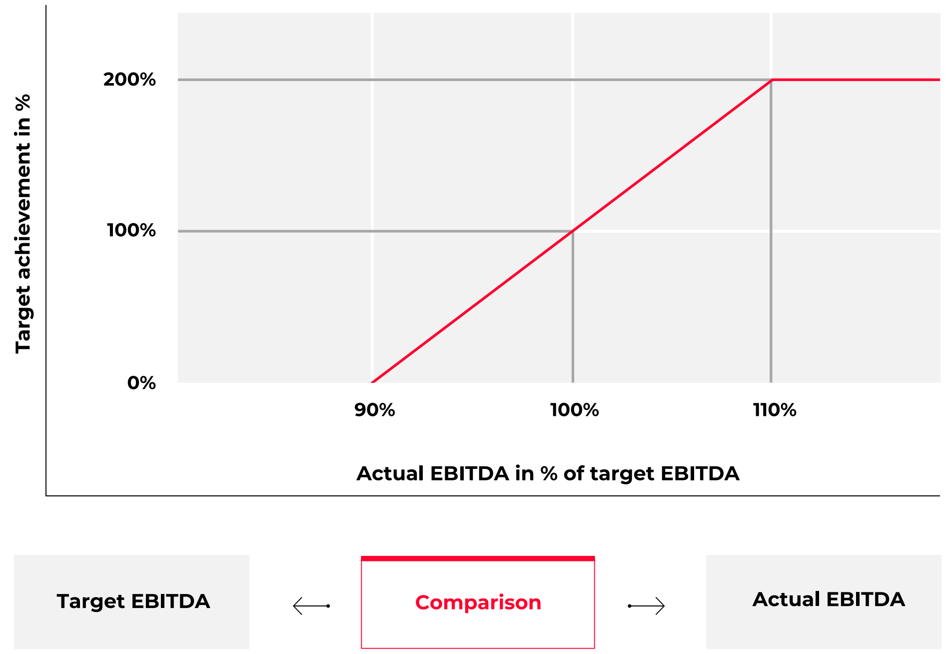
The EBITDA target value is set annually by the Supervisory Board in EUR and is derived from budget planning for ProSiebenSat.1 Group. The financial effects of operational and strategic measures are reflected in the budget planning.

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

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

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

EBITDA TARGET ACHIEVEMENT CURVE



FREE CASH FLOW AT GROUP LEVEL

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

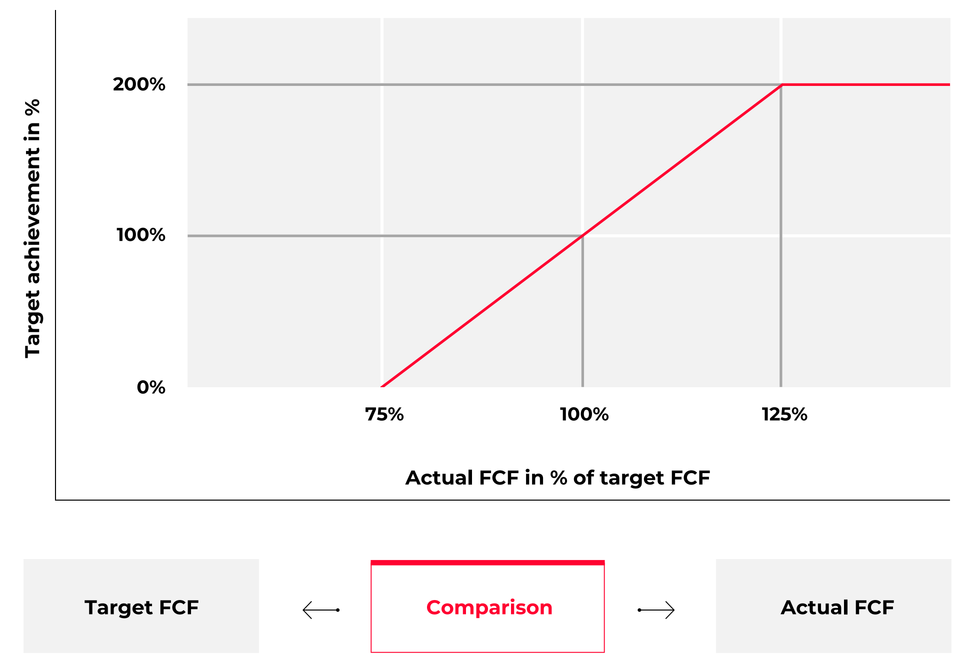
The FCF target value is set annually by the Supervisory Board in EUR and is derived from budget planning for ProSiebenSat.1 Group. The financial effects of operational and strategic measures are reflected in the budget planning.

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

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

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

FREE CASH FLOW (FCF) TARGET ACHIEVEMENT CURVE



MODIFIER

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

PAYMENT DATE

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

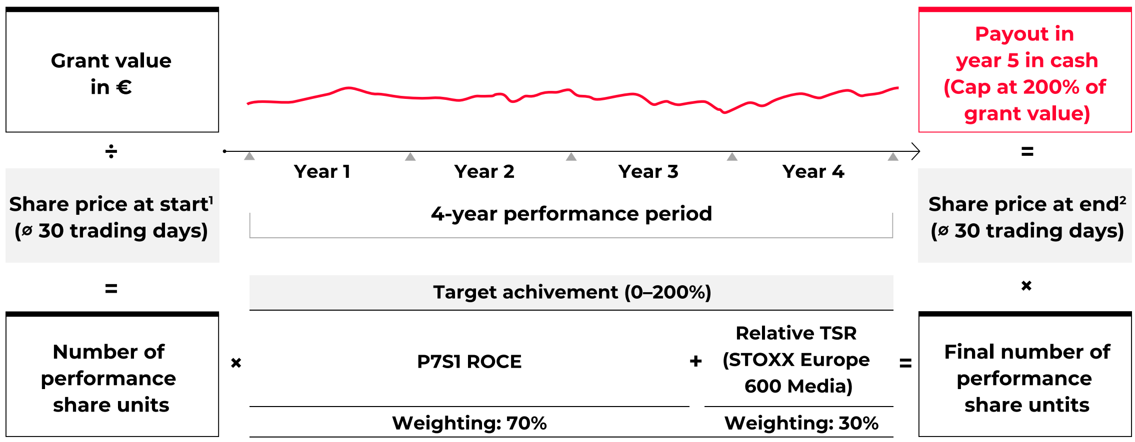
LONG-TERM INCENTIVE (PERFORMANCE SHARE PLAN)

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

The payout depends on the development of ProSiebenSat.1 Media SE's share price as well as on the Company's internal and external performance. In the 2021 compensation system, the Company's performance is measured based on P7S1 ROCE (return on capital employed) at Group level with a weighting of 70% and the relative total shareholder return (TSR – shareholder return for ProSiebenSat.1 shares compared to shareholder return for companies in the selected comparison index STOXX Europe 600 Media) with a weighting of 30%. In the 2018 compensation system, the Company's performance is measured based on adjusted net income at Group level as well as the relative total shareholder return, each with a weighting of 50%.

An individual grant value is specified in the service contract for each member of the Executive Board. With effect from the start of a financial year, a number of performance share units (PSUs) corresponding to the grant value will be granted on the basis of the volume-weighted average XETRA closing price of the ProSiebenSat.1 share over the 30 trading days preceding the start of the financial year. Following the end of the four-year performance period, the granted performance share units are converted into a final number of performance share units according to total target achievement, which is determined according to the weighted target achievement for P7S1 ROCE and relative TSR (2021 compensation system) or for adjusted net income and relative TSR (2018 compensation system). The payout amount for each performance share unit is equal to the volume-weighted average XETRA closing price of ProSiebenSat.1's shares over the 30 trading days preceding the end of the performance period, plus cumulative dividend payments over the performance period on the ProSiebenSat.1 share. Because the dividend is included in the calculation of the payout amount, the Executive Board is in a neutral position regarding the distribution of dividends and has no incentive not to distribute profits. The payout amount is limited to a maximum of 200% of the individual grant value per tranche (cap). In the case of a settlement in own shares, the amount paid out is converted into a corresponding number of own shares of the Company issued to the beneficiary on the basis of the above average price.

HOW THE PERFORMANCE SHARE PLAN WORKS – 2021 COMPENSATION SYSTEM



1 Volume-weighted average XETRA closing price over the 30 trading days preceding the start of the performance period.
2 Volume-weighted average XETRA closing price over the 30 trading days preceding the end of the performance period, plus cumulative dividend payments.

P7S1 ROCE AT GROUP LEVEL

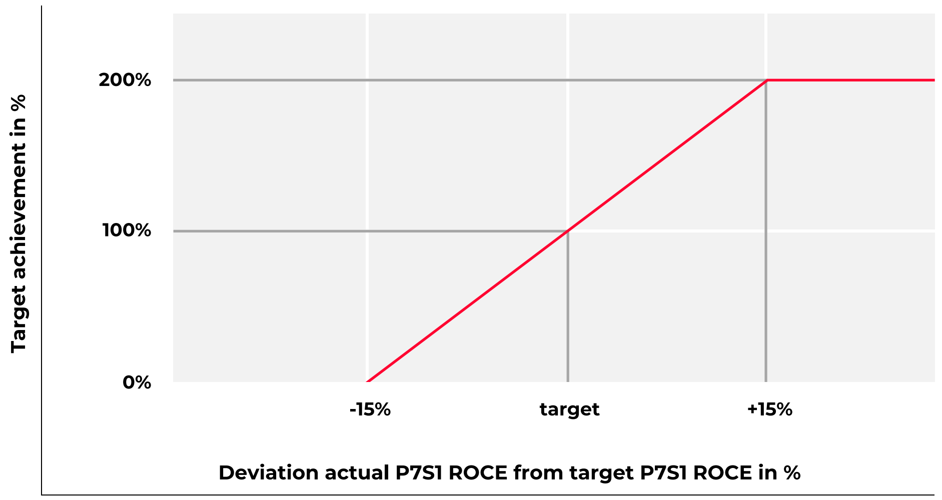
In line with the strategic objective of continuous value enhancement and the associated, even more consistent management of investments, P7S1 ROCE is replacing adjusted net income in the previous Performance Share Plan (LTI) as a key performance target.

P7S1 ROCE stands for ProSiebenSat.1 Group's return on capital employed and 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. Adjusted EBIT is the operating result adjusted for certain influencing factors (see "Treatment of Reconciling Items in the 2021 Compensation System"). 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. P7S1 ROCE in an industry-standard and frequently used performance indicator that tracks return on capital employed and creates incentives for continuous value enhancement. ProSiebenSat.1 Group reports on P7S1 ROCE in its regular financial reporting.

The target achievement for P7S1 ROCE is ascertained using the average annual target achievement of P7S1 ROCE over the four-year performance period. Before the start of each financial year, the Supervisory Board sets the target value in % for P7S1 ROCE, adopting the budgeted value from the budget planning for the respective financial year as the 100% value. To ascertain the target achievement, the actual P7S1 ROCE as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE is compared with the target value for the respective financial year.

If the achieved P7S1 ROCE corresponds to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if there is a negative deviation from the target value of 15% or more. To reach the maximum target achievement of 200%, the achieved P7S1 ROCE must exceed the target value by 15% or more. Intermediate values are interpolated in a straight line.

P7S1 ROCE TARGET ACHIEVEMENT CURVE

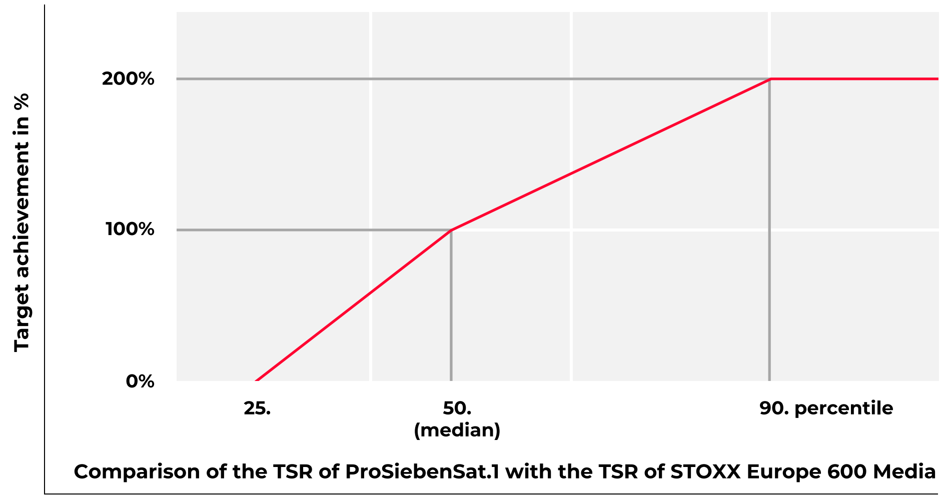


RELATIVE TOTAL SHAREHOLDER RETURN (TSR)

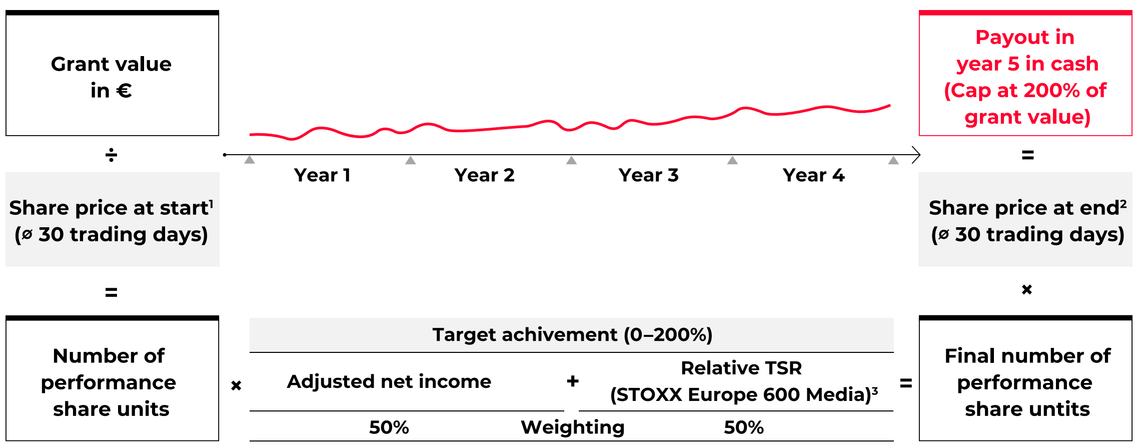
Relative total shareholder return (relative TSR) represents a comparison of the shareholder return (share price performance including hypothetically reinvested gross dividends) on shares in ProSiebenSat.1 Media SE with that of the companies listed in STOXX Europe 600 Media. The relative comparison incentivizes the outperformance of competitors on the capital market and thus measures the performance of the ProSiebenSat.1 share independently of economic effects. The target achievement for relative TSR is ascertained using the average annual target achievement of relative TSR over the four-year performance period. Firstly, the TSR for ProSiebenSat.1 Media SE and for the companies listed in STOXX Europe 600 Media is determined on an annual basis. Then, the calculated TSR values are ranked and the relative positioning of ProSiebenSat.1 Media SE in this ranking is determined.

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

RELATIVE TSR TARGET ACHIEVEMENT CURVE



HOW THE PERFORMANCE SHARE PLAN WORKS – 2018 COMPENSATION SYSTEM



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

ADJUSTED NET INCOME AT GROUP LEVEL

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

Adjusted net income is the net income attributable to shareholders of ProSiebenSat.1 Media SE, adjusted for the reconciling items shown for adjusted EBITDA (see "Treatment of Reconciling Items in the 2021 Compensation System") and adjusted for additional reconciling items. These additional reconciling items include:

- Depreciation, amortization and impairments from purchase price allocations
- Impairments of goodwill
- Valuation effects in other financial result
- Valuation effects of put-options and earn-out liabilities
- Valuation effects from hedging transactions
- Results from other material one-time items (relates to transactions of at least EUR 0.5 million each)

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

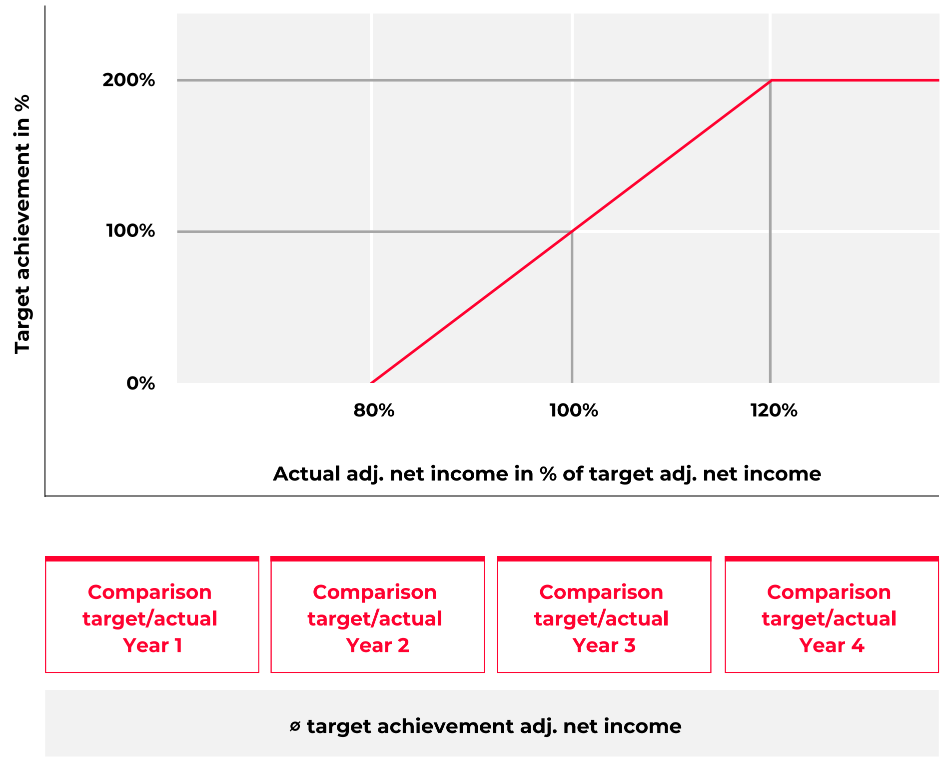
The average annual target achievement of the adjusted net income of the four-year performance period is used to determine the target achievement for the Group's adjusted net income at the end of the term of a tranche. The adjusted net income target value for each of the financial years within the performance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

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

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

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

ADJUSTED NET INCOME TARGET ACHIEVEMENT CURVE



RELATIVE TOTAL SHAREHOLDER RETURN (TSR)

In addition, 50% of the final number of performance share units are dependent on the relative TSR of ProSiebenSat.1 Media SE's shares compared with STOXX Europe 600 Media companies. In contrast to the 2021 compensation system, relative TSR in the 2018 compensation system is determined once over the four-year performance period.

PAYMENT DATE

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

TREATMENT OF RECONCILING ITEMS IN THE 2021 COMPENSATION SYSTEM

The adjustments in the 2018 compensation system are described exclusively in the respective section on the performance indicators.

Reconciliation to adjusted performance indicators

Reconciling items can influence or even overshadow operating performance. Therefore, figures adjusted for such items offer supplementary information for the assessment of ProSiebenSat.1 Group's operating performance. Adjusted figures thus are more relevant for managing the Company. Adjusted earnings figures therefore also constitute suitable measures of performance for assessing ProSiebenSat.1 Group's sustainable development.

For adjusted EBITDA and adjusted operating free cash flow, these reconciling items include:

- M&A-related expenses
- Reorganization expenses
- Expenses for legal claims
- Fair value adjustments of share-based payments
- Results from changes in scope of consolidation
- Results from other material one-time items (relates to transactions of at least EUR 0.5 million each)
- Valuation effects relating to strategic realignment of business units

In addition to the reconciling items listed above for adjusted EBITDA and adjusted operating free cash flow, adjusted EBIT is likewise adjusted for depreciation, amortization and impairments from purchase price allocations (Group entities and investments accounted for using the equity method) and impairments on goodwill.

Potential additional adjustments of the adjusted performance indicators

Adjusted EBITDA, adjusted EBIT, adjusted operating free cash flow, and average capital employed are also adjusted for the effects of material changes in IFRS accounting and unplanned effects of M&A transactions carried out within the financial year. This corrects for distortions in target achievement. Adjustment beyond these limited effects and subsequent adjustment of the target are not permitted.

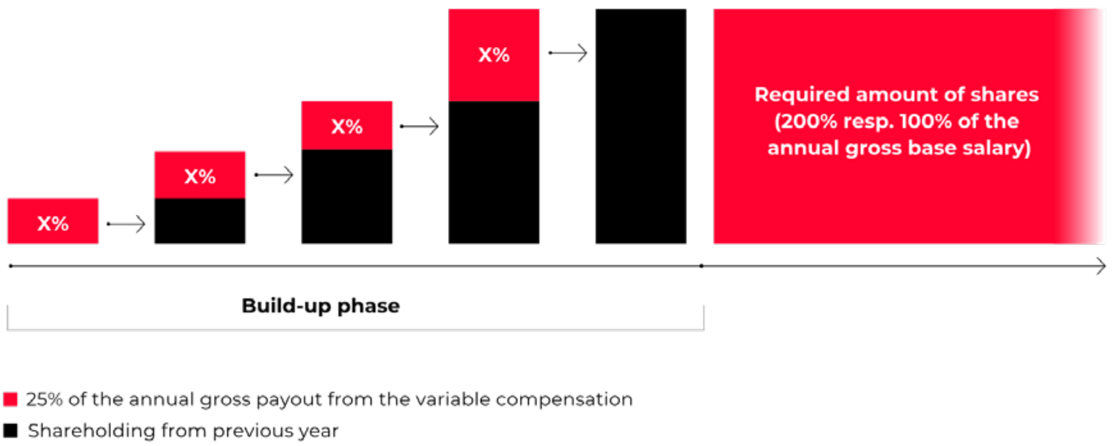
MAXIMUM COMPENSATION

In addition to the limits on the individual variable compensation components, the compensation system approved by the Annual General Meeting on June 1, 2021, provides for maximum compensation determined by the Supervisory Board in accordance with Section 87a (1) sentence 2 no. 1 AktG, which encompasses all compensation components. This maximum amount is EUR 7,500,000 for the Group CEO and EUR 4,500,000 for the other Executive Board members. The maximum compensation limits the sum of the disbursements of all compensation components resulting from a financial year and constitutes the maximum permissible limit within the compensation system. As adherence to the maximum compensation depends on the receipts from the multi-year performance-based compensation (Performance Share Plan), it can only be reported on after the end of the respective four-year performance period. The contractually promised target compensation for the financial year 2022 and the limits on the variable compensation ensure that the determined maximum compensation cannot be exceeded. This also applies to Wolfgang Link and Christine Scheffler, whose compensation in the financial year 2022 is not yet subject to the maximum compensation due to the validity of their ongoing contracts.

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

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

SHARE OWNERSHIP GUIDELINES



The Executive Board members met their respective purchase obligations in the financial year 2022. For Bert Habets, this will apply for the first time when the Performance Bonus for 2022 is paid out in financial year 2023. An overview of the amounts invested as of December 31, 2022, is given below:

INDIVIDUALIZED SHAREHOLDINGS OF THE EXECUTIVE BOARD AS OF DECEMBER 31, 2022

Member of the Executive Board	Number of shares	Investment at acquisition date	Investment obligation as of December 31, 2022[1]	Total investment obligation
Bert Habets[2]	—	—	—	1,890,000 €
Ralf Peter Gierig[3]	2,700	55,370 €	—	715,000 €
Wolfgang Link	28,860	349,102 €	290,000 €	800,000 €
Christine Scheffler	22,828	271,691 €	242,938 €	715,000 €
Rainer Beaujean	270,000	3,197,252 €	611,625 €	3,200,000 €

1 Sum of 25% of the annual gross payouts from variable compensation since the beginning of the respective build-up phase.
2 For Bert Habets, this will apply for the first time when the performance bonus for 2022 is paid out in financial year 2023.
3 Due to the departure of Ralf Peter Gierig as of April 27, 2023 and the termination agreement, there is no entitlement to variable compensation for fiscal years 2022 and 2023 and consequently no longer any investment obligation.
Acquisition of 2,700 shares prior to appointment to the Executive Board.

Malus and Clawback Provisions

In the context of recommendation G.11 of the GCGC in the version dated April 28, 2022, the existing clawback provision in the 2018 compensation system and a malus provision in the variable compensation were added to the 2021 compensation system. According to these provisions, compensation from both the Performance Bonus and the Performance Share Plan can be reduced (malus) or reclaimed (clawback).

If it is determined after the variable compensation has been paid out that the Consolidated Financial Statements were erroneous, the Supervisory Board can reclaim paid variable compensation in full or in part ("performance clawback"). The size of the clawback is determined based on the corrected and audited Consolidated Financial Statements and relates to the net amounts paid.

If an Executive Board member intentionally or by gross negligence violates his or her statutory duty of care in accordance with Section 93 AktG, his or her employment contract, or material compliance policies in accordance with ProSiebenSat.1 Group's compliance management system in such a way that would justify a dismissal for cause in accordance with Section 84 (3) AktG, the Supervisory Board can, at its discretion, fully or partially reduce as yet unpaid variable compensation for the financial year to which the breach of duty is attributable ("compliance malus") or, if the variable compensation has already been paid, reclaim the variable compensation in full or in part ("compliance clawback"). The size of the clawback relates to the net amounts paid.

The malus or clawback option was not utilized in the financial year 2022.

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

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

Commitments in the event of termination of Executive Board employment

REGULAR TERMINATION

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

PREMATURE TERMINATION WITHOUT GOOD CAUSE

If the employment contracts of Executive Board members are terminated prematurely by the Company without good cause within the meaning of Section 626 of the German Civil Code, these contracts provide for a severance payment amounting to two years' worth of total compensation as defined by recommendation G.13 GCGC in the version dated April 28, 2022. However, this may not exceed the amount of compensation that would have been paid until the end of the contract period.

PREMATURE TERMINATION IN THE EVENT OF A CHANGE OF CONTROL

The contracts of Executive Board members contain change of control clauses in the event of a change of control at the Company. A change of control as defined in the agreements of the Executive Board members takes place (i) if control is acquired within the meaning of takeover law, (ii) if the merger of the Company is implemented with the Company as the transferring legal entity pursuant to Sections 2 et. seq. or Sections 122a et. seq. of the German Transformation of Companies Act (UmwG), or (iii) if a control agreement pursuant to Sections 291 AktG (also in connection with a profit and loss transfer agreement) comes into force with the Company as the dependent entity. In the event of a change of control, Executive Board members 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 significantly affects 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. The change of control clause was not applied in the financial year 2022.

POST-CONTRACTUAL NON-COMPETITION CLAUSE

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

If the post-contractual non-competition clause applies, Executive Board members receive a monthly waiting allowance for the duration of the post-contractual non-competition agreement, which in each case amounts to 1/12 of 75% of the annual compensation amount most recently received. In order to determine the waiting allowance, the sum of basic compensation, the Performance Bonus and, if applicable, additional multi-annual compensation components that have been granted are to be regarded as annual compensation. Under the 2018 compensation system, this calculation assumes a target achievement of 100% and a modifier of 1 for the Performance Bonus and the allocated amount of multi-year compensation components or, if no annual allocation has been made, the pro rata allocated value attributable to one year of the plan term. Under the 2021 compensation system, the target amount is recognized for the Performance Bonus and the individual annual allocation amount for the participation in the Performance Share Plan. Any income generated from work performed while the non-competition clause is in force is to be offset against in the waiting allowance – based on a one-year period – if it exceeds 50% of the annual compensation most recently obtained. The Company may waive the non-competition clause before the end of the agreement. In this case, the Executive Board member is entitled to a waiting allowance only for the period between the end of the agreement and the end of a six-month period after the waiver has been received. Sections 74 ff. of the German Commercial Code also apply accordingly.

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

WAITING ALLOWANCE

in EUR k

	Duration of the contract	**Net present value of the waiting allowance[1]**
Bert Habets[2]	10/31/2025	1,830.9
Wolfgang Link[2]	12/31/2027	1,379.7
Christine Scheffler[2]	12/31/2027	1,234.6
Total		**4,445.3**

1 The following discount rates according to IAS 19 were used for this calculation: Bert Habets 3.89%, Wolfgang Link 3.97% and Christine Scheffler 3.97%.
2 Bert Habets' Executive Board contract provides for compensation adjustments effective January 1, 2024 and January 1, 2025. The Executive Board contracts of Wolfgang Link and Christine Scheffler were extended by five years on August 26, 2022, effective January 1, 2023. The waiting compensation stated above takes into account the new contract term and compensation in each case.

COMPENSATION FOR SUPERVISORY BOARD POSTS

If an Executive Board member receives compensation for holding Supervisory Board posts at affiliated entities, this compensation is included. All entities controlled by ProSiebenSat.1 Media SE within the meaning of Section 17 AktG are considered affiliated entities. In the financial year 2022, the Executive Board members received no compensation for holding Supervisory Board posts at affiliated entities.

INDIVIDUAL COMPENSATION OF THE EXECUTIVE BOARD FOR THE FINANCIAL YEAR 2022

Target Compensation

The following individual target compensation levels and breakdowns were determined for Executive Board members in office in the financial year 2022; termination agreements concluded in the financial year 2022 are already included. The one-year and multi-year variable compensation shown in the table is based on a theoretical target achievement of 100%.

TARGET COMPENSATION

	Bert Habets Chairman of the Executive Board (Group CEO) (member of the Executive Board since November 2022)				**Ralf Peter Gierig[1]** Member of the Executive Board & Chief Financial Officer (Group CFO) (member of the Executive Board since January 2022)				**Wolfgang Link** Member of the Executive Board (member of the Executive Board since March 2020)			
	2022		2021		**2022**		2021		**2022**		2021	
	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %
Basic compensation	157.5	37%	—	—	715.0	37%	—	—	800.0	37%	800.0	37%
+ fringe benefits	6.8	2%	—	—	12.6	1%	—	—	8.1	0%	8.8	0%
= total fixed compensation	**164.3**	**39%**	**—**	**—**	**727.6**	**37%**	**—**	**—**	**808.1**	**37%**	**808.8**	**37%**
+ annual variable compensation												
Performance Bonus for 2021	—	—	—	—	—	—	—	—	—	—	400.0	18%
Performance Bonus for 2022	85.0	20%	—	—	357.5	18%	—	—	400.0	18%	—	—
+ multi-year variable compensation												
Performance Share Plan (2021-2024)	—	—	—	—	—	—	—	—	—	—	800.0	37%
Performance Share Plan (2022-2025)	153.3	36%	—	—	715.0	37%	—	—	800.0	37%	—	—
+ Company pension service cost	22.6	5%	—	—	143.6	7%	—	—	155.3	7%	153.9	7%
= total compensation	**425.2**	**100%**	**—**	**—**	**1,943.7**	**100%**	**—**	**—**	**2,163.4**	**100%**	**2,162.7**	**100%**

1 Ralf Peter Gierig resigned from the Executive Board with effect from April 27, 2023; his employment contract ends with effect from October 31, 2023.

TARGET COMPENSATION

	Christine Scheffler Member of the Executive Board (member of the Executive Board since March 2020)				**Rainer Beaujean[1]** Chairman of the Executive Board (Group CEO) (member of the Executive Board until October 2022)			
	2022		2021		**2022**		2021	
	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %
Basic compensation	715.0	37%	683.8	37%	1,233.3	36%	1,400.0	37%
+ fringe benefits	6.9	0%	5.0	0%	8.9	0%	24.0	1%
= total fixed compensation	**721.9**	**37%**	**688.8**	**37%**	**1,242.2**	**37%**	**1,424.0**	**38%**
+ annual variable compensation								
Performance Bonus for 2021	—	—	341.9	19%	—	—	700.0	18%
Performance Bonus for 2022	357.5	19%	—	—	625.0	18%	—	—
+ multi-year variable compensation								
Performance Share Plan (2021-2024)	—	—	683.8	37%	—	—	1,400.0	37%
Performance Share Plan (2022-2025)	715.0	37%	—	—	1,233.3	36%	—	—
+ Company pension service cost	133.3	7%	124.8	7%	300.9	9%	272.9	7%
= total compensation	**1,927.7**	**100%**	**1,839.2**	**100%**	**3,401.5**	**100%**	**3,796.9**	**100%**

1 Rainer Beaujean resigned from the Executive Board with effect from October 3, 2022; his employment contract ended with effect from October 31, 2022.

COMPENSATION GRANTED AND OWED

In accordance with Section 162 (1) AktG, the following table presents the compensation granted and owed in the financial year 2022. In order to ensure congruence between the published business results of the financial year 2022 and the resulting compensation ("pay for performance"), the variable compensation components are based on the compensation owed for performance in the financial year 2022, regardless of the actual timing of receipt. Therefore, the Performance Bonus for 2022 and the Performance Share Plan 2019 are presented here, because the performance was completed in the financial year 2022 even though the payout will not be made until the financial year 2023. The service cost for the Company pension is shown in an additional sum as total compensation, even though it is not compensation granted and owed in the narrower sense.

COMPENSATION GRANTED AND OWED

	Bert Habets Chairman of the Executive Board (Group CEO) (member of the Executive Board since November 2022)				**Ralf Peter Gierig**[3] Member of the Executive Board & Chief Financial Officer (Group CFO) (member of the Executive Board since January 2022)				**Wolfgang Link** Member of the Executive Board (member of the Executive Board since March 2020)			
	2022		2021		**2022**		2021		**2022**		2021	
	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %
Basic compensation	157.5	74%	—	—	715.0	98%	—	—	800.0	69%	800.0	50%
+ fringe benefits	6.8	3%	—	—	12.6	2%	—	—	8.1	1%	8.8	1%
= total fixed compensation	**164.3**	**77%**	**—**	**—**	**727.6**	**100%**	**—**	**—**	**808.1**	**70%**	**808.8**	**50%**
+ annual variable compensation												
Performance Bonus for 2021	—	—	—	—	—	—	—	—	—	—	800.0	50%
Performance Bonus for 2022	49.6	23%	—	—	—	—	—	—	349.6	30%	—	—
+ multi-year variable compensation												
Performance Share Plan (2018-2021)[1]	—	—	—	—	—	—	—	—	—	—	—	—
Performance Share Plan (2019-2022)[2]	—	—	—	—	—	—	—	—	—	—	—	—
= total compensation granted and owed (in accordance with Section 162 AktG)	**213.9**	**100%**	**—**	**—**	**727.6**	**100%**	**—**	**—**	**1,157.7**	**100%**	**1,608.8**	**100%**
+ Company pension service cost	22.6	—	—	—	143.6	—	—	—	155.3	—	153.9	—
= total compensation	**236.5**	**—**	**—**	**—**	**871.2**	**—**	**—**	**—**	**1,313.0**	**—**	**1,762.7**	**—**

1 The members of the Executive Board in office in financial year 2022 did not participate in the Performance Share Plan 2018 in their capacity as members of the Executive Board.
2 Of the Executive Board members in office in financial year 2022, only Rainer Beaujean participated in the Performance Share Plan 2019 in his capacity as Executive Board member.
3 Ralf Peter Gierig resigned from the Executive Board with effect from April 27, 2023; his employment contract ends with effect from October 31, 2023. Due to the departure of Ralf Peter Gierig as of April 27, 2023 and the termination agreement, there is no entitlement to variable compensation for fiscal years 2022 and 2023.

COMPENSATION GRANTED AND OWED

	Christine Scheffler				Rainer Beaujean[3]			
	Member of the Executive Board (member of the Executive Board since March 2020)				Chairman of the Executive Board (Group CEO) (member of the Executive Board until October 2022)			
	2022		2021		**2022**		2021	
	in EUR k	in %	in EUR k	in %	in EUR k	in %	in EUR k	in %
Basic compensation	715.0	69%	683.8	50%	1,233.3	67%	1,400.0	50%
+ fringe benefits	6.9	1%	5.0	0%	8.9	0%	24.0	1%
= total fixed compensation	**721.9**	**70%**	**688.8**	**50%**	**1,242.2**	**68%**	**1,424.0**	**50%**
+ annual variable compensation								
Performance Bonus for 2021	—	—	683.8	50%	—	—	1,400.0	50%
Performance Bonus for 2022	312.5	30%	—	—	473.8	26%	—	—
+ multi-year variable compensation								
Performance Share Plan (2018-2021)[1]	—	—	—	—	—	—	—	—
Performance Share Plan (2019-2022)[2]	—	—	—	—	117.8	6%	—	—
= total compensation granted and owed (in accordance with Section 162 AktG)	**1,034.4**	**100%**	**1,372.6**	**100%**	**1,833.8**	**100%**	**2,824.0**	**100%**
+ Company pension service cost	133.3	—	124.8	—	300.9	—	272.9	—
= total compensation	**1,167.7**	**—**	**1,497.4**	**—**	**2,134.7**	**—**	**3,096.9**	**—**

1 The members of the Executive Board in office in financial year 2022 did not participate in the Performance Share Plan 2018 in their capacity as members of the Executive Board.
2 Of the Executive Board members in office in financial year 2022, only Rainer Beaujean participated in the Performance Share Plan 2019 in his capacity as Executive Board member.
3 Rainer Beaujean resigned from the Executive Board with effect from October 3, 2022; his employment contract ended with effect from October 31, 2022.

All fixed and variable compensation components of the Executive Board members correspond to the compensation systems valid in the financial year 2022.

Variable Compensation – Detailed Disclosure on Target Achievement

PERFORMANCE BONUS – 2021 COMPENSATION SYSTEM

The Performance Bonus is calculated on the basis of the achievement (0% - 200%) ascertained for the financial year of adjusted EBITDA and adjusted operating FCF targets at Group level and of ESG targets. The final payment is capped at a maximum of 200% of the individual target amount agreed in each employment contract.

For the financial year 2022, the Supervisory Board set an ESG target of a reduction in operating CO_2 emissions (sum of Scope 1 and Scope 2 emissions in accordance with the GHG Protocol Corporate Standard) from 3,651 tCO_2e in the financial year 2021 to 3,253 tCO_2e in the financial year 2022. If the actual emissions correspond to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if the target value is exceeded by 5% or more. To reach the maximum target achievement of 200%, the actual emissions must be lower than the target value by 5% or more. Intermediate values are interpolated in a straight line. The ESG target achievement curve is symmetrically designed, meaning that an over- or underachievement of the target will be reflected evenly.

The Supervisory Board has determined the following target achievement for the financial year 2022 with regard to adjusted EBITDA, adjusted operating FCF, and the ESG target, with the two financial performance indicators being weighted at 40% each and the ESG target at 20%:

TARGET PARAMETERS FOR PERFORMANCE BONUS 2022 IN EUR M (2021 COMPENSATION SYSTEM)

	Weighting	0% target value	**100% target value**	200% target value	Actual value in FY 2022 (before adjustment)	**Actual value in FY 2022 (adjusted)**	Target achievement
adjusted EBITDA at Group level	40%	757.6	841.8	926.0	678.2	699.8	0.0%
adjusted operating free cashflow (FCF) at Group level	40%	413.9	551.9	689.9	491.9	532.6	86.0%
ESG target: reduction of CO_2-emissions in tCO_2e	20%	3,415.7	3,253.0	3,090.4	2,991.4	3,220.6	119.9%
Weighted target achievement	**100%**						**58.4%**

To calculate target achievement for the financial year 2022, the Supervisory Board primarily adjusted the target parameters of adjusted EBITDA at Group level, adjusted operating FCF at Group level, and the ESG target for material reconciling items from M&A activities, especially the disposal of the US production business of Red Arrow Studios and the consolidation of the streaming platform Joyn.

PERFORMANCE BONUS – 2018 COMPENSATION SYSTEM

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

The Supervisory Board has determined the following target achievement for the financial year 2022 with regard to EBITDA and FCF, each with a weighting of 50%:

TARGET PARAMETERS FOR PERFORMANCE BONUS 2022 IN EUR M (2018 COMPENSATION SYSTEM)

	Weighting	0% target value	**100% target value**	200% target value	Actual value in FY 2022 (before adjustment)	**Actual value in FY 2022 (adjusted)**	Target achievement
EBITDA at Group level	50%	712.2	791.3	870.5	665.8	674.5	0.0%
Free cash flow (FCF) at Group level	50%	176.5	235.3	294.2	247.4	293.3	198.5%
Weighted target achievement	**100%**						**99.3%**

To calculate target achievement for the financial year 2022, the Supervisory Board primarily adjusted the target parameters of EBITDA at Group level and FCF at Group level for material reconciling items from M&A activities, especially the disposal of the US production business of Red Arrow Studios and the consolidation of the streaming platform Joyn.

For the modifier in the financial year 2022, the Supervisory Board set the achievement of ProSiebenSat.1 Group return on capital employed (P7S1 ROCE) of 14.3% and as an ESG target of a reduction in operating CO_2 emissions (sum of Scope 1 and Scope 2 emissions in accordance with the GHG Protocol Corporate Standard) from 3,651 tCO_2e in the financial year 2021 to 3,253 tCO_2e in the financial year 2022 as collective targets for the Executive Board members. If the actual emissions correspond to the target value, the target achievement is equal to 100%. The target achievement is equal to 0% if the target value is exceeded by 5% or more. To reach the maximum target achievement of 200%, the actual emissions must be lower than the target value by 5% or more. Intermediate values are interpolated in a straight line. The ESG target achievement curve is symmetrically designed, meaning that an over- or underachievement of the target will be reflected evenly. In addition, the achievement of external revenues of EUR 4,665 million was agreed as an individual target for Rainer Beaujean and Christine Scheffler and the achievement of external revenues in the core business of the Entertainment segment of EUR 2,406 million as an individual target for Wolfgang Link.

On the basis of the audited and approved Consolidated Financial Statements and after evaluation of individual performance, the Supervisory Board set the modifier for adjusting the Performance Bonus at 0.9 for Rainer Beaujean, at 0.9 for Wolfgang Link, and at 0.9 for Christine Scheffler.

TARGET ACHIEVEMENT MODIFIER 2022

Member of the Executive Board	Targets	Weighting	Modifier-Range			Target achievement	Target achievement modifier
			0.8	1.0	1.2		
Rainer Beaujean[1]	Return on capital employed	33.3%	12.1%	14.3%	16.4%	12.0%	0.8
	Reduction of CO_2 emissions in tCO_2e	33.3%	3,415.7	3,253.0	3,090.4	3,220.6	1.0
	External revenues at Group level in EUR m	33.3%	4,431.6	4,664.9	4,898.1	4,322.8	0.8
Wolfgang Link	Return on capital employed	33.3%	12.1%	14.3%	16.4%	12.0%	0.8
	Reduction of CO_2 emissions in tCO_2e	33.3%	3,415.7	3,253.0	3,090.4	3,220.6	1.0
	External revenues in the core business of the Entertainment segment in EUR m	33.3%	2,285.4	2,405.7	2,526.0	2,251.2	0.8
Christine Scheffler	Return on capital employed	33.3%	12.1%	14.3%	16.4%	12.0%	0.8
	Reduction of CO_2 emissions in tCO_2e	33.3%	3,415.7	3,253.0	3,090.4	3,220.6	1.0
	External revenues at Group level in EUR m	33.3%	4,431.6	4,664.9	4,898.1	4,322.8	0.8

1 The 2022 performance bonus for Rainer Beaujean is calculated pro rata for the months January to June 2022 based on the 2018 compensation system and pro rata for the months July to October 2022 based on the 2021 compensation system.

To calculate target achievement for the financial year 2022, the Supervisory Board primarily adjusted the target parameters of return on capital employed at Group level, external revenues at Group level and for the Entertainment segment, and the ESG target for material reconciling items from M&A activities, especially the disposal of the US production business of Red Arrow Studios and the consolidation of the streaming platform Joyn.

Taking the target achievement for adjusted EBITDA, adjusted operating FCF, and the ESG targets in the 2021 compensation system and for EBITDA and FCF and the modifier in the 2018 compensation system into account results in the following overall target achievement for the Performance Bonus in the financial year 2022:

TOTAL TARGET ACHIEVEMENT PERFORMANCE BONUS 2022 (2021 COMPENSATION SYSTEM)

Member of the Executive Board	Target value in EUR k	Target achievement adjusted EBITDA at Group level	Target achievement adjusted operating free cash flow (FCF) at Group level	Target achievement ESG target	Total target achievement	Payout amount in EUR k
Bert Habets	85.0	0.0%	86.0%	119.9%	58.4%	49.6
Peter Ralf Gierig[1]	357.5	0.0%	86.0%	119.9%	58.4%	—
Rainer Beaujean[2]	250.0	0.0%	86.0%	119.9%	58.4%	146.0

1 Due to the departure of Ralf Peter Gierig as of April 27, 2023 and the termination agreement, there is no entitlement to variable compensation for fiscal years 2022 and 2023.
2 The 2022 performance bonus for Rainer Beaujean is calculated pro rata for the months January to June 2022 based on the 2018 compensation system and pro rata for the months July to October 2022 based on the 2021 compensation system.

TOTAL TARGET ACHIEVEMENT PERFORMANCE BONUS 2022 (2018 COMPENSATION SYSTEM)

Member of the Executive Board	Target value in EUR k	Target achievement EBITDA at Group level	Target achievement free cash flow (FCF) at Group level	Modifier	Total target achievement	Payout amount in EUR k
Rainer Beaujean[1]	375.0	0.0%	198.5%	0.9	87.4%	327.8
Wolfgang Link	400.0	0.0%	198.5%	0.9	87.4%	349.6
Christine Scheffler	357.5	0.0%	198.5%	0.9	87.4%	312.5

1 The 2022 performance bonus for Rainer Beaujean is calculated pro rata for the months January to June 2022 based on the 2018 compensation system and pro rata for the months July to October 2022 based on the 2021 compensation system.

PERFORMANCE SHARE PLAN

A new tranche of the Performance Share Plan was granted to the Executive Board members in the financial year 2022. Target achievement is measured in the 2021 compensation system based on P7S1 ROCE at Group level with a weighting of 70% and relative total shareholder return (TSR) with a weighting of 30% and in the 2018 compensation system based on adjusted net income at Group level as well as the relative total shareholder return (TSR), each with a weighting of 50%. The value performance of the resulting number of performance share units is dependent on the absolute share price performance of the ProSiebenSat.1 share and the dividend payments over the performance period.

The performance period of the 2019 tranche, which was issued on the basis of the 2018 compensation system, ends at the end of the financial year 2022. Of the members of the Executive Board in office in the financial year 2022, only Rainer Beaujean participated in the Performance Share Plan 2019 in his function as Executive Board member. The following target achievements were defined for adjusted net income at Group level and relative TSR:

TARGET PARAMETERS FOR PERFORMANCE SHARE PLAN 2019 (2018 COMPENSATION SYSTEM)

in EUR m

	Weighting	0% target value	**100% target value**	200% target value	Actual value in FY 2022 (before adjustment)	**Actual value in FY 2022 (adjusted)**	Target achievement
Adjusted net income at Group level	50%						
2019		332.0	415.0	498.0	386.7	388.0	67.5%
2020		216.4	270.5	324.6	221.3	202.8	0.0%
2021[1]		197.9	247.4	296.9	364.5	363.4	200.0%
2022		281.7	352.1	422.5	301.1	307.1	36.1%
Weighted target achievement adjusted net income							75.9%
Relative total shareholder return (TSR)	50%	25th percentile rank	50th percentile rank	90th percentile rank	11th percentile rank	—	0.0%
Weighted total target achievement	**100%**						**37.9%**

1 Restated actual value for 2021 before adjustment according to Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

The target achievement for adjusted net income equals the average annual target achievement for the four financial years of the respective plan term. As of the end of 2022, the Performance Share Plans from 2019 (with the performance period 2019 to 2022), from 2020 (with the performance period 2020 to 2023), from 2021 (with the performance period 2021 to 2024), and from 2022 (with the performance period 2022 to 2025) are outstanding. The respective target achievement is 68% for the financial year 2019 (for Performance Share Plan 2019), 0% for the financial year 2020 (for Performance Share Plans 2019 and 2020), 200% for the financial year 2021 (for Performance Share Plans 2019, 2020, and 2021), and 36% for the financial year 2022 (for Performance Share Plans 2019, 2020, 2021, and 2022). The relative TSR takes account of the share price development over the four-year performance period and cannot be measured until the end of the four-year performance period.

To calculate target achievement for the financial year 2022, the Supervisory Board primarily adjusted the target parameter of adjusted net income at Group level for material reconciling items from M&A activities, especially the disposal of the US production business of Red Arrow Studios and the consolidation of the streaming platform Joyn.

The final target achievement with regard to adjusted net income at Group level and relative TSR for the four-year performance period of the 2020, 2021, and 2022 Performance Share Plans cannot be calculated until after the end of the final financial year of the respective four-year performance period.

In the financial year 2022, the Performance Share Plan was issued for the first time on the basis of the 2021 compensation system to the newly appointed Executive Board members Ralf Peter Gierig, Bert Habets and pro rata temporis from the contract extension effective July 1, 2022, to Rainer Beaujean.

The target achievement for P7S1 ROCE and relative TSR equals the average annual target achievement for the four financial years of the respective plan term. As of the end of 2022, the Performance Share Plan from 2022 (with the performance period 2022 to 2025) is outstanding. The respective target achievement for the financial year 2022 is 0% for P7S1 ROCE and 0% for relative TSR.

To calculate target achievement for the financial year 2022, the Supervisory Board primarily adjusted the target parameter of return on capital employed at Group level for material reconciling items from M&A activities, especially the disposal of the US production business of Red Arrow Studios and the consolidation of the streaming platform Joyn.

TARGET PARAMETERS FOR PERFORMANCE SHARE PLAN 2022 (2021 COMPENSATION SYSTEM)

in EUR m

	Weighting	0% target value	**100% target value**	200% target value	Actual value in FY 2022 (before adjustment)	**Actual value in FY 2022 (adjusted)**	Target achievement
ROCE at Group level	70%						
2022[1]		12.1%	14.3%	16.4%	12.4%	12.0%	0.0%
2023		—	—	—	—	—	—
2024		—	—	—	—	—	—
2025		—	—	—	—	—	—
Weighted target achievement ROCE							—
Relative total shareholder return (TSR)	30%						
2022		25th percentile rank	50th percentile rank	90th percentile rank	17th percentile rank	—	0.0%
2023		25th percentile rank	50th percentile rank	90th percentile rank	—	—	—
2024		25th percentile rank	50th percentile rank	90th percentile rank	—	—	—
2025		25th percentile rank	50th percentile rank	90th percentile rank	—	—	—
Weighted target achievement relative total shareholder return (TSR)							—
Weighted total target achievement	**100%**						**—**

1 Due to the retrospective adjustment of the accounting treatment, the calculation of the actual value before adjustment for the quarters during the year was partly based on an assumption-based determination of the capital employed, in particular with regard to the liabilities from voucher transactions.

The following table shows an overview of the tranches of the Performance Share Plan running in the financial year 2022:

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

						Determination of payout amount				
		Target value resp. Fair value at the grant date in EUR k	Starting price of ProSiebenSat.1 share	Number of performance share units granted conditionally	Number of performance share units forfeited	Total target achievement[1]	Final number of performance share units	Closing price of ProSiebenSat.1 share	Total dividends paid	Payout amount in EUR k
PSP 2019 (01/01/2019 - 12/31/2022)	Rainer Beaujean	490.0		28,977	—		10,997			117.8
	Max Conze	1,470.0	16.91 €	86,931	—	37.9%	32,991	8.23 €	2.48 €	353.3
	Conrad Albert	1,100.0		65,051	—		24,687			264.4
	Jan David Frouman	810.0		47,901	39,917		3,030			32.5
PSP 2020 (01/01/2020 - 12/31/2023)	Rainer Beaujean[2]	980.0	13.59 €	72,112	—					
		315.0		36,333	—					
	Wolfgang Link[3]	600.0	8.67 €	69,205	—	The performance period of the 2020 tranche ends on December 31, 2023.				
	Christine Scheffler[3]	480.0		55,364	—					
	Conrad Albert	366.7	13.59 €	26,981	—					
PSP 2021 (01/01/2021 - 12/31/2024)	Rainer Beaujean	1,400.0		106,871	—					
	Wolfgang Link	800.0	13.10 €	61,069	—	The performance period of the 2021 tranche ends on December 31, 2024.				
	Christine Scheffler	683.8		52,195	—					
PSP 2022 (01/01/2022 - 12/31/2025)	Bert Habets	153.3		11,234	—					
	Ralf Peter Gierig[3, 4]	715.0		52,381	—					
	Wolfgang Link	800.0	13.65 €	58,609	—	The performance period of the 2022 tranche ends on December 31, 2025.				
	Christine Scheffler	715.0		52,381	—					
	Rainer Beaujean	1,500.0		109,892	19,536					

1 Total target achievement is derived from the adjusted net income at Group level and the relative total shareholder return, each weighted at 50%.
2 Following the adjustment of compensation during the year, the relevant share price was calculated as of March 31, 2020.
3 Ralf Peter Gierig, Wolfgang Link and Christine Scheffler also have PSUs from work performed before they joined the Executive Board. These were not granted as compensation for their role on the Executive Board and are thus not included in the overview.
4 Due to the departure of Ralf Peter Gierig as of April 27, 2023 and the termination agreement, there is no entitlement to the Performance Share Plan 2022.

OTHER COMPENSATION COMPONENTS

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

COMPENSATION GRANTED AND OWED TO FORMER EXECUTIVE BOARD MEMBERS

The compensation granted and owed for former members of the Executive Board in the financial year 2022 amounted to EUR 10.2 million (previous year: EUR 2.5 million).

This includes the severance payment of EUR 8.7 million for Rainer Beaujean, who left the Executive Board as of October 3, 2022. His employment contract, which had a remaining term until June 30, 2027, was terminated effective October 31, 2022. As agreed upon in the termination agreement, Rainer Beaujean's contractual compensation continued to be paid until the termination date. The Performance Bonus for the financial year 2022 is reduced by 2/12 and will be paid out on the basis of performance in the financial year 2023. Upon departure, the Performance Share Units (PSUs) issued under the Performance Share Plan (PSP) in 2019, 2020 and 2021 were vested at 100% (PSP 2019, 2020 and 2021) or pro rata temporis up to the termination date (PSP 2022) and will be settled after the end of the four-year performance period. All PSUs that were not vested upon departure will expire without compensation. In addition to his compensation up to the termination date, Rainer Beaujean will receive a severance payment of EUR 8.7 million, which in line with recommendation G.13 of the German Corporate Governance Code in the version dated April 28, 2022, equals two years' compensation. For the calculation of the annual compensation, the annual target amount of 100% was recognized for the Performance Bonus and the Performance Share Plan. It was also agreed that the post-contractual non-competition clause continues to apply for one year starting from the termination date and that the waiting allowance is settled by the severance payment.

The compensation granted and owed for former members of the Executive Board also includes the payment of 188.943 performance share units from the Performance Share Plan 2019 in the amount of EUR 0.7 million (previous year: EUR 1.4 million), which comprised the following: EUR 0.4 million for Max Conze, EUR 0.3 million for Conrad Albert, and EUR 0.03 million for Jan David Frouman.

In addition, pension benefits of EUR 0.9 million (previous year: EUR 1.1 million) were paid to former Executive Board members, of which EUR 0.5 million to Thomas Ebeling. This amount includes pension benefits from deferred compensation of EUR 0.6 million. Another EUR 0.4 million was paid to former Executive Board members who left the Company more than ten years ago and whose information is therefore disclosed not personalized in accordance with Section 162 (5) AktG. This amount includes pension benefits from deferred compensation of EUR 0.2 million. As of December 31, 2022, pension provisions for former members of the Executive Board in accordance with IFRS amounted to EUR 22.1 million before netting with plan assets (previous year: EUR 30.4 million).

COMPENSATION OF THE SUPERVISORY BOARD

Structure and Components of Supervisory Board Compensation

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

In line with the predominant market practice at listed companies in Germany, the compensation of the Supervisory Board members consists purely of fixed compensation plus an attendance fee. There are no performance-based components. The Executive Board and Supervisory Board believe that purely fixed compensation is best suited to strengthening the Supervisory Board's independence and fulfilling the Supervisory Board's advisory and controlling function, which must be performed independently of the Company's success. The level and design of the Supervisory Board compensation ensures that the Company is able to obtain qualified candidates for membership of the Company's Supervisory Board; the Supervisory Board compensation thus makes an ongoing contribution to the advancement of the business strategy and the long-term development of the Company. The compensation arrangement also follows in particular recommendation G.17 and suggestion G.18 sentence 1 GCGC in the version dated April 28, 2022, which state, firstly, that the compensation of Supervisory Board members should take appropriate account of the larger time commitment of the chairperson and the deputy chairperson of the Supervisory Board as well as the chairperson and the members of committees and, secondly, that Supervisory Board compensation should be fixed compensation.

Members of the Supervisory Board receive fixed annual compensation for each full financial year of their membership of the Supervisory Board. The fixed compensation amounts to EUR 250,000 for the chairperson of the Supervisory Board, EUR 150,000 for the vice chairperson and EUR 100,000 for all other members of the Supervisory Board. The chairperson of a Supervisory Board committee receives additional annual compensation of EUR30,000; the additional annual compensation for the chairperson of the Audit and Finance Committee amounts to EUR50,000. Members of the Supervisory Board also receive fixed annual compensation of EUR7,500 for membership in a Supervisory Board committee. In addition, members of the Supervisory Board receive a meeting honorarium of EUR2,000 for each meeting attended in person. For the chairman of the Supervisory Board, the meeting honorarium amounts to EUR3,000 for each meeting attended in person. If multiple meetings are held on one day, the meeting honorarium is paid only once. No performance-based variable compensation is granted.

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

COMPENSATION GRANTED AND OWED TO THE SUPERVISORY BOARD FOR THE FINANCIAL YEAR 2022 IN ACCORDANCE WITH SECTION 162 (1) AKTG

in EUR k

		Fixed basic compensation	Presiding Committee compensation	Audit and Finance Committee compensation	Compensation Committee compensation	Meeting honorarium for personal attendance	Total
Dr. Andreas Wiele[1] Chairman	**2022**	**186.1**	**19.6**	**0.0**	**19.6**	**57.0**	**282.4**
	2021	—	—	—	—	—	—
Dr. Werner Brandt[2] Chairman	**2022**	**86.5**	**10.4**	**0.0**	**10.4**	**24.0**	**131.3**
	2021	250.0	30.0	0.0	30.0	57.0	367.0
Dr. Marion Helmes Deputy Chairwoman	**2022**	**150.0**	**15.3**	**7.5**	**7.5**	**46.0**	**226.3**
	2021	150.0	30.0	7.5	7.5	38.0	233.0
Lawrence A. Aidem	**2022**	**100.0**	**7.5**	**0.0**	**7.5**	**40.0**	**155.0**
	2021	100.0	7.5	0.0	7.5	28.0	143.0
Adam Cahan[3]	**2022**	—	—	—	—	—	—
	2021	86.7	0.0	0.0	0.0	20.0	106.7
Bert Habets[4]	**2022**	**49.1**	**0.0**	**0.0**	**0.0**	**8.0**	**57.1**
	2021	—	—	—	—	—	—
Erik Huggers	**2022**	**100.0**	**0.0**	**0.0**	**0.0**	**30.0**	**130.0**
	2021	100.0	0.0	0.0	0.0	24.0	124.0
Marjorie Kaplan	**2022**	**100.0**	**7.5**	**0.0**	**0.0**	**38.0**	**145.5**
	2021	100.0	7.5	0.0	0.0	24.0	131.5
Ketan Mehta	**2022**	**100.0**	**7.5**	**0.0**	**0.0**	**40.0**	**147.5**
	2021	100.0	7.5	0.0	0.0	26.0	133.5
Dr. Antonella Mei-Pochtler	**2022**	**100.0**	**7.5**	**7.5**	**0.0**	**40.0**	**155.0**
	2021	100.0	7.5	7.5	0.0	30.0	145.0
Prof. Dr. Rolf Nonnenmacher	**2022**	**100.0**	**0.0**	**50.0**	**7.5**	**44.0**	**201.5**
	2021	100.0	0.0	50.0	7.5	38.0	195.5
Total	**2022**	**1,071.8**	**75.3**	**65.0**	**52.5**	**367.0**	**1,631.5**
		1,086.7	90.0	65.0	52.5	285.0	1,579.2

1 Member of the Supervisory Board since February 13, 2022, Chairman since May 5, 2022.
2 Member of the Supervisory Board and Chairman until May 5, 2022.
3 Member of the Supervisory Board until November 12, 2021.
4 Member of the Supervisory Board from May 5, 2022 until October 31, 2022.

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

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

Compensation or benefits for services rendered in person, in particular for advisory and agency services, were not granted to Supervisory Board members in the financial year 2022. The Company has granted no loans to members of the Supervisory Board.

All compensation components of the Supervisory Board members correspond to the compensation system valid in the financial year 2022.

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

The following table compares the percentage change in the compensation of the members of the Executive Board and the Supervisory Board with the earnings development of ProSiebenSat.1 Group and with the average compensation of employees on the basis of full-time equivalents versus the previous year. The compensation of Executive Board members included in the table is based on the compensation granted and owed for performance in the respective financial year, regardless of the actual timing of receipt. For the members the Executive Board, the values for the financial year 2022 equal the values stated in the “Compensation Granted and Owed” table in accordance with Section 162 (1) sentence 1 AktG. If members of the Executive Board and Supervisory Board received only pro rata compensation in individual financial years, for example due to entry or departure during the year, the compensation for this financial year is accordingly presented pro rata. In these cases, the significance of the percentage change is thus very limited, since different periods and thus compensation receipts are being compared.

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

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

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

Financial year	2022	2021[4]	Change 2022 vs. 2021 in %	2020	Change 2021 vs. 2020 in %
1. Earnings development (in EUR m)					
EBITDA at Group level	665.8	803.5	-17.1%	801.0	0.3%
Adjusted EBITDA at Group level	678.2	841.2	-19.4%	705.7	19.2%
Free cash flow at Group level	247.4	275.1	-10.1%	235.3	16.9%
Adjusted operating free cash flow at Group level	491.9	599.3	-17.9%	424.1	41.3%
Adjusted net income at Group level	301.1	364.5	-17.4%	221.3	64.7%
Return on capital employed (P7S1 ROCE) at Group level[1]	12.4%	14.8%	-16.1%	10.5 %	40.6%
Net income in accordance with HGB	– 123.4	517.0	-123.9%	118.6	335.9%
2. Average employee compensation (in EUR k)					
Employee average[2]	75.9	76.0	−0.1%	76.7	−0.9%
3a. Executive Board compensation of members in office in the financial year (in EUR k)					
Bert Habets (since November 2022)	213.9	—	—	—	—
Ralf Peter Gierig (since January 2022)	727.6	—	—	—	—
Wolfgang Link (since March 2020)	1,157.7	1,608.8	−28.0%	966.2	66.5%
Christine Scheffler (since March 2020)	1,034.4	1,372.6	−24.6%	769.5	78.4%
Rainer Beaujean (from July 2019 to October 2022)[3]	1,833.8	2,824.0	−35.1%	2,098.5	34.6%
3b. Executive Board compensation of former members (in EUR k)					
Max Conze (from June 2018 to March 2020)	353.3	264.4	33.6%	1,143.2	−76.9%
Conrad Albert (from October 2011 to April 2020)	264.4	339.2	−22.0%	934.8	−63.7%
Dr. Jan Kemper (from June 2017 to March 2019)	—	302.2	—	286.2	5.6%
Sabine Eckhardt (from January 2017 to April 2019)	—	249.8	—	286.2	−12.7%
Jan David Frouman (from March 2016 to February 2019)	32.5	249.8	−87.0%	190.8	30.9%
Christof Wahl (from May 2016 to July 2018)	—	—	—	190.8	—

1 Due to the retrospective adjustment of the accounting treatment, the calculation of P7S1 ROCE 2021 and 2022 for the quarters during the year was partly based on an assumption-based determination of the capital employed, in particular with regard to the liabilities from voucher transactions.
2 The slightly negative change in 2022 versus 2021 is mainly due to the composition of the entities analyzed as of December 31, 2022, and their salary structures. If, for example, only the average compensation of employees who were also included as of the reporting date of December 31, 2021 were analyzed, this would result in a positive increase of 4.2% in 2022 versus 2021.
3 Rainer Beaujean resigned from the Executive Board with effect from October 3, 2022; his employment contract ended with effect from October 31, 2022.
4 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

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

Financial year	2022	2021[3]	Change 2022 vs. 2021 in %	2020	Change 2021 vs. 2020 in %
1. Earnings development (in EUR m)					
EBITDA at Group level	665.8	803.5	−17.1%	801.0	0.3%
Adjusted EBITDA at Group level	678.2	841.2	−19.4%	705.7	19.2%
Free cash flow at Group level	247.4	275.1	−10.1%	235.3	16.9%
Adjusted operating free cash flow at Group level	491.9	599.3	−17.9%	424.1	41.3%
Adjusted net income at Group level	301.1	364.5	−17.4%	221.3	64.7%
Return on capital employed (P7S1 ROCE) at Group level[1]	12.4%	14.8%	−16.1%	10.5%	40.6%
Net income in accordance with HGB	– 123.4	517.0	−123.9%	118.6	335.9%
2. Average employee compensation (in EUR k)					
Employee average[2]	75.9	76.0	−0.1%	76.7	−0.9%
3a. Supervisory Board compensation of members in office in the financial year (in EUR k)					
Dr. Andreas Wiele (since February 2022)	282.4	—	—	—	—
Dr. Marion Helmes (since June 2014)	226.2	233.0	−2.9%	241.0	−3.3%
Lawrence A. Aidem (since June 2014)	155.0	143.0	8.4%	145.1	−1.4%
Erik Huggers (since June 2014)	130.0	124.0	4.8%	126.0	−1.6%
Marjorie Kaplan (since May 2018)	145.5	131.5	10.6%	133.5	−1.5%
Ketan Mehta (since November 2015)	147.5	133.5	10.5%	135.5	−1.5%
Dr. Antonella Mei-Pochtler (since April 2020)	155.0	145.0	6.9%	100.0	45.0%
Prof. Dr. Rolf Nonnenmacher (since May 2015)	201.5	195.5	3.1%	203.5	−3.9%
Dr. Werner Brandt (until May 2022)	131.3	367.0	−64.2%	379.0	−3.2%
Bert Habets (until October 2022)	57.1	—		—	—
3b. Supervisory Board compensation of former members (in EUR k)					
Adam Cahan (until November 2021)	—	106.7	—	124.0	−14.0%
Angelika Gifford (until January 2020)	—	—	—	4.1	—

1 Due to the retrospective adjustment of the accounting treatment, the calculation of P7S1 ROCE 2021 and 2022 for the quarters during the year was partly based on an assumption-based determination of the capital employed, in particular with regard to the liabilities from voucher transactions.
2 The slightly negative change in 2022 versus 2021 is mainly due to the composition of the entities analyzed as of December 31, 2022, and their salary structures. If, for example, only the average compensation of employees who were also included as of the reporting date of December 31, 2021 were analyzed, this would result in a positive increase of 4.2 percent in 2022 versus 2021.
3 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

OUTLOOK TO COMPENSATION IN THE FINANCIAL YEAR 2023

The 2021 Executive Board compensation system will be applied to new contracts and contract extensions with effect from the financial year 2023. On August 26, 2022, the Supervisory Board decided to extend the Executive Board contracts of Wolfgang Link and Christine Scheffler by five years with effect as of January 1, 2023. Therefore, the rules of the 2021 compensation system will apply uniformly to all Executive Board members from the financial year 2023.

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. Due to the departure of Ralf Peter Gierig and the termination agreement, there is no entitlement to variable compensation for the financial years 2022 and 2023. The post-contractual non-competition clause was lifted, so there is no entitlement to compensation for waiting. There is no entitlement to payment of a severance package.

Unterföhring, April 27, 2023

On behalf of the Executive Board

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)

On behalf of the Supervisory Board

Dr. Andreas Wiele
Chairman of the Supervisory Board

PROSIEBENSAT.1 MEDIA SE SHARE

PROSIEBENSAT.1 MEDIA SE ON THE CAPITAL MARKET

The stock market year 2022 was dominated by Russia's war of aggression on Ukraine. This war and the resulting global economic and social impacts weighed on stock markets around the world in the first nine months. After concerns about an expansion to the NATO countries unsettled the capital market at the beginning of the war, the shortage in the energy supply in particular had an impact on the overall economy in the further course of the year and drove up energy, raw material and consumer prices. The European Central Bank and the US Federal Reserve responded to the historically high inflation in Europe and the US by turning away from their low-interest policy and significantly raising interest rates. As expected, this slowed the growth of the US economy, which in conjunction with fears of further interest rate hikes likewise had a negative effect on the capital markets. In addition, China's strict zero-COVID strategy dampened global economic momentum and led to production restrictions and supply shortages worldwide. All of this impacted businesses in industry-dominated and export-focused Germany.

In the fourth quarter of 2022, sentiment on the stock markets brightened a little. The economic outlook slightly improved – despite a high level of uncertainty. In addition, hopes increased that the central bank's interest rate hikes, in particular those of the US Federal Reserve, had peaked, which also had a clearly positive impact on the stock markets from October onwards.
→ Development of Economy and Advertising Market

After the DAX lost nearly a quarter of its value in the first nine months of the year compared with the end of 2021, the leading index recovered in the last three months of the year and closed at 13,923.59 points, 12.3% below the end of the previous year. The MDAX, in which the ProSiebenSat.1 Media SE share is also listed, lost considerably more and closed the year 2022 with a minus of 28.5% compared to the end of 2021. The sector index EuroStoxx Media, which is relevant for media companies, lost 8.8% compared to the end of the previous year.

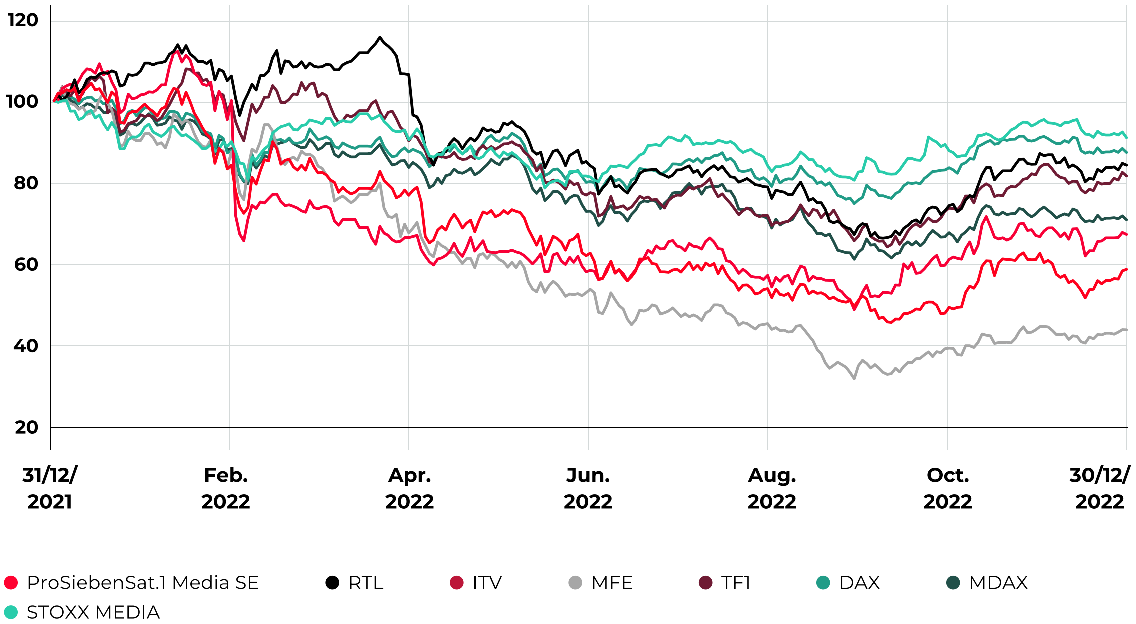
In addition to the general stock market environment, the performance of the ProSiebenSat.1 share reflects the early-cyclical character of the advertising business, which is dependent on the economic environment and is the main source of revenues and earnings for our Company. Thus, the share price of the ProSiebenSat.1 share has therefore declined significantly since February 2022. Despite the adjusted outlook for financial year 2022 on October 27, 2022, against this backdrop, the ProSiebenSat.1 share benefited at the end of the year from hopes of a less pronounced economic downturn and recovered from its annual lows of the beginning of October 2022. At the end of 2022, the share closed at a price of EUR 8.35, down 40.4% compared to the end of 2021.

Taking into account the dividend payment of EUR 0.80 per entitled share, the total shareholder return of the ProSiebenSat.1 share amounted to minus 31.8% in 2022 (previous year: 4.6%). The dividend yield based on the year-end share price in 2021 was 5.7% per ProSiebenSat.1 share. Based on the closing price on May 5, 2022, the day of the Annual General Meeting, the dividend yield amounted to 7.5%.

The analysts' average price target (median) at the end of financial year 2022 was EUR 8.95. At the end of the reporting year, 16 brokerage houses and financial institutions actively valued the ProSiebenSat.1 share and published research reports. 50% of analysts recommended the ProSiebenSat.1 share as a buy, while 31% were in favor of holding the share and 19% gave a sell recommendation.

→ Strategy and Objectives

PROSIEBENSAT.1 MEDIA SE SHARE PRICE PERFORMANCE



Base: Xetra closing prices, index 100 = December 31, 2021; source: Bloomberg.

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

		2022	2021[1]	2020	2019	2018
Share capital at closing date	EUR	233,000,000	233,000,000	233,000,000	233,000,000	233,000,000
Number of shares as of closing date	Shares	233,000,000	233,000,000	233,000,000	233,000,000	233,000,000
Free float market capitalization at end of financial year (according to Deutsche Börse)	EUR m	1,397	2,488	2,421	2,900	3,734
Close at end of financial year (XETRA)	EUR	8.35	14.01	13.76	13.91	15.55
High (XETRA)	EUR	14.61	18.92	14.04	16.58	32.78
Low (XETRA)	EUR	6.57	13.00	5.89	10.76	15.16
Dividend per entitled share	EUR	–/–[2]	0.80	0.49	0,0[3]	1.19
Total dividend	EUR m	–/–[2]	181	111	0[3]	269
Adjusted earnings per share	EUR	1.33	1.61	0.98	1.71	2.36
Adjusted net income	EUR m	301	365	221	387	541
Weighted average number of shares issued	Shares	226,318,471	226,234,153	226,147,133	226,088,493	228,702,815
Dividend yield per share on basis of closing price	%	–/–[2]	5.7	3.6	0,0[3]	7.7
Total XETRA trading volume	Million shares	269.8	286.7	462.3	377.8	357.4

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".
2 Dividend proposal, please refer to Company Outlook.
3 At the Annual General Meeting on June 10, 2020, the shareholders of ProSiebenSat.1 Media SE agreed to the Executive Board's and Supervisory Board's proposal to carry forward the full amount of the balance sheet profits of financial year 2019 to the new accounting period. This measure was part of stringent financial management in an environment affected by COVID-19. The Group thus secured additional liquidity of EUR 192 million, which was originally earmarked for the dividend distribution.

SHAREHOLDER STRUCTURE OF PROSIEBENSAT.1 MEDIA SE

ProSiebenSat.1 Media SE's shares are largely held by institutional investors from Europe and the US as well as private shareholders. The largest individual shareholders are MFE-MEDIAFOREUROPE N.V. ("MFE", formerly: Mediaset), with registered office in Amsterdam, Netherlands, and its headquarters in Cologno Monzese, Italy, and Mediaset España Comunicación, Madrid, Spain. Together – according to the voting rights notification dated November 2, 2022 – they hold 22.72% of the shares in ProSiebenSat.1 Media SE (December 31, 2021: 19.1%). In addition, MFE has secured the option to acquire shares in the amount of 6.29% (December 31, 2021: 4.58%) via instruments within the meaning of Section 38 (1) No. 1 and No. 2 WpHG. The number of shares held is decisive for the exercise of voting rights at the Annual General Meeting.

PPF Group N.V. ("PPF Group"), Amsterdam, Netherlands, holds – according to the voting rights notification dated March 6, 2023 – 7.1% of the shares in ProSiebenSat.1 Media SE via PPF IM Ltd. (formerly: Acolendo Limited), Nicosia, Cyprus. In addition, there is an option to acquire a further 3% of the share capital or voting rights via instruments within the meaning of Section 38 (1) No. 1 WpHG, so that the stake in shares and instruments amounts to 10.10%. PPF is thus the second largest individual shareholder of ProSiebenSat.1 Media SE.

Irrespective of the general regulatory requirements under capital market and antitrust law, by law the regulatory authorities can take measures as part of a media concentration audit to ensure plurality of opinion and information if certain reporting thresholds are exceeded, especially in the event of an interest in the share capital or voting rights of 25% or more. However, financial instruments are not decisive for the media concentration audit.

→ Report of the Supervisory Board

In total, 74.5% of the shares in ProSiebenSat.1 Media SE were held in free float on December 31, 2022 (December 31, 2021: 78.0%). This includes 29.9% held by private shareholders (December 31, 2021: 23.4%). 2.8% (6,514,679 shares) were held in treasury (December 31, 2021: 2.9%); the remaining shares of the free float are held by institutional investors from the US and Europe.

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2021

The Annual General Meeting of ProSiebenSat.1 Media SE for the financial year 2021 took place on May 5, 2022. It was again held virtually as a result of the COVID-19 pandemic. The shareholders accordingly had the opportunity to submit comments in the form of video statements and address questions to the Executive Board and the Supervisory Board before the Annual General Meeting. In addition, shareholders were able to ask follow-up questions during the Annual General Meeting.

At the Annual General Meeting, all proposed resolutions requiring approval were accepted by a majority of the shareholders of ProSiebenSat.1 Media SE. For example, Dr. Andreas Wiele's position on the Supervisory Board was confirmed and Bert Habets was elected as a new Supervisory Board member at the Annual General Meeting. Prof. Dr. Rolf Nonnenmacher, who has been on the Board since 2015, was re-elected.

→ Significant Events and Changes in the Scope of Consolidation

Dr. Andreas Wiele had already been active as a court-appointed member of the ProSiebenSat.1 Supervisory Board since February 2022. He took over from Adam Cahan, who had resigned from his position in November 2021. Following the Annual General Meeting, the Supervisory Board elected Dr. Andreas Wiele as its new Chairman. He thus took over from Dr. Werner Brandt, who had decided not to stand for re-election to the ProSiebenSat.1 Supervisory Board again after eight years and two periods in office.

As well as electing the Supervisory Board members, the shareholders of ProSiebenSat.1 Media SE also resolved at the Annual General Meeting to distribute a dividend of EUR 0.80 per dividend-bearing share. This represents a significant year-on-year increase of 63% (previous year: EUR 0.49) and a total payout of EUR 181 million. The dividend was paid on May 10, 2022.

In other agenda items, the Annual General Meeting granted discharge to the Executive Board and Supervisory Board for the financial year 2021.

CAPITAL MARKET COMMUNICATION

After two years of the COVID-19 pandemic and predominantly virtual events, some conferences and roadshows returned to physical form, from the spring of 2022. This enabled us to inform numerous investors, analysts, and private shareholders about ProSiebenSat.1 Group's economic performance and strategy in person. ESG (environment, social, governance) issues increasingly came into focus. All relevant company information is published on the ProSiebenSat.1 website in German and English in due time and on an ad-hoc basis if necessary.

→ www.prosiebensat1.com/en/investor-relations/publications/results

ESG RATINGS

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

ProSiebenSat.1's non-financial performance in the environmental, social and governance fields is analyzed by various rating agencies. In 2022, we were assessed by CDP, ISS, MSCI and Sustainalytics, among others, as part of their ESG ratings.

We are continuously working to further develop the Group's sustainability strategy, improve the non-financial key figures and increase transparency towards our stakeholders. Against this background, the Supervisory Board has commissioned Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft to audit the content of the Separate Non-Financial Report and the requirements of the EU Taxonomy Regulation in order to obtain reasonable assurance regarding the legally required disclosures pursuant to Sections 315b, 315c in conjunction with 289b to 289e of the German Commercial Code (HGB). In addition, the Supervisory Board engaged Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft to conduct an audit of the Sustainability Report to obtain limited assurance in accordance with ISAE 3000 (revised). The Sustainability Report includes additional topics in accordance with the definition of materiality of the Global Reporting Initiative (GRI).

→ Sustainability

GROUP MANAGEMENT REPORT

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

ORGANIZATION AND GROUP STRUCTURE

BUSINESS ACTIVITIES AND SEGMENTS

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.
→ Strategy and Management System

» INFORMATION
The Management Declaration in accordance with Sections 289f, 315d HGB and the Compensation Report in accordance with Section 162 AktG are published in the Annual Report and on the Company's website:
→ www.prosiebensat1.com/en/investor-relations/corporate-governance/management-declaration → www.prosiebensat1.com/en/investor-relations/corporate-governance/remuneration-reportable-securities

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.
→ Significant Events and Changes in the Scope of Consolidation

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.
→ Research & Development → Opportunity Report

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.

» INFORMATION

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

→ Notes to Consolidated Financial Statements, note 40 "List of subsidiaries and associated companies of ProSiebenSat.1 Group pursuant to Section 313 (2) of the German Commercial Code (HGB)"

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. These Consolidated Financial Statements include ProSiebenSat.1 Media SE and all significant subsidiaries – meaning those entities in which ProSiebenSat.1 Media SE directly or indirectly holds a majority of voting rights, or whose relevant activities it is otherwise able to control.

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

OUR EMPLOYEES

Our employees are the key to the successful implementation of our corporate strategy. The diverse skills and commitment of our employees make a significant contribution to the economic success of ProSiebenSat.1 Group. At the same time, the diversity that we practice across segment boundaries helps us to remain innovative and competitive in times of change. ProSiebenSat.1 wants to empower all employees to grow personally and help shape the future of the company. Our values – "Passion," "Innovation," "Courage," "Goal-Orientation" and "Responsibility" – serve as guidance for decisions and our daily cooperation.

→ Sustainability

NUMBER OF EMPLOYEES

As of December 31, 2022, ProSiebenSat.1 Group had 7,284 employees across the Group[4] (previous year: 7,906). The decline by 622 employees, or 8%, is particularly attributable to the disposal of the US production companies of Red Arrow Studios (now: Seven.One Studios).

In the **Entertainment** segment, the number of employees therefore fell by 10% to 4,211 (previous year: 4,671), with the integration of the streaming platform Joyn having an offsetting effect. The **Dating & Video** segment recorded a decline of 4% to 627 employees (previous year: 654). The number of employees in the **Commerce & Ventures** segment declined (-8%) in 2022, primarily due to the disposal of Sonoma Internet GmbH ("Amorelie").

In Germany, Austria, and Switzerland, i.e. our Company's core market, there were 6,613 employees as of December 31, 2022 (previous year: 6,421). This corresponds to a share of 90.8% (previous year: 81.2%) in ProSiebenSat.1 Group. 408 employees (previous year: 367) worked at ProSiebenSat.1 Media SE.

GROUP EMPLOYEES BY SEGMENT

Full-time equivalents (FTE) as of December 31

Segment	**2022**	2021
Entertainment	4,211	4,671
Dating & Video	627	654
Commerce & Ventures	2,038	2,214
Reconciliation (Holding & other)	408	367

GROUP EMPLOYEES BY REGION

Full-time equivalents (FTE) as of December 31

Region	**2021**	2020
Germany	6,104	5,935
Austria/Switzerland	509	486
USA	394	1,163
UK	78	76
Other	199	247

4 The number of employees is presented in full-time equivalents (FTE).

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.
→ Business Activities and Segments

The megatrend of digitalization is and will remain one of the determining factors for the development of our Company. Digitalization is changing our business areas and offering major opportunities. For example, media usage is becoming increasingly digital: Television content can be accessed regardless of time, device or location. TV sales benefits from modern technologies such as Addressable TV, which for example 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.
→ Opportunity Report

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.
→ Company Outlook

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

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

Intragroup Management System

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

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

MOST IMPORTANT NON-FINANCIAL PERFORMANCE INDICATORS
Entertainment segment
– audience shares[5]

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.
→ Development of ProSiebenSat.1 Group's Relevant Market Environments

In Germany, TV usage data is collected by GfK Fernsehforschung on behalf of AGF Videoforschung GmbH ("AGF Videoforschung"). ProSiebenSat.1 Group analyses viewer 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 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.
→ Definition of Selected Non-IFRS Figures

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

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 described in the Compensation Report 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.

→ Compensation Report

DEFINITION OF SELECTED NON-IFRS FIGURES

ADJUSTED EBITDA

Adjusted EBITDA stands for adjusted earnings before interest, taxes, depreciation and amortization. It describes the 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:
→ Group Earnings

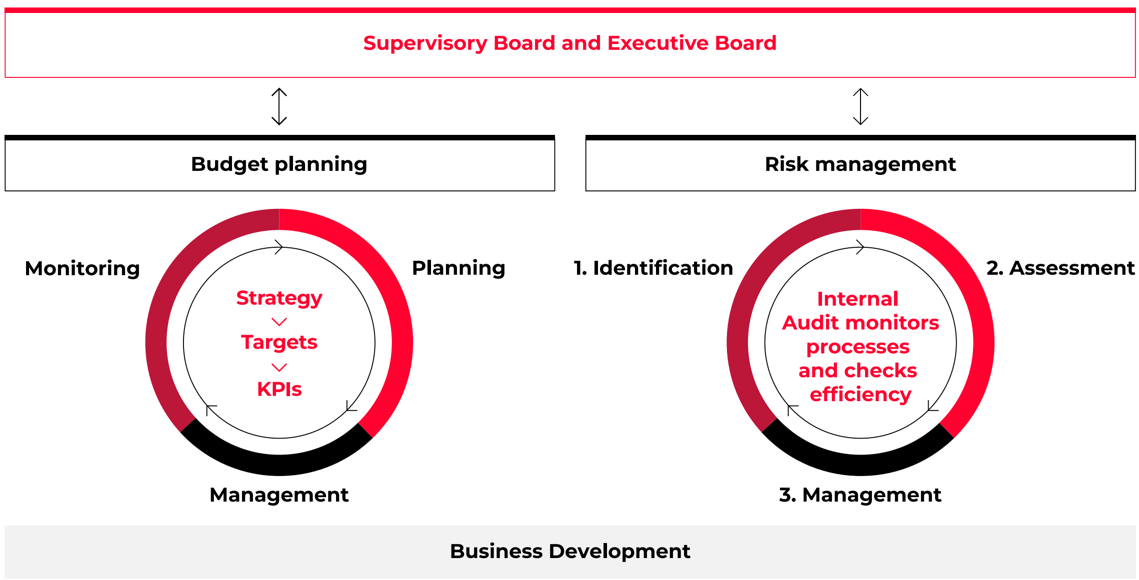
For its financial, strategic and operating decisions, ProSiebenSat.1 Media SE uses primarily non-IFRS figures as the basis of decision-making. These also provide investors with additional information which allow a multi-year performance comparison, as they are adjusted for specific factors. These figures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

– Reconciling items can influence or even overshadow operating performance; figures adjusted for such items therefore offer supplementary information for the assessment of the Company's operating performance. Adjusted figures thus are more relevant for managing the Company.
– 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%.

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 315a (1) of the German Commercial Code (HGB) in the Group Management Report. The disclosures are intended to enable a third party interested in taking over a publicly traded company to inform itself about the company, its structure, and any obstacles to the takeover. In addition to these statutory disclosures, the following section also includes the related explanations in accordance with Section 176 (1) Sentence 1 of the German Stock Corporation Act (AktG) in conjunction with Article 9 (1) lit. c) ii) SE Regulation.

COMPOSITION OF THE SUBSCRIBED CAPITAL

As of December 31, 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 EUR1.00 per share. All shares entail the same rights and obligations. Each share in ProSiebenSat.1 Media SE grants one vote at the Annual General Meeting and an identical share in profits.

→ Organization and Group Structure

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

→ Financial Performance of the Group

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

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

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

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

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

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 315A SENTENCE 1 NO. 8 HGB

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

- ProSiebenSat.1 Media SE has a syndicated facilities agreement which, as of December 31, 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.
  → Borrowings and Financing Structure
- In 2016, ProSiebenSat.1 Media SE issued promissory notes totaling EUR 500 million with maturity ranges of seven years (EUR 225 million at a fixed interest rate and EUR 50 million at a variable interest rate) and ten years (EUR 225 million at a fixed interest rate). 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 (EUR115.5 million at a fixed interest rate and EUR110.5 million at a variable interest rate), six years (EUR193 million at a fixed interest rate and EUR153 million at a variable interest rate), eight years (EUR46 million at a fixed interest rate and EUR34 million at a variable interest rate) and ten years (EUR48 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.
→ Borrowings and Financing Structure → Significant Events and Changes in the Scope of Consolidation

- 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 EUR2.5 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 EUR1.2 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. For more detailed information, please refer to the Compensation Report.

→ Compensation Report

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

OVERALL ASSESSMENT FROM THE MANAGEMENT'S VIEW: FINANCIAL YEAR 2022

The global economy faced major challenges in 2022: After the global economy had significantly recovered from the effects of the COVID-19 pandemic in 2021 and economists had forecast solid growth for 2022, the economic signs changed when the Russia/Ukraine war began in February.

The negative development of consumer sentiment, particularly in our core market of the German-speaking region (Germany, Austria, Switzerland), impacted large parts of our portfolio. In particular, the advertising market reacted very clearly, anticipating fears of a potential recession in Germany. In this context, we closed 2022 in line with our financial outlook updated in October 2022: Group revenues as well as the operating earnings figures adjusted EBITDA and adjusted net income for the full-year were below the previous year's level, as most recently expected.

Prior-year figures have been partly adjusted due to a retrospective adjustment of the accounting for voucher sales within the Jochen Schweizer mydays Group.
→ Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies"

Particularly in the current difficult economic environment, it is all the more important to keep investing in the digital future of our company. We are positioning our group for the future by strengthening our existing portfolio with a focus on the German-speaking region. The realignment of our production business is also helping us consistently implement our local programming strategy. At the same time, we are creating new opportunities for addressing viewers and monetization with the full acquisition of the streaming platform Joyn.

We practice active financial management. In 2022, we further optimized our financing profile by extending the average term of our financing instruments and further diversifying the maturity profile. Our company is therefore solidly positioned for the long-term. At the same time, our cash flow management is effective. Our leverage ratio at the end of the year was therefore again within the target range despite the adjusted EBITDA development.

GROUP ENVIRONMENT

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.

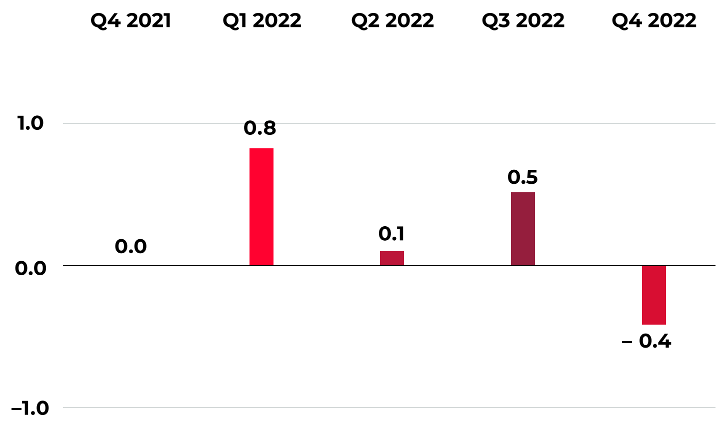
The continuing strains of the pandemic such as supply chain disruption were exacerbated by raw material and energy shortages and the sharp rise in inflation. Against this backdrop, the US Federal Reserve (Fed) and the European Central Bank (ECB) began to raise interest rates significantly after years 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.
→ Future Business and Industry Environment

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



Chained, adjusted for price, seasonal and calendar effects. 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 EUR17.15billion for full-year 2022, according to Nielsen Media Research (previous year: EUR18.14billion).

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 EUR6.31billion in 2022 (previous year: EUR6.82billion). 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 EUR2.10billion (previous year: EU 2.52billion). 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 EUR390.2million 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.
→ Organization and Group Structure

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%).
→ Development of Economy and Advertising Market

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).

→ Opportunity Report

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.

→ Future Business and Industry Environment

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.
→ Organization and Group Structure

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.
→ Development of Economy and Advertising Market

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.

→ Opportunity Report

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.

→ Opportunity Report

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.

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.

→ Organization and Group Structure

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.

→ Organization and Group Structure

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.
→ The ProSiebenSat.1 Media SE Share

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.

→ Notes to Consolidated Financial Statements, note 3 „Changes in reporting standards and accounting policies" → Notes to Consolidated Financial Statements, note 17 "Goodwill"

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.

→ Borrowings and financing structure

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.
→ Notes to Consolidated Financial Statements, note 3 „Changes in reporting standards and accounting policies"

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.

GROUP EARNINGS

REVENUES

ProSiebenSat.1 recorded **Group revenues** of EUR 4,163 million in 2022, a decrease of 7% or EUR 332 million compared to the previous year. Adjusted for currency effects and portfolio changes, the decline in revenues was 5% or EUR 210 million.

As expected and announced at the end of October 2022, the Group's revenue decline was influenced – in addition to consolidation effects totaling EUR 218 million – by the macroeconomic environment, which was characterized by high inflation and consumer restraint in 2022 as a result of the Russia/Ukraine war and the associated energy price crisis. The advertising market in particular reacts very early and sensitively to the overall economy, so that after a clear plus in the first quarter of 2022 our advertising revenues were increasingly affected by the challenging economic environment in the German-speaking region (Germany, Austria, Switzerland) over the course of the year. Particularly in the fourth quarter, which is important for ProSiebenSat.1, uncertainty among consumers had a direct impact on the advertising industry's willingness to invest. In addition, the advertising market had recovered strongly from the effects of the COVID-19 pandemic in 2021, as well as at the beginning of 2022, benefiting from significant catch-up effects. The increasing deterioration of the overall economic environment in the German-speaking region over the course of the year also had a negative impact on the NuCom Group companies, which are reported in the Commerce & Ventures segment.

ProSiebenSat.1 still generates a large proportion of its revenues from sales of advertising time in the German-speaking region, which accounted for a share of 47% (previous year: 46%). The revenue development by segment was as follows:

REVENUE SHARE BY SEGMENT

	2022	2021
Entertainment		
Advertising revenues DACH[1]	47%	46%
Other Entertainment revenues	22%	23%
Dating & Video	12%	12%
Commerce & Ventures	18%	19%

1 DACH = German-speaking region (Germany, Austria, Switzerland).

Our focus on the German-speaking region is reflected in the distribution of revenues by region: We generate a total of 77% of our revenues there (previous year: 78%). In addition, the US is an important market, although its revenue contribution decreased in 2022 due to the disposal of the US production business of Red Arrow Studios. By contrast, currency effects resulting from the translation of US dollar into euro had a positive effect on Group revenues.

REVENUES BY REGION[1]

in EUR m

	2022	2021[2]
DACH[3]	3,218	3,505
USA	798	878
Other	147	111
Revenues	**4,163**	**4,495**

1 Revenues, generated at the subsidiary's registered office.
2 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".
3 DACH = German-speaking region (Germany, Austria, Switzerland).

EXTERNAL REVENUES

in EUR m

	Entertainment		Dating & Video		Commerce & Ventures		**Total Group**	
	2022	2021	**2022**	2021	**2022**	2021[3]	**2022**	2021[3]
Advertising revenues	**2,253**	**2,323**	**—**	**—**	**142**	**150**	**2,396**	**2,473**
DACH[1]	1,964	2,083	—	—	142	150	2,106	2,233
Rest of the world	289	240	—	—	—	—	289	240
Distribution	**184**	**179**	**—**	**—**	**—**	**—**	**184**	**179**
Content[2]	**355**	**493**	**—**	**—**	**—**	**—**	**355**	**493**
Europe[2]	202	201	—	—	—	—	202	201
Rest of the world	153	293	—	—	—	—	153	293
Dating & Video	**—**	**—**	**518**	**542**	**—**	**—**	**518**	**542**
Dating	—	—	274	278	—	—	274	278
Video	—	—	244	263	—	—	244	263
Digital Platform & Commerce	**—**	**—**	**—**	**—**	**611**	**702**	**611**	**702**
Consumer Advice	—	—	—	—	173	192	173	192
Experiences	—	—	—	—	89	78	89	78
Beauty & Lifestyle	—	—	—	—	349	433	349	433
Other revenues[2]	**95**	**102**	**—**	**—**	**4**	**3**	**99**	**106**
Total	**2,888**	**3,098**	**518**	**542**	**757**	**855**	**4,163**	**4,495**

1 DACH = German-speaking region (Germany, Austria, Switzerland).
2 Revenues of Pyjama Pictures GmbH have been reallocated from Other revenues to Content.
3 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

External revenues in the **Entertainment** segment amounted to EUR 2,888 million in financial year 2022 and were thus 7% or EUR 209 million below the previous year's figure. Adjusted for currency effects and portfolio changes, revenues decreased by 4% or EUR 107 million.

The main reason for this decline in revenues was the 6% year-on-year decrease in advertising revenues of the Entertainment segment in the German-speaking region: After advertising revenues still developed dynamically at the beginning of the year – partly due to COVID-19 catch-up effects – the Group increasingly felt the economic effects of the Russia/Ukraine war over the course of the year, particularly in the German-speaking region as its core market. In addition, the Men's Soccer World Cup was held in November and December for the first time and impacted the revenue development in the important fourth quarter, as expected, since it was mostly broadcast on public TV stations. In the last quarter of 2022, advertising revenues in the German-speaking region (Germany, Austria, Switzerland) were down 12% year-on-year. This is in line with the expectation communicated in October 2022.

Another reason for the revenue decline in the Entertainment segment were consolidation effects: Due to its focus on the German-speaking region, the Group sold the US production business of Red Arrow Studios as of July 1, 2022, which generated revenues of EUR 113 million in the second half of 2021. In addition, the US film distributor Gravitas Ventures was sold in November 2021, still having contributed revenues of EUR 37 million in the previous year. As a result, revenues from the content business (program production and sales) fell by 28% year-on-year. Other revenues recorded a decline of 7%. By contrast, distribution revenues grew by 3% due to higher reach and increased HD usage.

External revenues in the **Dating & Video** segment amounted to EUR 518 million in the full-year 2022, representing a decrease of EUR 24 million or 4% compared to the previous year. Adjusted for currency effects of EUR 45 million, the revenue decline in the Dating & Video segment was 12%.

The decline in revenues reflects the general consumer restraint, which particularly had an impact on the dating platforms in the German-speaking region (Germany, Austria, Switzerland). By contrast, the US subsidiary eharmony continued its growth course throughout the year and is now the highest-revenue brand in the dating portfolio. The Dating unit contributed a total of EUR 274 million to the segment's external revenues in 2022 (previous year: EUR 278 million).

In addition, the segment's development was influenced by a comparison effect: In the course of the largest economic stimulus package in the history of the US to date, government economic aid stimulated private consumption in 2021. This had a very positive impact on the usage and monetization of our video offerings in the US region, leading to record segment revenues in the previous year. In addition, the COVID-19 pandemic and the related restrictions on public life had boosted the dating industry and especially the use of live video. Revenues in the Video unit totaled EUR 244 million in 2022 (previous year: EUR 263 million).

Compared to the reporting period before the outbreak of the COVID-19 pandemic, the segment's revenues have increased: On a pro forma basis, the average growth rate is 8% per year (2019 to 2022). The revenues of The Meet Group, which has been consolidated since September 2020, are included in the multi-year comparison on a pro forma basis.
→ Group Environment

External revenues in the **Commerce & Ventures** segment amounted to EUR 757 million in the full-year 2022 and were thus down 12% or EUR 98 million on the previous year. Adjusted for currency effects and portfolio changes, revenues decreased by 4% or EUR 34 million.

The Group pursues an active portfolio management and had sold the entities Amorelie (Beauty & Lifestyle) and moebel.de (Beauty & Lifestyle) at the end of 2021. These companies contributed EUR 64 million to the segment's revenues in the previous year. Moreover, the segment's revenues were burdened by the deterioration of the overall economic environment in the German-speaking region. This is reflected on the one hand in the revenue decline at NuCom Group's companies reported in the Commerce & Ventures segment. Here, the online comparison portal Verivox (Consumer Advice) was particularly affected, as the options for switching electricity and gas providers were increasingly limited in view of generally sharply rising energy prices. On the other hand, the media-for-equity and media-for-revenue businesses of SevenVentures declined compared to the strong previous year, reflecting the weakening of the advertising market over the course of the year. By contrast, the car rental comparison portal billiger-mietwagen.de (Consumer Advice) and the experience and leisure business Jochen Schweizer mydays (Experiences) benefited from catch-up effects after the COVID-19 measures ended.
→ Development of Relevant Market Environments

ADJUSTED EBITDA

In line with the revenue development and as expected in October 2022, the Group generated **adjusted EBITDA** of EUR 678 million for financial year 2022, representing a decline of 19% or EUR 163 million compared to the previous year. This particularly reflected the decrease in high-margin advertising revenues, to which we responded to with cost adjustments in the second half of the year.

Adjusted for currency effects and portfolio changes, adjusted EBITDA decreased by 18% or EUR 151 million. The development of adjusted EBITDA at segment level is as follows:

ADJUSTED EBITDA BY SEGMENT

in EUR m

	2022	2021[1]	Absolute change	Change in %
Entertainment	563	698	−136	−19.4
Dating & Video	99	119	−19	−16.3
Commerce & Ventures	41	51	−9	−18.6
Reconciliation (Holding & other)	−25	−26	1	−5.6
Total adjusted EBITDA	**678**	**841**	**−163**	**−19.4**

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

Adjusted EBITDA of the **Entertainment** segment amounted to EUR 563 million in financial year 2022, a decline of EUR 136 million or 19% compared to the previous year. The Group made targeted cost adjustments in response to the negative development of advertising revenues due to general economic factors. This also includes efficient management of programming expenses, which were down slightly compared to the previous year. In addition to the decline in revenues, portfolio measures also impacted adjusted EBITDA. In 2021, the film distributor Gravitas Ventures, which has been sold meanwhile, still made a positive contribution to earnings of EUR 18 million. In addition, the full acquisition of Joyn had a negative effect of EUR 11 million.

Adjusted EBITDA of the **Dating & Video** segment was down by EUR 19 million or 16% year-on-year at EUR 99 million in financial year 2022. This development was partly due to the revenue decline compared to the record previous-year period in 2021, when the Video business developed dynamically as a result of the economic stimulus package in the US. In addition, consumer restraint in 2022 had a negative impact on offerings in the German-speaking region. Currency effects had an opposing positive effect.

Against the backdrop of the deterioration in the macroeconomic environment**, adjusted EBITDA** of the **Commerce & Ventures** segment decreased to EUR 41 million in financial year 2022, 19% below the previous year's figure of EUR 51 million. This was mainly driven by the revenue development of the previously profitable Verivox business (Consumer Advice). Throughout 2022, the business model of this online comparison portal was negatively affected by the widespread rise in energy prices and the resulting limited options for consumers to switch providers.

→ Revenues

EBITDA

EBITDA recorded a decline of EUR 138 million or 17% to EUR 666 million in financial year 2022. **EBIT** amounted to EUR 236 million (previous year: EUR 552 million) and was thus also significantly below the previous year's level. In addition to the decline in revenues, this was mainly due to the increase in impairments of other non-current assets and of goodwill in the Commerce & Ventures segment, although these did not impact cash. In total, **depreciation, amortization and impairments** amounted to EUR 430 million in financial year 2022 (previous year: EUR 251 million).

The significant increase in **depreciation, amortization and impairments** was due to non-cash impairments of EUR 229 million (previous year: EUR 29 million). They are largely attributable to the Commerce & Ventures segment and related to other non-current assets (EUR 54 million) and goodwill of the cash-generating unit NuCom Group (EUR 122 million). The impairments are mainly due to consumer restraint in the e-commerce sector as a result of the energy crisis caused primarily by the Russia/Ukraine war and the associated high inflation. This development had further intensified in the third quarter of 2022 compared to the first half of 2022. At the same time, this negative development – compared to the first half of 2022 – and its not yet foreseeable duration resulted in lower expectations regarding the medium-term earnings and cash flow situation of the cash-generating unit NuCom Group. 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. Moreover, with regard to the Jochen Schweizer mydays Group the retrospective application of the adjusted accounting method on the carrying amounts were reflected. The aforementioned effects remained unchanged in the fourth quarter of 2022, while at the same time, the cost of capital and the carrying amounts increased. The impairments of other non-current assets and goodwill were recognized in functional costs and other operating expenses respectively. In addition, an impairment of EUR 49 million was recognized in the Entertainment segment resulting from the adjustment of the net carrying amounts to the selling price in the course of the classification of the US production business of Red Arrow Studios as assets and liabilities held for sale as of June 30, 2022.

Amortization of other intangible assets amounted to EUR 130 million (previous year: EUR 155 million), while depreciation of property, plant and equipment came to EUR 71 million in 2022 (previous year: EUR 77 million) and was thus down on the previous year's level.

The Group's EBITDA in 2022 also included **reconciling items** of minus EUR 12 million (previous year: EUR -38 million). On the one hand these include **income adjustments** of EUR 38 million (previous year: EUR 6 million). The year-on-year increase in this item is mainly due to changes in the scope of consolidation, with income of EUR 18 million arising from the disposal of the US production business of Red Arrow Studios. On the other hand, the reconciling items include **expense adjustments** in adjusted EBITDA of EUR 50 million (previous year: EUR 44 million). The largest single item here was reconciling items from M&A expenses of EUR 28 million (previous year: EUR 12 million), which likewise mainly resulted from the sale of the US production business of Red Arrow Studios. In addition, other one-time items include the severance payment of around EUR9 million in connection with the departure of the former Group CEO Rainer Beaujean as of October 31, 2022.
→ Compensation Report

PRESENTATION OF RECONCILING ITEMS WITHIN ADJUSTED EBITDA
in EUR m

	2022	2021[1]
Adjusted EBITDA	**678**	**841**
Income from changes in scope of consolidation	23	0
Fair value adjustments of share-based payments	11	—
Income from other one-time items	3	6
Income adjustments	**38**	**6**
M&A related expenses	−28	−12
Reorganization expenses	−5	−7
Expenses for legal claims	−1	−1
Fair value adjustments of share-based payments	—	−4
Expenses from changes in scope of consolidation	−3	−11
Expenses from other one-time items	−13	−8
Valuation effects relating to strategic realignments of business units	−1	−1
Expense adjustments	**−50**	**−44**
Reconciling items	**−12**	**−38**
EBITDA	**666**	**803**

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

FINANCIAL RESULT

The **financial result** amounted to minus EUR139 million after EUR 62 million in the previous year. This significant change was primarily due to non-cash valuation effects. In addition, the following, partly opposing effects had an impact on the financial result:

The **interest result** showed a significant year-on-year improvement to minus EUR27 million (previous year: EUR -39 million). This was largely due to the partial repayment of an existing term loan in October 2021. The **result from investments accounted for using the equity method**, also recognized in the financial result, improved to minus EUR24 million (previous year: EUR -41 million). This mainly comprises the Group's 50% share in the net profit or loss of the streaming platform Joyn for the period for the months January to October inclusive. Following its full acquisition as of October 31, 2022, Joyn is fully consolidated and reported in the Entertainment segment.

The **other financial result** amounted to minus EUR 87 million (previous year: EUR142 million) and deteriorated significantly in view of the development of the market and stock market environment in 2022. This included the valuation effects from other financial instruments of minus EUR85 million (previous year: EUR130 million), which were made up of various individual items: The largest single item was a negative valuation effect from fund investments of minus EUR44 million (previous year: EUR 66 million). In addition, the valuation effect from other financial instruments was negatively impacted in particular by the investment in the online fashion retailer ABOUT YOU Holding SE ("ABOUT YOU"; EUR -37 million; previous year: EUR48 million), impairments on media-for-equity investments (EUR -24 million; previous year: EUR -18 million) as well as an impairment recognized on the 15.6% share in the sports and fitness platform Urban Sports Club GmbH ("Urban Sports Club"; EUR -24 million; previous year: EUR0 million). Furthermore, the other financial result included income from the valuation of put option liabilities of EUR 4 million (previous year: EUR22 million).

The result from the valuation of interest rate options and the income generated from the sale of interest rate options totaling EUR 42 million had an opposite effect on the development of the other financial result (previous year: EUR 2 million). The reason for this is the restructuring of the interest rate hedging portfolio as well as the associated increase in the market interest rates and the associated increase in the market values of concluded interest caps.

→ Significant Events and Changes in the Scope of Consolidation

INCOME TAXES

In the financial year 2022, ProSiebenSat.1 Group recorded expenses from **income taxes** of EUR 147 million (previous year: EUR 163 million). Earnings before taxes was characterized by non-tax-deductible valuation and disposal effects. In addition, it includes losses on which no deferred taxes were capitalized. These effects are adjusted in adjusted earnings before taxes. The adjusted tax rate amounted to 33.1% (previous year: 34.5%).

NET INCOME AND ADJUSTED NET INCOME

The developments described above resulted in **net income** of minus EUR 49 million (previous year: EUR 451 million) – of which EUR 5 million was attributable to the shareholders of ProSiebenSat.1 Media SE (previous year: EUR 456 million). The significant decrease is particularly due to the impairments recognized on goodwill of the cash-generating unit NuCom Group and on other non-current assets in the Commerce & Ventures segment. In addition, the change in the financial result due to non-cash valuation effects had an impact.

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME

in EUR m

	2022	2021[1]	Absolute change	Change in %
Adjusted EBITDA	678	841	−163	-19.4
Reconciling items	−12	−38	25	-67.0
EBITDA	**666**	**803**	**−138**	**-17.1**
Depreciation, amortization and impairment	−430	−251	−179	71.2
thereof from purchase price allocations	−54	−58	5	-8.0
Operating result (EBIT)	**236**	**552**	**−317**	**-57.3**
Financial result	−139	62	−200	~
Income taxes	−147	−163	17	-10.2
Net income	**−49**	**451**	**−500**	**~**
Attributable to shareholders of ProSiebenSat.1 Media SE	**5**	**456**	**−451**	**-99.0**
Attributable to non-controlling interests	−54	−5	−49	~

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

Adjusted net income recorded a decline of 17% to EUR 301 million in the financial year 2022 (previous year: EUR 365 million). As a result, **adjusted earnings per share** also decreased to EUR 1.33 (previous year: EUR 1.61). The reconciling items relevant for calculating adjusted net income are presented in the reconciliation below:

RECONCILIATION OF ADJUSTED NET INCOME
in EUR m

	2022	2021[4]	Absolute change	Change in %
Net income	**−49**	**451**	**−500**	**~**
Reconciling items within EBITDA	12	38	−25	-67.0
Depreciation, amortization and impairments from purchase price allocations[1]	55	59	−4	-7.1
Valuation effects in other financial result	86	−130	215	~
Valuation effects of put-option liabilities[2]	−3	−19	16	-84.4
Impairments of Goodwill	171	—	171	~
Other effects[3]	25	−5	29	~
Tax effects on adjustments	0	−29	29	~
Subtotal	**296**	**365**	**−69**	**-18.9**
Net income attributable to non-controlling interests	54	5	49	~
Adjustments attributable to non-controlling interests	−49	−5	−44	~
Adjusted net income attributable to non-controlling interests	**5**	**0**	**5**	**~**
Adjusted net income	**301**	**365**	**−63**	**-17.4**
Adjusted earnings per share (in EUR)	**1.33**	**1.61**		

1 Including impacts on associates consolidated using the equity method in the amount of EUR 1 million (previous year: EUR 0 million).
2 Including compounding and foreign currency effects of EUR 1 million (previous year: EUR 3 million).
3 Including impairments of other intangible assets in the amount of EUR 22 million (previous year: EUR 14 million) and impairments of property, plant and equipment in the amount of EUR 13 million (previous year: EUR 0 million).
4 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

FUNCTIONAL COSTS

ProSiebenSat.1 Group's **cost of sales** fell by 5% to EUR 2,617 million in financial year 2022 (previous year: EUR 2,746 million), reflecting the decline in revenues. In addition, the decrease in costs particularly results from the disposal of the US production business of Red Arrow Studios as of July 1, 2022, and the sale of companies such as Gravitas Ventures, Amorelie, and moebel.de in 2021.

Our goal was also to use cost adjustments to counter the development of the advertising market. As expected, **programming expenses** included in the cost of sales were therefore slightly lower year-on-year at EUR 1,031 million in 2022 (down by 2% or EUR 24 million). The programming expenses include consumption of programming assets of EUR 958 million, which was lower than the previous year's level (EUR 995 million).

By contrast, expenses for productions directly expensed increased to EUR 73 million (previous year: EUR 60 million) in line with our programming strategy. Growth-related cost increases were also posted in particular by the digital media & entertainment company Studio71 and the car rental comparison portal billiger-mietwagen.de (Consumer Advice).

The Group's **selling expenses** also declined and amounted to EUR 682 million in 2022 (previous year: EUR 712 million), representing a decrease of 4%. This development was particularly due to the disposal of Amorelie (EUR 24 million) and moebel.de (EUR 11 million) in 2021, while a growth-related increase in selling expenses, for example at eharmony, had the opposite effect.

The Group's **administrative expenses** amounted to EUR 497 million and were thus almost at the previous year's level (previous year: EUR 501 million). The slight decrease is attributable to portfolio measures, particularly the disposal of the US production business of Red Arrow Studios and the sale of Amorelie and moebel.de in the previous year 2021. By contrast, depreciation, amortization and impairments were higher at EUR 106 million (previous year: EUR 96 million). This was driven primarily by the increase in impairments, which mostly related to other non-current assets in the Commerce & Ventures segment.

Personnel expenses reported in cost of sales, selling expenses and administrative expenses totaled EUR 757 million. This corresponds to a decline of 7% or EUR 58 million compared to the previous year and is likewise mainly attributable to portfolio changes.
→ Our Employees

Other operating expenses of EUR 181 million (previous year: EUR 12 million) were mainly influenced by impairments: EUR 122 million of this amount relate to impairment on the goodwill of the cash-generating unit NuCom Group and EUR 49 million to the adjustment of the net carrying amounts to the selling price in the course of the classification of the US production business of Red Arrow Studios as assets and liabilities held for sale as of June 30, 2022. **Other operating income** amounted to EUR 50 million in 2022 (previous year: EUR 29 million). This mainly included income of EUR 18 million from the disposal of the US production business of Red Arrow Studios and the corresponding subsidiaries.

INCOME STATEMENT
in EUR m

	2022	2021[1]
Revenues	4,163	4,495
Cost of sales	−2,617	−2,746
Selling expenses	−682	−712
Administrative expenses	−497	−501
Other operating income/expenses	−131	17
Operating result (EBIT)	**236**	**552**
Financial result	−139	62
Income taxes	−147	−163
Net income	**−49**	**451**
Attributable to shareholders of ProSiebenSat.1 Media SE	**5**	**456**
Attributable to non-controlling interests	−54	−5

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

As ProSiebenSat.1 Group holds a preferred business share in each of NuCom Group and ParshipMeet Group, net income is allocated disproportionally to the respective capital shares. The high decrease of net income attributable to non-controlling interests compared to the previous year is mainly due to the negative result of NuCom Group as a result of high impairments.

ALLOCATION OF PROFITS

Considering the now adjusted criteria for distributions to shareholders, described in the outlook section, and in 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.
→ Company Outlook

RETURN ON CAPITAL EMPLOYED (ROCE)

ProSiebenSat.1 Group measures the medium-term financial success of the company on the basis of **P7S1 ROCE** (return on capital employed). Against the backdrop of the challenging macroeconomic environment, P7S1 ROCE decreased to 12.4% in 2022 (previous year: 14.8%). P7S1 ROCE is calculated as follows:

CALCULATION OF P7S1 ROCE

in EUR m

	2022	2021[3]
Adjusted EBIT[1]	508	653
Pension expenses	1	1
Result from investments accounted for using the equity method	−23	−41
Return (ROCE)	**486**	**613**
Capital employed (average)[2]	**3,922**	**4,154**
P7S1 ROCE (in %)	**12.4**	**14.8**

1 Adjusted EBIT stands for adjusted earnings before interest and taxes. Besides adjusted EBITDA, depreciation, amortization and impairments of EUR 170 million (previous year: EUR 188 million) are included. 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.
2 Capital employed is the difference between intangible assets (incl. goodwill and purchase price allocation), property, plant and equipment, investments accounted for using the equity method, media-for-equity investments, program assets, inventories, account receivables and other current assets less other provisions, trade and other payables, liabilities to at equity investments and other liablities.
The figure relates to the average of the reporting dates of the last five quarters. Due to the retrospective adjustment of the accounting treatment, the calculation for the quarters during the year was partly based on an assumption-based determination of the capital employed, in particular with regard to the liabilities from voucher transactions.
3 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

The decrease is therefore attributable to the development of adjusted EBIT. By contrast, the impairment recognized on intangible assets, particularly goodwill, had a positive impact on capital employed. In the medium term, ProSiebenSat.1 is aiming for P7S1 ROCE of more than 15%.

FINANCIAL PERFORMANCE OF THE GROUP

Total assets amounted to EUR 6,005 million as of December 31, 2022 (December 31, 2021: EUR 6,656 million), thus decreasing by 10% compared with the previous year's reporting date. Significant changes compared with the reporting date in the previous year are described below:

FINANCIAL PERFORMANCE

in EUR m

	31.12.2022	31.12.2021[1]	Absolute change	Change in %
ASSETS				
Goodwill	1,997	2,243	−245	-11
Programming assets	912	973	−61	-6
Other intangible assets	809	867	−58	-7
Property, plant and equipment	490	495	−4	-1
Other	345	484	−138	-29
Non-current assets	**4,555**	**5,062**	**−507**	**-10**
Programming assets	174	172	2	1
Trade receivables	471	494	−23	-5
Other	302	334	−33	-10
Cash and cash equivalents	504	594	−91	-15
Current assets	**1,451**	**1,594**	**−144**	**-9**
Total assets	**6,005**	**6,656**	**−651**	**-10**
LIABILITIES				
Equity	**1,774**	**1,968**	**−194**	**-10**
Non-current financial debt	2,117	2,395	−278	-12
Other	653	707	−54	-8
Non-current liabilities	**2,770**	**3,102**	**−332**	**-11**
Current financial debt	—	51	−51	-100
Other	1,461	1,536	−74	-5
Current liabilities	**1,461**	**1,586**	**−125**	**-8**
Total equity and liabilities	**6,005**	**6,656**	**−651**	**-10**

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

Goodwill declined by 11% or EUR 245 million to EUR 1,997 million. This was attributable both to the sale of the US production business of Red Arrow Studios as of July 1, 2022 and to non-cash impairments, which particularly related to goodwill of the cash-generating unit NuCom Group. The resulting decline was partially compensated for by foreign currency effects.

Programming assets amounted to EUR 1,086 million and were thus down by 5% or EUR 59 million year-on-year. The development of programming assets is characterized by different effects: As a result of effective management of programming expenses, consumption decreased to EUR 973 million in the full year (previous year: EUR 1,026 million). At the same time, additions to programming assets decreased. This reflects our programming strategy: By increasingly investing in local, relevant and live content, ProSiebenSat.1 is differentiating itself from global streaming providers with their focus on US licensed programming. Investments in licensed programming consequently decreased in 2022. In detail, the carrying amounts as of December 31 were as follows:

STATEMENT OF CHANGES IN PROGRAMMING ASSETS

in EUR m

	2022	2021
Carrying amount 01/01	**1,145**	**1,213**
Additions	908	983
Disposals	−11	−25
Consumption	−973	−1,026
Change in scope of consolidation	16	—
Other change	0	−1
Carrying amount 12/31	**1,086**	**1,145**

ProSiebenSat.1 Group generally settles the financial obligations from programming rights purchases in US dollars. To hedge against market-related exchange rate fluctuations, the Group applies a range of derivative and non-derivative financial instruments in the form of currency forwards, foreign currency swaps, foreign currency options, and foreign currency cash positions. As of December 31, 2022, the hedge ratio was 57% based on the total volume of all future US dollar payments resulting from existing license agreements that will fall due within a strategic hedge horizon of seven years (December 31, 2021: 76%).

EARNINGS EFFECTS OF PROGRAMMING ASSETS

in EUR m

	2022	2021
Consumption	973	1,026
Change in provision for onerous contracts	−15	−31
Consumption incl. change in provision for onerous contracts	**958**	**995**

Other intangible assets declined by 7% to EUR 809 million at the end of the financial year (December 31, 2021: EUR 867 million). This was mainly due to the depreciation, amortization and impairments recognized in the Commerce & Ventures segment in the past financial year 2022.

Property, plant and equipment was close to the previous year's level, amounting to EUR 490 million (December 31, 2021: EUR 495 million). Consolidation-related disposals and depreciation were almost entirely offset by higher investments in property, plant and equipment.

Other non-current assets declined by 29% and amounted to EUR 345 million (December 31, 2021: EUR 484 million). In addition to impairment on the sports and fitness platform Urban Sports Club, whose investment is accounted for using the equity method, this decrease was also attributable to valuation effects and repayments from fund investments. Another effect came from the liquidation of the investment fund units held to cover pension entitlements and the transfer of the corresponding resources to a dual contractual trust arrangement ("CTA") recognized as plan assets. This also affected pension provisions, which are included under other non-current liabilities.

Current trade receivables declined by 5% to EUR 471 million as of the reporting date (December 31, 2021: EUR 494 million).

Other current assets also decreased, amounting to EUR 302 million as of December 31, 2022 (December 31, 2021: EUR 334 million). This 10% decrease particularly resulted from valuation effects from the share price performance of the online fashion retailer ABOUT YOU.

Cash and cash equivalents were down 15% compared with the previous year's reporting date and amounted to EUR 504 million (December 31, 2021: EUR 594 million). This development reflects the Group's active financial management: In December 2022, ProSiebenSat.1 repaid promissory notes of EUR 275 million early using its cash and cash equivalents. In October 2022, ProSiebenSat.1 Media SE also repaid a short-term money market instrument of EUR 50 million at the regular end of its term.

Another reason was the higher dividend payment. In May 2022, the Group distributed a dividend of EUR 181 million to its shareholders (previous year: EUR 111 million). This was countered by the positive free cash flow amounting to EUR 388 million as of the end of the year (December 31, 2021: EUR 289 million).
→ Borrowings and Financing Structure

Equity decreased by 10% to EUR 1,774 million as of the end of 2022 (December 31, 2021: EUR 1,968 million). In addition to the EUR 70 million higher dividend payment, this development was primarily attributable to the decline in net income in the reporting period. As a result, the equity ratio fell to 29.5% (December 31, 2021: 29.6%).

Current and non-current financial debt decreased significantly by 13% as a consequence of the early repayment of promissory notes and the repayment of a money market instrument. As of the end of 2022, they amounted to EUR 2,117 million (December 31, 2021: EUR 2,446 million).

The 8% change in **other non-current liabilities** to EUR 653 million (December 31, 2021: EUR 707 million) is mainly attributable to the disposal of the US production business of Red Arrow Studios and the transfer of pension assets. **Other current liabilities** also declined and amounted to EUR 1,461 million (December 31, 2021: EUR 1,536 million). Here, too, the disposal of the US production business had an impact. In addition, the decline was also due to lower current tax liabilities and lower provisions for onerous contracts and interest on tax liabilities. By contrast, the included current and non-current trade and other payables increased by 5% to EUR 982 million (previous year: EUR 938 million); this is attributable to higher programming liabilities as of the reporting date.

NET WORKING CAPITAL

NET WORKING CAPITAL
in EUR m

	31.12.2022	31.12.2021[1]
Inventories	41	49
Receivables	479	507
Trade and other payables	982	938
Net working capital	**–462**	**–381**

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

ProSiebenSat.1 Group's **net working capital** amounted to minus EUR 462 million as of December 31, 2022 (December 31, 2021: EUR -381 million). The ratio of net working capital to revenues of the past twelve months was minus 11.1% as of December 31, 2022 (December 31, 2021: -8.5%).

GROUP FINANCIAL POSITION AND LIQUIDITY

BORROWINGS AND FINANCIAL STRUCTURE

ProSiebenSat.1 Group uses various financing instruments and practices an active financial management. In the reporting period, for example, the Group took advantage of the initially still favorable conditions on the debt market to further extend and diversify the debt maturity profile of its financing instruments.

As of December 31, 2022, debt accounted for 70% of total equity and liabilities (December 31, 2021: 70%). Financial debt accounted for the majority of debt at EUR 2,117 million or 50% (December 31, 2021: EUR 2,446 million or 52%).
→ Financial Performance of the Group

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 that had been extended in May 2022. This comprises a revolving credit facility (RCF) of EUR 500 million and a term loan tranche of EUR 800 million, both maturing in April 2027. A second term loan tranche of EUR 400 million maturing in April 2025 can be extended by two years under certain conditions.

- In addition, ProSiebenSat.1 Media SE has promissory notes concluded in 2021 in a total amount of EUR 700 million maturing in 2025, 2027, 2029, and 2031 with respective partial amounts of EUR 226 million, EUR 346 million, EUR 80 million, and EUR 48 million. Since 2016, ProSiebenSat.1 Media SE has also had promissory notes amounting to EUR 225 million with a term of ten years.

- In December 2022, ProSiebenSat.1 Media SE repaid some of the promissory notes issued in 2016 early in the amount of EUR 275 million using cash and cash equivalents. These loans were originally due in December 2023. Following this repayment, the Group has no repayment obligation or need to refinance financial liabilities before 2025. In October 2022, ProSiebenSat.1 Media SE also repaid a short-term money market instrument of EUR 50 million at the regular end of its term.
→ Significant Events and Changes in the Scope of Consolidation

DEBT FINANCING INSTRUMENTS AND DURATIONS AS OF DECEMBER 31, 2022

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

Excluding syndicated revolving credit facility (currently undrawn) of EUR 500 million (maturing in April 2027).

With the financing measures implemented, ProSiebenSat.1 Group sustainably reduced its gross debt overall. The Group thus has a sound and capital-efficient positioning for the long-term. This also applies with regard to interest rate hedges.

The Group's financing instruments are not subject to financial covenants. Interest payable on the syndicated term loan and syndicated revolving credit facility is variable and based on Euribor money market rates plus an additional credit margin, whereby the contract provides for a floor of 0% for the base rate. The Group uses derivative financial instruments in the form of interest rate swaps and interest rate options to hedge against market-related interest rate changes caused by the market. As of December 31, 2022, the proportion of fixed interest was 86% of the entire non-current financing portfolio (December 31, 2021: 100%). The average interest cap as of December 31, 2022, was 1.5% per annum for the period up to 2027.
→ Financial Performance of the Group

The promissory loans placed in October 2021 are split into four fixed rate and three floating rate tranches, with the fixed rate tranches totaling EUR 403 million (average weighted tenor: around 6.1 years) and the floating rate tranches totaling EUR 298 million. The volume-weighted tenor across all tranches is 5.9 years. The three floating rate tranches are at Euribor money market rates but floored at 0% plus a volume-weighted spread of around 0.85% per annum.

FINANCING ANALYSIS

NET FINANCIAL DEBT
in EUR m

	12/31/2022	12/31/2021
Financial debt		
Term loan	1,194	1,197
Promissory notes	923	1,198
Other loans	—	51
Financial debt	**2,117**	**2,446**
Cash and cash equivalents	504	594
Net financial debt	**1,613**	**1,852**

The Group's **net financial debt** decreased compared with the end of 2021 to EUR 1,613 million, despite the dividend payment of EUR 181 million in May 2022 (previous year: EUR 111 million). This represents an improvement of EUR 238 million compared with the previous year's reporting date, reflecting the consistent reduction of the Group's debt and thus its effective cash flow management. Compared to December 31, 2019, i.e. the pre-pandemic level, ProSiebenSat.1 reduced its net financial debt by as much as EUR 632 million. In this context, the **leverage ratio** of 2.4x (December 31, 2021: 2.2x) also remained within the target range of 1.5x to 2.5x despite the higher dividend payment and the decline in adjusted EBITDA.

» INFORMATION

The leverage ratio is the ratio of net financial debt to adjusted EBITDA in the last twelve months (LTM adjusted EBITDA). As of December 31, 2022, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities according to IFRS 16 of EUR 178 million (December 31, 2021: EUR 220 million) and real estate liabilities of EUR 133 million (December 31, 2021: EUR 97 million).

ANALYSIS OF LIQUIDITY AND CAPITAL EXPENDITURE

ADJUSTED OPERATING FREE CASH FLOW

in EUR m

	2022	2021[2]
Adjusted EBITDA	678	841
Consumption of programming assets incl. change in provision for onerous contracts	958	995
Change in provisions	8	27
Change in working capital	−62	−19
Investments	−1,112	−1,278
Program investments	−895	−1,060
Other investments	−217	−218
Other[1]	22	33
Adjusted operating free cash flow	**492**	**599**

1 Comprises adjustments from reconciling items within EBITDA, included in the cash flow positions consumption of programming assets incl. change in provision for onerous contracts, change in provisions, change in working capital and investments.
2 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

ProSiebenSat.1 Group's **adjusted operating free cash flow** decreased to EUR 492 million in financial year 2022. This reflects the Group's earnings performance at the same time as lower investments in program licenses. While adjusted EBITDA declined by EUR 163 million, adjusted operating free cash flow recorded a smaller decrease of EUR 107 million. This underscores the effectiveness of our cash flow management.

CASH FLOW STATEMENT

in EUR m

	2022	2021
Cash flow from operating activities	**1,354**	**1,539**
Cash flow from investing activities	**−966**	**−1,249**
Free cash flow	**388**	**289**
Cash flow from financing activities	**−519**	**−940**
Effect of foreign exchange rate changes on cash and cash equivalents	41	20
Change in cash and cash equivalents	**−91**	**−630**
Cash and cash equivalents at beginning of reporting period	594	1,224
Cash and cash equivalents at end of reporting period	**504**	**594**

In financial year 2022, ProSiebenSat.1 Group generated **cash flow from operating activities** of EUR 1,354 million (previous year: EUR 1,539 million). This corresponds to a decline of 12%.

Cash flow from investing activities amounted to minus EUR 966 million (previous year: EUR -1,249 million). The individual, partly offsetting cash flows were as follows:

– The cash outflow for the acquisition of programming assets amounted to EUR 895 million in the past financial year after EUR 1,060 million in the previous year. This reflects our programming strategy of investing less in US licensed programming and instead increasing the share of local and in-house produced programming. In this way, we are optimizing our risk profile while also sharpening the profile of our stations with a clear connection to the German-speaking region (Germany, Austria, Switzerland).

– The acquisition of the streaming platform Joyn resulted in a cash inflow of EUR 26 million. Payments obtaining control of subsidiaries amounted to EUR 3 million (previous year: EUR 25 million). These particularly include deferred purchase price payments for companies from the Entertainment segment.

- The proceeds from losing control of subsidiaries totaled EUR 122 million, compared with EUR 63 million in the previous year. The cash inflow in 2022 mainly results from the disposal of the US production business of Red Arrow Studios.
  → Significant Events and Changes in the Scope of Consolidation
- EUR 126 million were spent on other intangible assets (previous year: EUR 125 million). These primarily comprise internally generated intangible assets, licenses for sales of digital offerings, software, and industrial property rights. Investments in property, plant and equipment were also close to the previous year's level, amounting to EUR 90 million (previous year: EUR 93 million). Besides technical facilities, they include the new campus building at the Unterföhring site.
- Proceeds from the disposal of non-current assets amounted to EUR 23 million in the financial year 2022, compared to EUR 74 million in the previous year. The cash inflow in the current financial year primarily relates to fund investments.

The developments described resulted in an increase in **free cash flow** to EUR 388 million (previous year: EUR 289 million).

Cash flow from financing activities amounted to minus EUR 519 million in 2022 (previous year: EUR -940 million). Cash flow from financing activities in the reporting period was mainly impacted by the early repayment of promissory notes in the amount of EUR 275 million and the EUR 181 million dividend payment (previous year: EUR 111 million). In the previous year, cash flow from financing activities was dominated by the repayment of a bond of EUR 600 million. In addition, the partial repayment of the term loan of EUR 900 million had an impact in 2021, which was offset by the raising of promissory note loans of EUR 700 million and an increase in other instruments of EUR 50 million.

The cash flows described above resulted in **cash and cash equivalents** of EUR 504 million as of December 31, 2022 (December 31, 2021: EUR 594 million). The Group's liquidity is thus at a high level. At the same time, the Group has a syndicated revolving credit facility totaling EUR 500 million, which was not utilized in the financial year 2022.
→ Significant Events and Changes in the Scope of Consolidation

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.

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

PROCESS MANAGEMENT

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

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

→ Intragroup Management System

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

→ Opportunity Report

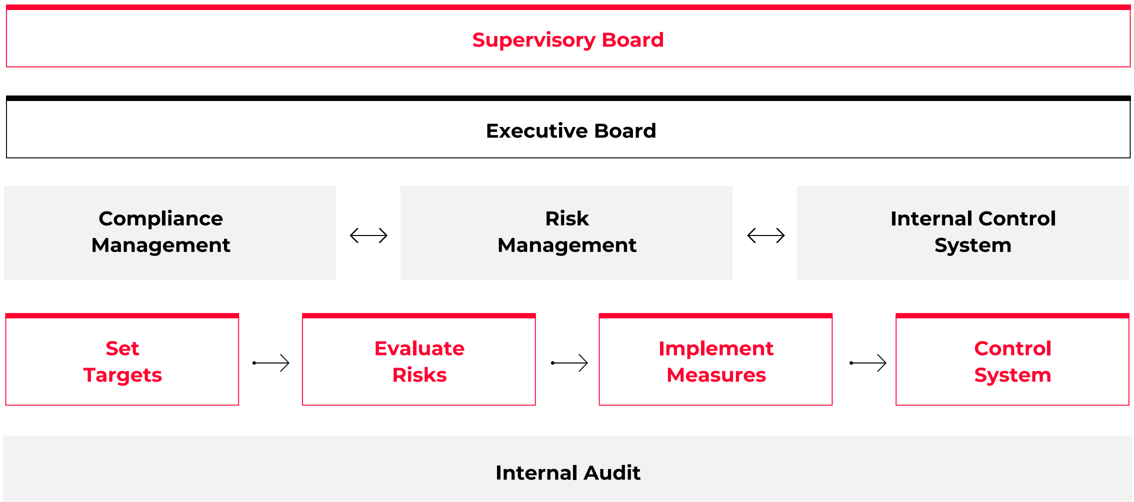
3. Management: Using appropriate measures, ProSiebenSat.1 Group can reduce the likelihood of occurrence of potential losses and limit or reduce possible damage. In order to handle risks safely, it is therefore very important to take adequate countermeasures as soon as an indicator exceeds a certain tolerance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

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

» INFORMATION

Risk is defined in this report as a potential future development or event that could significantly influence our business situation and result in a negative deviation from targets or forecasts. The risk indicators that we have already taken into account in our financial planning or in the Consolidated Financial Statements as of December 31, 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:

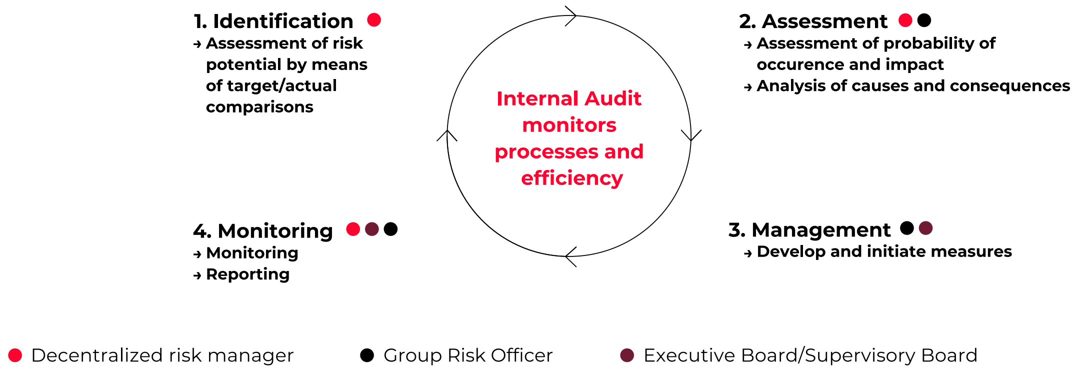
- **Decentralized risk managers:** The decentralized risk managers identify the risks from their respective area of responsibility according to the standard Group system described. They document their results in an IT database every quarter.

- **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.

→ Group Environment

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.

→ Notes to Consolidated Financial Statements, note 31 "Contingent liabilities"

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

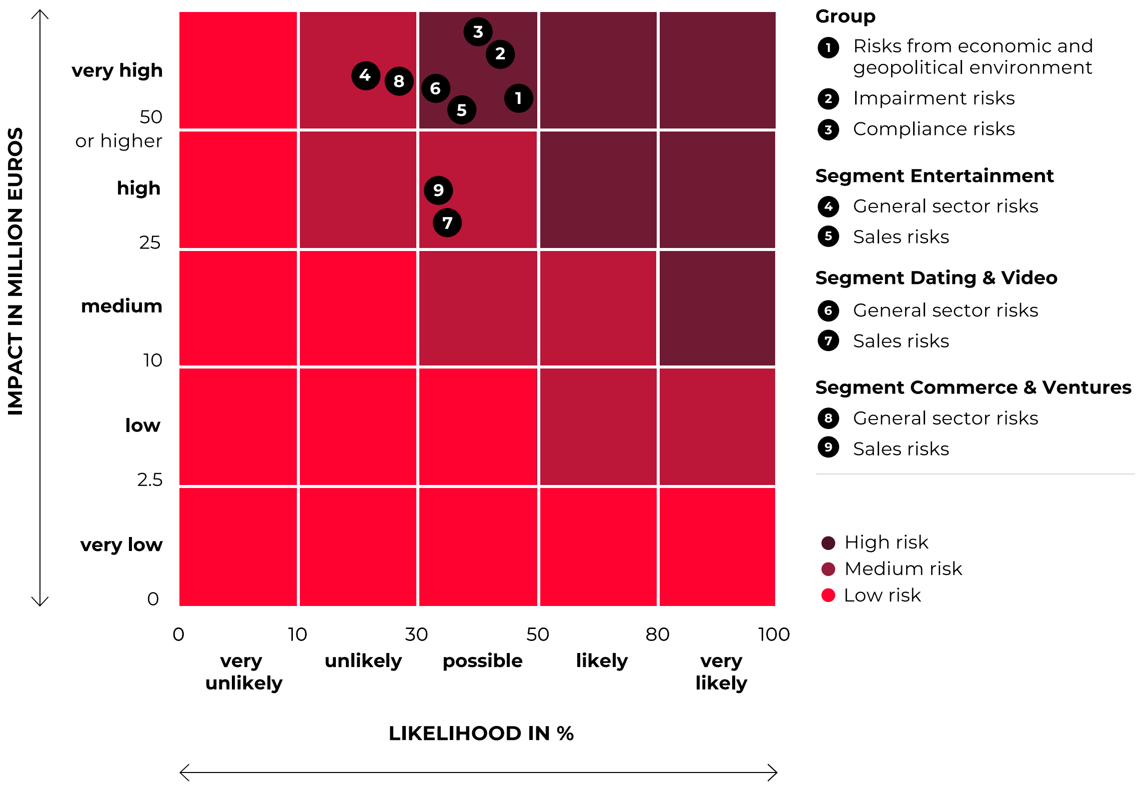
An overview of the relevant risks as of December 31, 2022 is shown in the table below:

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.

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.
→ Future Business and Industry Environment

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

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.
→ Sustainability → www.prosiebensat1.com/en/sustainability/information/publications

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.[6]

→ Significant Events and Changes in the Scope of Consolidation

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.

→ Group Environment

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.

6 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.

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 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.

→ Future Business and Industry Environment

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

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

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

- **To identify risks that might jeopardize the goal of ensuring that the (consolidated) Financial Statements and the (Group) Management Report comply with regulations.**
- **To limit risks that are already known by identifying and implementing appropriate countermeasures.**
- **To analyze known risks as to their potential influence on the (Consolidated) Financial Statements, and to take these risks duly into account.**

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

ORGANIZATIONAL STRUCTURE

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

PROCESS ORGANIZATION

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

OPPORTUNITY REPORT

OPPORTUNITY MANAGEMENT

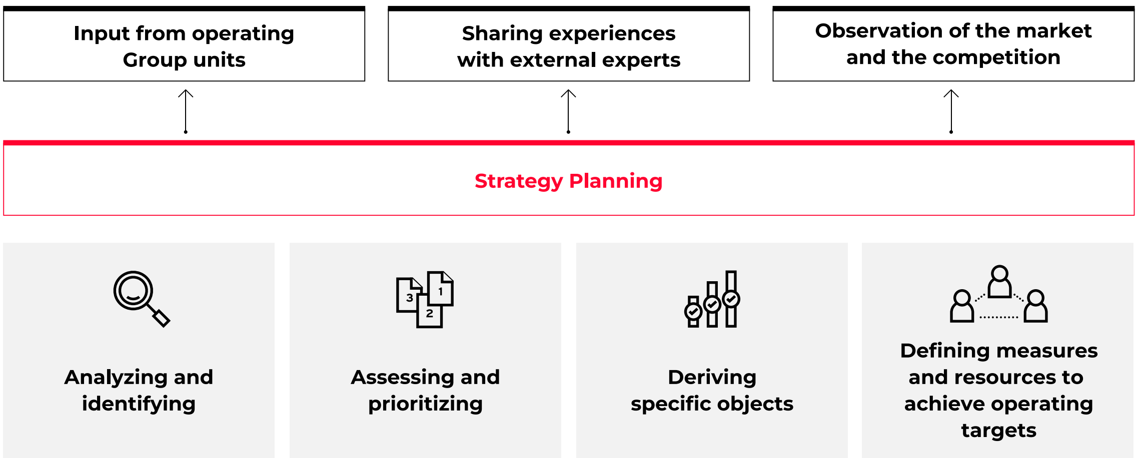
Our aim is to identify opportunities as soon as possible and to take advantage of them through suitable measures. To this end, ProSiebenSat.1 records the growth opportunities defined as relevant as part of its strategic planning. Individual opportunities are prioritized, specific objectives are derived,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

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.

→ Future Business and Industry Environment

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.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM[7]

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.
→ Risk Report

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.

7 This section is not part of the audited Group Management Report.

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 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.

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.

→ Opportunity Report

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.
→ Risk Report

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.
→ Group Environment

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%).
→ Group Environment

COMPANY OUTLOOK

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[8] 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.

→ Future Business and Industry Environment

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[9].

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.

8 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.
9 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.

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[10]). 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%.
→ Strategy and Management System

Capital Structure

In general, ProSiebenSat.1 aims for a **leverage ratio** (the ratio of the Group's net financial debt to its LTM adjusted EBITDA) in a range between 1.5x and 2.5x at the end of the respective year.

However, due to the expected decline in adjusted EBITDA in the full-year, the Group 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.

10 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.

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.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

in EUR m		**2022**	2021[1]
Revenues	[6]	4,163	4,495
Cost of sales	[7]	−2,617	−2,746
Gross profit		**1,546**	**1,749**
Selling expenses	[8]	−682	−712
Administrative expenses	[9]	−497	−501
Other operating expenses	[10]	−181	−12
Other operating income	[11]	50	29
Operating result		**236**	**552**
Interest and similar income		14	16
Interest and similar expenses		−42	−55
Interest result	[12]	−27	−39
Result from investments accounted for using the equity method	[13]	−24	−41
Other financial result	[13]	−87	142
Financial result		**−139**	**62**
Result before income taxes		**97**	**614**
Income taxes	[14]	−147	−163
Net income		**−49**	**451**
Attributable to shareholders of ProSiebenSat.1 Media SE		**5**	**456**
Attributable to non-controlling interests		−54	−5
Earnings per share in EUR			
Basic earnings per share	[15]	0.02	2.01
Diluted earnings per share	[15]	—	2.01

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	2022	2021[1]
Net income	**−49**	**451**
Foreign currency translation adjustment	27	72
Measurement of cash flow hedges	10	47
Income taxes	−3	−13
Items that may be reclassified subsequently to profit or loss	**34**	**106**
Remeasurement of defined benefit obligations	5	0
Income taxes	−1	0
Items that will not be reclassified subsequently to profit or loss	**4**	**0**
Other comprehensive income	**38**	**106**
Total comprehensive income	**−12**	**557**
Attributable to shareholders of ProSiebenSat.1 Media SE	**32**	**545**
Attributable to non-controlling interests	−43	13

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in EUR m		12/31/2022	12/31/2021[1]	01/01/2021[1]
ASSETS				
Goodwill	[17]	1,997	2,243	2,258
Programming assets	[18]	912	973	1,072
Other intangible assets	[19]	809	867	943
Property, plant and equipment	[20]	490	495	443
Investments accounted for using the equity method	[22]	29	61	14
Other financial assets	[23]	294	353	271
Other receivables and non-current assets	[24]	3	3	2
Deferred tax assets	[14]	20	67	54
Non-current assets		**4,555**	**5,062**	**5,056**
Programming assets	[18]	174	172	141
Inventories	[6]	41	49	44
Other financial assets	[23]	93	139	50
Trade receivables	[23]	471	494	558
Current tax assets		87	55	31
Other receivables and current assets	[24]	81	91	47
Cash and cash equivalents	[25]	504	594	1,224
Current assets		**1,451**	**1,594**	**2,095**
Total assets		**6,005**	**6,656**	**7,151**

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

in EUR m		12/31/2022	12/31/2021[1]	01/01/2021[1]
EQUITY AND LIABILITIES				
Subscribed capital		233	233	233
Capital reserves		1,046	1,046	1,045
Consolidated equity generated		358	534	190
Treasury shares		−60	−62	−62
Accumulated other comprehensive income		72	45	−44
Other equity		−141	−140	−133
Total equity attributable to shareholders of ProSiebenSat.1 Media SE		1,508	1,657	1,229
Non-controlling interests		266	310	318
Equity	**[26]**	**1,774**	**1,968**	**1,547**
Non-current financial debt	[29]	2,117	2,395	2,591
Other non-current financial liabilities	[29]	287	339	410
Trade and other payables	[29]	73	52	74
Other non-current liabilities	[30]	6	16	4
Provisions for pensions	[27]	2	31	32
Other non-current provisions	[28]	9	51	45
Deferred tax liabilities	[14]	277	219	234
Non-current liabilities		**2,770**	**3,102**	**3,391**
Current financial debt	[29]	—	51	601
Other current financial liabilities	[29]	124	80	109
Trade and other payables	[29]	909	886	924
Other current liabilities	[30]	258	303	304
Current tax liabilities		78	141	133
Other current provisions	[28]	92	126	142
Current liabilities		**1,461**	**1,586**	**2,214**
Total equity and liabilities		**6,005**	**6,656**	**7,151**

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	2022	2021[1]
Net income	−49	451
Income taxes	147	163
Financial result	139	−62
Depreciation, amortization and impairments of goodwill, other intangible assets and property, plant and equipment	430	251
Consumption of programming assets incl. change in provisions for onerous contracts	958	995
Change in provisions	8	27
Gain/loss on the sale of assets	−19	11
Other non-cash income/expenses	0	−4
Change in working capital	−62	−19
Dividends received	7	5
Income tax paid	−162	−221
Interest paid	−51	−60
Interest received	11	1
Cash flow from operating activities	**1,354**	**1,539**
Proceeds from disposal of non-current assets	23	74
Payments for the acquisition of other intangible assets and property, plant and equipment	−217	−218
Payments for investments including investments accounted for using the equity method	−21	−83
Payments for the acquisition of programming assets	−895	−1,060
Payments for the issuance of loan receivables	−2	−1
Proceeds from the repayment of loan receivables	2	1
Payments for obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	23	−25
Proceeds from losing control of subsidiaries or other businesses (net of cash and cash equivalents disposed of)	122	63
Cash flow from investing activities	**−966**	**−1,249**
Dividend paid	−181	−111
Repayment of financial liabilities	−326	−1,681
Proceeds from issuance of financial liabilities	37	956
Repayment of lease liabilities	−45	−42
Payments for transactions with non-controlling interests	0	−37
Dividend payments to non-controlling interests	0	−23
Payments in connection with refinancing measures	−7	−1
Proceeds from premiums relating to the early repayment of financial liabilities	3	—
Cash flow from financing activities	**−519**	**−940**
Effect of foreign exchange rate changes on cash and cash equivalents	41	20
Change in cash and cash equivalents	**−91**	**−630**
Cash and cash equivalents at beginning of reporting period	594	1,224
Cash and cash equivalents at end of reporting period	**504**	**594**

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Measurement of cash flow hedges	Remeasurement of defined benefit obligations	Deferred taxes	Other equity	Attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Equity
January 1, 2021 before adjustment[1]	233	1,045	290	−62	−33	0	−15	4	−129	1,333	354	1,687
Adjustment[1]	—	—	−101	—	—	—	—	—	−4	−104	−36	−140
January 1, 2021 after adjustment[1]	233	1,045	190	−62	−33	0	−15	4	−133	1,229	318	1,547
Net income[1]	—	—	456	—	—	—	—	—	—	456	−5	451
Other comprehensive income	—	—	—	—	55	47	0	−13	—	89	17	106
Total comprehensive income[1]	**—**	**—**	**456**	**—**	**55**	**47**	**0**	**−13**	**—**	**545**	**13**	**557**
Dividends	—	—	−111	—	—	—	—	—	—	−111	−23	−134
Other changes	—	0	0	1	—	—	—	—	−7	−6	3	−3
December 31, 2021[1]	**233**	**1,046**	**534**	**−62**	**22**	**47**	**−15**	**−9**	**−140**	**1,657**	**310**	**1,968**

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

in EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Measurement of cash flow hedges	Remeasurement of defined benefit obligations	Deferred taxes	Other equity	Attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Equity
December 31, 2021[1]	233	1,046	534	−62	22	47	−15	−9	−140	1,657	310	1,968
Net income	—	—	5	—	—	—	—	—	—	5	−54	−49
Other comprehensive income	—	—	—	—	16	10	5	−4	—	27	11	38
Total comprehensive income	**—**	**—**	**5**	**—**	**16**	**10**	**5**	**−4**	**—**	**32**	**−43**	**−12**
Dividends	—	—	−181	—	—	—	—	—	—	−181	0	−181
Other changes	—	0	0	2	—	—	—	—	−1	0	−1	−1
December 31, 2022	**233**	**1,046**	**358**	**−60**	**38**	**57**	**−10**	**−13**	**−141**	**1,508**	**266**	**1,774**

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

1 / General information

The Consolidated Financial Statements as of December 31, 2022, present the assets, liabilities, financial position, profit or loss and the cash flows of ProSiebenSat.1 Media SE and its subsidiaries (together “the Company”, “the Group” or “ProSiebenSat.1 Group”).

ProSiebenSat.1 Media SE is based in Unterföhring and is a listed stock corporation under European law (“Societas Europaea” or “SE”). It is registered under the name ProSiebenSat.1 Media SE with the Munich District Court in Germany (HRB 219 439). It is the parent company of ProSiebenSat.1 Group and, with its subsidiaries, combines entertainment brands with a Dating & Video and Commerce & Ventures portfolio under one roof as a digital media group.

The Consolidated Financial Statements of ProSiebenSat.1 Group for the financial year ending December 31, 2022, were prepared in accordance with the International Financial Reporting Standards (“IFRS”) in force at the reporting date, as adopted by the European Union, and in accordance with the additional requirements of German commercial law pursuant to section 315e (1) of the German Commercial Code (“HGB”) and were authorized for issue by the Executive Board on April 27, 2023.

ProSiebenSat.1 Media SE prepares and publishes its Consolidated Financial Statements in euro. Due to rounding, numbers may not add exactly to the totals provided and percentages presented may not precisely reflect the absolute figures to which they relate.

2 / Accounting principles

A) ASSUMPTIONS, ESTIMATES AND JUDGMENTS

Preparing the Consolidated Financial Statements requires assumptions, estimates and judgments, which are subject to continuing review and may affect the measurement of assets and liabilities as well as the amounts of expenses and income. They take into account the circumstances at the reporting date, the knowledge acquired before the financial statements are authorized for issue, and expectations regarding the development of the company-specific as well as the global and macroeconomic industry-specific environment. If the actual development deviates from the forecasts, the carrying amounts of assets and liabilities may have to be adjusted and additional expenses and income recognized. ProSiebenSat.1 Group recognizes such changes in estimates directly in profit or loss without adjusting the previous year’s figures.

In the financial year 2022, the Russia/Ukraine war and the effects of the continuing COVID-19 pandemic weighed on the macroeconomic environment relevant to the Group. The persistently high inflation currently forecast, the energy price crisis and the resulting consumer restraint are having a negative impact on the Group's growth prospects, as a large proportion of the Group's business models are directly or indirectly dependent on macroeconomic developments and in particular on consumer spending. As of the reporting date, therefore, there are uncertainties about the economic development in the coming financial years, as this depends significantly on the further development of the above factors and the resulting macroeconomic impact, and it is difficult to predict their medium- to long-term duration or financial impact on the Group's assets, liabilities, earnings and cash flows.

In the preparation of the Consolidated Financial Statements as of December 31, 2022, the altered macroeconomic environment and the material associated uncertainties, if relevant, were taken into account in assumptions, estimates and judgments. The assumptions, estimates and judgments are based on the knowledge and information available at the reporting date, taking into account any additional information up to the date on which the Consolidated Financial Statements were authorized for issue (April 27, 2023).

Particularly when making impairment assessments for assets (especially goodwill, other intangible assets, programming assets, other equity instruments and trade receivables) and in measuring put option liabilities, possible effects of the altered macroeconomic conditions have been taken into consideration.

Additional disclosures on the impact of the macroeconomic environment and the accompanying assumptions made by management can be found in the following section:
→ Group Management Report

As a digital media group, ProSiebenSat.1 Group does not operate in an industry sector with high resource consumption and energy intensity. As a result, the effects of climate change on the Group tend to be indirect; they are felt, for example, in the form of changes in overall economic conditions. Potential effects on assets, liabilities, earnings or cash flows are assessed for materiality and taken into account appropriately in the assumptions, estimates and judgments used in the preparation of the Consolidated Financial Statements. However, as in the previous year, climate-related issues had no impact on the Consolidated Financial Statements in the reporting period.

Material assumptions, estimates and judgments are specifically required for the following accounting issues and are explained in more detail below and in the relevant individual notes:

– Recognition and measurement of assets, particularly goodwill and other intangible assets, as well as liabilities in the context of business combinations,
  → Note 17 "Goodwill" → Note 19 "Other intangible assets"
  → Note 33 "Notes on financial risk management and financial instruments"

– Impairment testing of goodwill and other intangible assets with indefinite useful lives, in particular trademarks, and of property, plant and equipment and rights-of-use to property, plant and equipment,
  → Note 17 "Goodwill" → Note 19 "Other intangible assets"
  → Note 20 "Property, plant and equipment and rights-of-use to property, plant and equipment"

– Assessment of the existence of control of other entities in determining the scope of consolidation,
  → Note 4 "Scope of consolidation

– Revenue recognition,
  → Note 6 "Revenues"

– Recognition and measurement of programming assets,
  → Note 18 "Programming assets"

– Measurement of financial instruments and lease liabilities,
  → Note 23 "Receivables and other financial assets" → Note 29 "Financial liabilities"
  → Note 33 "Notes on financial risk management and financial instruments"

- Recognition and measurement of provisions, including provisions for share- and performance-based payments,
  → Note 28 "Other provisions" → Note 35 "Share- and performance-based payment"

- Assessment of the recoverability of deferred tax assets and measurement of uncertain tax positions.
  → Note 14 "Income taxes"

B) GENERAL PRINCIPLES

With the exception of the adjustments described in note 3 "Changes in reporting standards and accounting policies", the accounting policies applied in the Consolidated Financial Statements for the financial year 2022 are the same as those of the previous year.

The consolidated income statement is prepared using the cost-of-sales method.

ProSiebenSat.1 Group's consolidated statement of financial position is structured according to the maturity of the recognized assets and liabilities. Assets are generally presented as current if they are realized within one year or within the normal operating cycle. Liabilities are generally presented as current if they fall due within one year or within the normal operating cycle or can fall due as a result of circumstances beyond the Group's control or the actions of third parties.

Deferred tax assets and liabilities, as well as pension provisions, are always classified as non-current.

The table below shows the significant methods of recognition and measurement used in the Consolidated Financial Statements:

SUMMARY OF SIGNIFICANT RECOGNITION AND MEASUREMENT METHODS

Item	Recognition and measurement method
ASSETS	
Goodwill	At cost (subsequent measurement: impairment test)
Other intangible assets with indefinite useful lives	At cost (subsequent measurement: impairment test)
Other intangible assets with finite useful lives	At (amortized) cost
Property, plant and equipment	At (amortized) cost
Programming assets	At (amortized) cost
Investments accounted for using the equity method	Equity method
Financial assets	
Loans and receivables	At (amortized) cost or fair value through profit or loss
Securities and other equity investments	At fair value through profit and loss
Derivatives	At fair value through profit and loss
Cash and cash equivalents	At cost
LIABILITIES	
Loans and borrowings	At (amortized) cost
Provision for pensions	Projected unit credit method
Other provisions	At settlement value (discounted if non-current)
Financial liabilities	At (amortized) cost or fair value
Other liabilities	At settlement value (discounted if non-current)

C) FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are translated into the functional currency of the relevant Group entity at the exchange rates in effect at the transaction date or using average exchange rates.

In the case of fully consolidated subsidiaries whose functional currency is not the euro, assets and liabilities are translated at the exchange rates on the reporting date, equity is translated at historical rates, and expenses and income are translated at the annual average rate. Initially, the Group recognizes the resulting differences directly in equity. In the event of a later loss of control, they are reclassified to profit or loss and recognized as part of the gain or loss on disposal.

The following exchange rates were applied in the translation of the most significant currencies into the reporting currency:

EXCHANGE RATES

		Spot rate		Average rate	
1 EUR	Currency	**12/31/2022**	12/31/2021	**2022**	2021
United Kingdom	GBP	0.8868	0.8400	0.8529	0.8596
Switzerland	CHF	0.9851	1.0333	1.0049	1.0812
United States of America	USD	1.0676	1.1320	1.0533	1.1827

D) CONSOLIDATION

The Consolidated Financial Statements include ProSiebenSat.1 Media SE and all material subsidiaries it controls. The Group controls an entity if it has existing rights that give it the current ability to direct the relevant activities of that entity, is exposed or has rights to the variable returns from its involvement with the entity and is able to influence the amount of the entity's returns on the basis of its power over the entity. In individual cases, judgments are required to identify control-related activities at project entities involving third parties in connection with film and series co-productions.

Intragroup balances, expenses and income are eliminated, taking into account deferred taxes where necessary.

Subsidiaries are initially consolidated using the acquisition method, under which the assets acquired and liabilities assumed are recognized at their fair values at the acquisition date. The Group generally engages external, independent appraisers to determine these fair values. If the sum of consideration paid, fair value of any shares already held and non-controlling interests exceeds the fair value of the net assets acquired, the difference is recognized as goodwill. Non-controlling interests are measured at the acquisition date, generally at their share in the acquired entity's identifiable net assets.

If the Group grants non-controlling shareholders put options for their remaining shares in the context of a business combination, this is accounted for as an immediate acquisition of these shares (so-called "anticipated acquisition method"). In this case, no non-controlling interests are recognized within equity. Instead, the present value of the consideration payable for the shares on exercise of the option is recognized as a liability and subsequently remeasured through profit or loss.

The Group recognizes share transactions with non-controlling shareholders that do not result in a loss of control in other comprehensive income as equity transactions.

Investments in entities over whose business policies the Group exercises or is able to exercise no control but only significant influence ("associates") or which are jointly controlled with other investors ("joint ventures") are accounted for using the equity method.

If ProSiebenSat.1 Media SE obtains control over such entities through the acquisition of further shares in associates or joint ventures, they are fully consolidated as subsidiaries from that date. The fair value of shares previously held are treated as part of the consideration paid for the shares in the subsidiary. If the fair value differs from the carrying amount of the investment, the Group recognizes the difference in profit or loss.

The financial year of ProSiebenSat.1 Media SE and all subsidiaries included in the Consolidated Financial Statements corresponds to the calendar year.

E) RECOGNITION AND MEASUREMENT

Revenues

The table below provides information about the main revenue categories or business models of ProSiebenSat.1 Group and about the way revenues are recognized:

REVENUE RECOGNITION

Revenue category	Business model	Recognition of revenues
Advertising revenues	Sale of classic advertising spots, sponsorings, special creations and audience-tailored advertising offerings on free TV and streaming as well as the distribution and sale of online advertising (revenues from the sale of advertising time)	Broadcasting of advertising spot (point in time)
	Broadcasting of advertising spots on residual time slots on free TV or placement of online advertising in exchange for fixed consideration plus variable component based on the contract partners' revenues (media-for-revenue)	Broadcasting of advertising spot; variable component recognized when target achievement documentation is received from customer (point in time)
	Broadcasting of advertising spots on residual time slots on free TV or placement of online advertising in exchange for equity or equity-like interests in the contract partners' business (media-for-equity)	Broadcasting of advertising spot (point in time)
	Multi-channel network marketing of web videos and/or social media artists (Studio71)	Provision of marketing service (point in time)
Distribution	Distribution of free and pay TV content via cable, satellite, IPTV and DVBT	Provision of the TV signal (over time)
Content	Production of programming content such as TV formats and serial programs (production)	In accordance with stage of completion of the service (over time)
	Sale/licensing of programming assets within license territories (global sales and other program sales)	Start of license and delivery of material ready for broadcast (point in time)
Dating	Sale of subscription and individual purchases on own dating platforms to end customers (B2C); sale of online marketing services to advertising partners (B2B)	One-time services when service is performed (point in time); ongoing services (subscriptions/consumption of credits) over the term/period of use (over time)
Video	Monetization of video and live entertainment offerings on so-called owned-and-operated-online platform businesses (B2C) as well as their monetization on third-party platforms via Livebox (formerly vPaaS) (B2B); sale of online marketing services to advertising partners (B2B)	Ongoing services (use of credits) over the term/useful life (over time)
Consumer Advice	Brokerage of contracts between primary service providers and end customers in household, real estate sales, car rentals, insurance, energy supply, mobile communication and financial services via online portals	Transmission of customer data or start of service being provided by partner (point in time)
Experiences	Sale of event vouchers	Agency commission upon voucher redemption (point in time); payments for unredeemed vouchers upon voucher expiry or expiry of the statute of limitations (point in time)
Beauty & Lifestyle	Sale of fashion and interior design products predominantly via online portals as well as the operation of ad-financed search engines for those products	Handover of goods to the end customer taking account of return rights (point in time) and access-based using the “cost-per-click” method (point in time)

In the Group’s entertainment business, revenues are generated in particular in the form of advertising revenues, i.e. from the sale of advertising time. Advertising revenues are generated in the form of classic commercials, but also via advertising formats that allow a closer link between advertising and the underlying program, such as sponsorships and special creations (customized advertising campaigns in line with individual customer requirements) as well as target-audience-specific TV advertising tailored to the relevant viewers. Advertising revenues are net revenues after the deduction of discounts, agency commissions and cash rebates, and of value-added tax. The Group recognizes TV advertising revenues when the underlying commercials are broadcast by the Group’s own stations. Advertising services provided free of charge are treated as separate performance obligations. Their pro-rata share of the total transaction price is recognized as revenues when the performance obligation is satisfied. Moreover, the Group generates online advertising revenues. These comprise revenues from the sale of digital offerings of the Group or external third parties. Online revenues are recognized when the advertising service is rendered, which generally means when the ad impressions are delivered on the digital channels.

If the consideration agreed for advertising services depends on the revenues or other key performance indicators of the contract partner ("media-for-revenue"), variable consideration components based on the contract partners' achievement or overachievement of contractual revenue or earnings targets are recognized as revenues by the Group if the amount can be reliably estimated and a future reversal of revenues to be recognized is unlikely. This is the case if the required target achievement documentation is received from the contract partner.

If the Group and the contract partners agree the rendering of advertising services in exchange for equity or equity-like interests ("media-for-equity"), the related obligation to broadcast the promised advertising spots is recognized as a liability upon initial recognition of the instruments and recognized as revenues when the contracted advertising spots are broadcast. Online advertising is treated similarly. The financial instruments received constitute financial assets, which are accounted for at fair value through profit or loss. Because media-for-equity transactions are non-cash barter transactions, they do not affect the statement of cash flows.

In addition, advertising revenues also include revenues from the digital media and entertainment company Studio71 ("Studio71"). Here, online video concepts are developed for content creators and their digital presences are marketed and distributed on platforms such as YouTube, Facebook and Instagram. Revenues are mainly recognized at the point in time the service is rendered.

In the Distribution revenue category, the Group transmits TV signals (free TV and pay TV) to satellite, cable and internet providers, who in turn make them available to their end customers, generally for monthly fees. The Group predominantly recognizes related revenues based on the number of end customers reached by the providers in each billing month. As the signals are broadcast to the contract partners who re-transmit them to their customers at the same time, the Group recognizes the revenues over time.

In the Production business model of the Content revenue category, revenues are recognized over time because contractual provisions are such that the content produced over a longer period of time does not have an alternative use to ProSiebenSat.1 Group and the Group has enforceable rights to payment for production services rendered to date. Revenues for commissioned productions are recognized using the percentage of completion method if the expected contract revenues and related contract costs can be reliably estimated. The percentage of completion is calculated as the ratio of the contract costs incurred to date to the estimated total contract costs. Revenues to be recognized in the period are determined by applying this ratio to the respective estimated total revenues. If the expected total contract revenues or total costs cannot be reliably estimated, revenues are only recognized in the amount of the contract costs incurred. Contract costs are recognized as expenses in the period in which they are incurred. If it is foreseeable that the total contract costs will exceed the expected revenues, the Group recognizes the expected loss immediately as an expense. In the Global sales and other program sales business model of the Content revenue category, program broadcasting rights are sold for specific license territories and periods. Revenues are recognized at a point in time, when the license term commences, and the material is delivered and ready for broadcast.

In the revenue category Dating, performance obligations of a delivery nature (personality assessments and profile reports) are recognized at a point in time and performance obligations of a subscription nature (access to the online platform) are recognized over the term of the contract. The total transaction price is allocated to the individual performance obligations on the basis of relative stand-alone selling prices.

In both revenue categories, Dating and Video, customers also have the option of purchasing value units on the company's own online portals. These are so-called "credits," "points," "gold," or “icebreakers” (generally referred to simply as “credits” below), which can be used to gain access to premium features or to acquire virtual gifts to give away to other users via the platform. In each case revenue recognition is based on the average consumption of purchased credits over time. Furthermore, revenues from online marketing services are recognized in both the Dating and the Video category.

In the Video category, the Group's own live streaming technology Livebox is also made available on third-party platforms. Revenue recognition is based on the consumption of credits on the respective third-party platform.

Revenues in the Consumer Advice category, specifically concerning household goods or services, real estate sales, car rentals, insurance, energy supply, mobile communications and financial services, are recognized in the amount of the fee agreed with the contract partners, i.e. the providers of the primary services to the end customers. Cancellation rates are taken into account provided they can be determined reliably. Depending on the contract terms, revenue is recognized when the customer data is transferred to the providers of the primary services, otherwise on receipt of proof of the conclusion of the contract or the start of the provision of services by the contract partners.

In the sale of event vouchers business model (Experiences), the payments received from voucher purchasers include both the agency commission and the event price. The payment received is initially recognized in full as a financial liability. When the voucher is redeemed, ProSiebenSat.1 Group recognizes the agency commission as revenue and passes on the remaining portion of the voucher price to the event organizer. Payments received for unredeemed vouchers are recognized in full as revenue after expiry of the voucher period or any longer statute of limitations period.

In the Beauty & Lifestyle category, ProSiebenSat.1 Group primarily sells goods via online portals. The Group recognizes the resulting revenues at the time the goods are handed over to the customers, taking into account return rates if these can be reliably determined. The Group recognizes a refund liability as a reduction of revenues, measured on the basis of historic experience, for the expected refund payments to be made as a result of customers exercising their legal or voluntarily granted return rights. Simultaneously, an asset for the right to receive back the goods returned is recognized in the amount of their previous carrying amounts less any expected loss in value and less the expected cost of returning the goods. The asset is recognized as a reduction to cost of sales and is reported under inventories. The Beauty & Lifestyle revenue category also includes revenues from advertising-financed search engines, which are recognized access-based at a point in time using the “cost-per-click” method.

In all revenue categories, the transaction price is derived from the contractually agreed terms. In some cases, variable consideration is agreed in addition to fixed payments. This is recognized as revenues only at an amount that makes a later reversal seem unlikely.

The payment terms of the business models are largely short-term (generally up to 30 days). In the case of the sale of programming rights, Studio71 revenues and in the Dating & Video segment, longer payment terms of up to 90 days are agreed in some cases. In the case of commissioned productions and the licensing of programming rights, payments are generally due shortly after contractually agreed milestones are reached, the number of agreed installments varies depending on the individual contract. In the Dating & Video segment, monthly installments are also agreed. There are no significant financing components as defined by IFRS 15.

Operating expenses

The Group recognizes operating expenses by function. Amortization, depreciation and impairment losses on intangible assets and property, plant and equipment are included in functional costs according to the use of the assets. Impairment losses on trademarks with indefinite useful lives and on goodwill are recognized in other operating expenses.

Income taxes

Income taxes include the taxes levied in the individual countries on taxable income and changes in deferred taxes. They are recognized based on tax laws enacted or substantively enacted as of the reporting date. Deferred taxes are recognized for deductible or taxable temporary differences between the carrying amounts of assets and liabilities under IFRS and their tax bases. In addition, the Group recognizes deferred tax assets for tax benefits from tax loss carryforwards that are likely to be usable.

Deferred taxes arising from temporary differences are recognized in the nominal amount of the expected tax charge or benefit that will arise when the temporary difference reverses. Deferred tax assets are only recognized to the extent that sufficient taxable income will be available in the future to utilize them.

When assessing the recoverability of deferred tax assets, the effects on earnings of the reversal of taxable temporary differences, the planned results from operations and intended tax structuring measures are taken into account. The planned results are based on internal forecasts regarding the future earnings situation of the respective Group entity, with a planning horizon of generally five years. The Group reviews the assumptions underlying tax deferral on an ongoing basis. Changed assumptions or circumstances may require adjustments that can affect the amount of the deferred tax assets and liabilities as well as deferred tax expenses. Deferred tax assets and liabilities are offset to the extent that they relate to the same tax authority and the right to offset is legally enforceable.

The Group recognizes current and deferred taxes in profit or loss unless the matters triggering the tax effects were recognized outside profit or loss.

Uncertain tax positions are analyzed on an ongoing basis. If it is probable that the fiscal authorities will not accept an uncertain tax treatment, the Group reflects this generally by using either the most likely amount or the expected amount in the financial statements. If the estimates change over time, for example as a result of tax audit findings or current court rulings, such changes may affect the level of risk provisioning considered necessary. Uncertainties arise, inter alia, in connection with matters that are the subject of ongoing tax audits but have not yet led to final findings or are under discussion due to controversial legal positions or new court rulings.

Due to the decision by the Federal Constitutional Court of July 8, 2021 (1 BvR 2237/14, 1 BvR 2422/17), on July 12, 2022 (BGBl. I p. 1142), the legislator retroactively adjusted the interest rate on back taxes and tax refunds for interest periods from January 1, 2019, onwards. In line with the statutory requirements now in place, the Group has recognized interest on tax provisions and tax receivables at an annual rate of 6.0% for interest periods up to December 31, 2018, and an annual rate of 1.8% for interest periods from January 1, 2019, onwards.

Earnings per share

Earnings per share correspond to the ratio of net income attributable to the shareholders of ProSiebenSat.1 Media SE and the weighted average number of shares outstanding during the financial year.

For purposes of calculating diluted earnings per share, the average number of shares outstanding is adjusted by the number of all potentially dilutive shares. At ProSiebenSat.1 Group, these dilutive effects result from issues of Performance Share Units under share-based payment plans.

Goodwill and other intangible assets

Goodwill is recognized at cost less accumulated impairment losses. At the acquisition date, it is allocated to the cash-generating unit or group of cash-generating units that is expected to benefit from the synergies of the business combination, which in each case represents the lowest level at which goodwill is monitored. ProSiebenSat.1 Group's cash-generating units are structured by business areas.

On disposal of cash-generating units or parts thereof, or on internal reorganization, any goodwill existing at the date of disposal or at the date of transfer is allocated between the units to be disposed of and the remaining units on a relative-value basis. Goodwill is reported in the functional currency of the acquired entity.

Intangible assets not acquired in the context of business combinations are initially recognized at cost.

The Group recognizes intangible assets identified in the context of business combinations at their fair values as of the acquisition date. The fair values are mainly measured using the following methods:

FAIR VALUE MEASUREMENTS IN THE CONTEXT OF THE PURCHASE PRICE ALLOCATION

Intangible asset	Measurement method
Trademarks	Relief from royalty method
Customer and other contractual relationships	Multi-period excess earnings method
Technologies	Reproduction cost method and relief from royalty method

For purposes of subsequent measurement, a distinction is made between intangible assets with definite and those with indefinite useful lives. Intangible assets with indefinite useful lives at ProSiebenSat.1 Group exclusively comprise established trademarks that have consistently been market leaders or held similar positions. They are not amortized and are subject to an annual impairment test.

In addition to trademarks, software and customer relationships, intangible assets with finite useful lives mainly comprise assets from software-as-a-service contracts and rights to use advertising licenses acquired for a limited period to market digital offerings from external providers.

After initial recognition, the cost of intangible assets with definite useful lives not acquired in a business combination is adjusted for amortization and any necessary impairment losses.

Furthermore, ProSiebenSat.1 Group holds acquired intangible assets with no fixed limit to their useful lives and whose use is not currently subject to economic or legal restrictions. If their useful life can be reliably determined, they are amortized over the expected useful life as intangible assets with a finite useful life or impaired, if necessary.

Identifiable internally generated intangible assets are capitalized if they are expected to generate future economic benefits and their cost can be measured reliably. In determining the cost of production, a distinction is made between research and development expenses, the former always being recognized as an expense when incurred. Development costs are only capitalized as production cost if the product or process is technically and commercially feasible. For this to be the case, the completion of development and subsequent use or sale must be both technically and financially assured and intended. The marketability of the product or process must also be demonstrated.

In the case of program formats developed in-house, this is only the case at a very late stage in the process, when the format can be placed successfully with a buyer. Expenditure on format development therefore generally does not qualify for capitalization.

Amortization reflects the pattern of usage and is recognized on a straight-line basis, predominantly based on the following economic useful lives:

USEFUL LIVES OF INTANGIBLE ASSETS

	Years
Trademarks with finite useful lives	5-17
Customer relationships	3-10
Software	1-10
Licenses and other property rights	10 or term of the license agreements

The useful lives and amortization methods of intangible assets are reviewed annually and adjusted if expectations have changed.

Property, plant and equipment

Property, plant and equipment are measured at cost less depreciation and impairments. The Group recognizes depreciation using the straight-line method. Depreciation is based on the following expected useful lives:

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

	Years
Real estate	3-50
Technical facilities	2-10
Office furniture and equipment	2-20

The useful lives and depreciation methods of property, plant and equipment are reviewed annually and adjusted if expectations have changed.

Leases

The Group recognizes assets from rights-of-use to leased property, plant and equipment as property, plant and equipment and measures them at cost less depreciation and impairments. Lease liabilities in the amount of the present value of the expected lease payments are recognized at the lease commencement date together with the right-of-use asset and subsequently measured according to the effective interest method and using the incremental borrowing rate.

Expenses for leases with a term of not more than one year or for a leased asset that, when new, is worth not more than EUR 5,000 or the equivalent in foreign currency are recognized as incurred by the Group as current expenses in functional costs. The same applies to sales- or usage-based lease payments.

Investments accounted for using the equity method

These include investments in associates and joint ventures. Associates are investments in which ProSiebenSat.1 Group has the ability to exercise significant influence over the operating and financial policies of the investee. In joint ventures, the Group exercises joint control together with other investors.

Investments accounted for using the equity method are initially recognized at cost, except for investments in subsidiaries that were originally fully consolidated over which the Group loses control but retains significant influence or joint control. In this case, the investment is recognized at fair value at the date when control is lost. Any goodwill identified on initial recognition is included in the carrying amount of the investment and is neither amortized nor separately tested for impairment.

Under the equity method, the Group recognizes its share of the net profit or loss of the investee in the result from investments accounted for using the equity method after initial recognition of the investment. This includes effects attributable to the Group from the amortization of hidden reserves and hidden liabilities that were recognized on acquisition of the investment. Earnings components recognized directly in equity by the investee are also recognized directly in equity at the level of ProSiebenSat.1 Group. Earnings effects from the contribution or sale of shares in subsidiaries to existing investments accounted for using the equity method are included in the elimination of intercompany profits or losses.

Losses of an investee accounted for using the equity method that exceed the Group's interest in the investee are recognized only when the Group has a legal or constructive obligation to absorb or fund the losses. Distributions received reduce the carrying amount of the investment without affecting profit or loss.

If relevant indicators exist, the entire carrying amount of the investment is tested for impairment and, if necessary, written down to the lower recoverable amount.

Programming assets

Programming content is recognized at acquisition and production cost, less amortization and impairment losses. Feature films and series are capitalized at the beginning of the contractual license period, while commissioned productions are capitalized upon acceptance. Live content, such as sports rights in particular, as well as news formats and some shows, are included in advance payments until broadcast and reported as current programming assets. On broadcast, they are immediately expensed as consumption in cost of sales.

The Group recognizes amortization on a declining-balance basis over the number of contractual or planned broadcasts in accordance with the expected audience reach potential associated with the respective broadcast.

Impairment losses on programming assets are recognized when the carrying amount of the assets is not covered by the expected proceeds from their exploitation. Indications for this can be, among other things, poorer exploitation opportunities, changed requirements from the advertising environment, adaptation of programs to the preferences of the target groups, media law restrictions on the usability of films, expiry of the license period before broadcasting or the discontinuation of commissioned productions. Programming assets that no longer meet the criteria for capitalization are thus fully impaired.

The remaining programming assets are assessed for impairment at the level of program groups.

Impairments of other non-financial assets

In addition to programming assets, goodwill, other intangible assets, property, plant and equipment, and other non-financial assets are tested for impairment if there are indications that the carrying amount does not at least equal the recoverable amount. The recoverable amount is the higher of value in use and fair value less costs to sell. The value in use is the present value of future cash flows expected to arise from the continuing use of the asset. In addition, intangible assets with an indefinite useful life, other intangible assets that are not yet ready for use or relevant advance payments, and acquired goodwill have to undergo an impairment test at least once a year.

In the event of impairment, the Group recognizes the difference between the carrying amount and the lower recoverable amount in profit or loss. Impairment losses are allocated to the relevant functional costs. In contrast, the Group recognizes impairment losses on goodwill and trademarks with indefinite useful lives in other operating expenses. The recoverable amount is determined for each individual asset, unless an asset generates cash inflows that are not largely independent of those from other assets or cash-generating units. In these cases, the impairment test is performed at the smallest level of the cash-generating unit to which an asset is attributable.

The Group generally determines the recoverable amount using valuation methods based on discounted cash flows. For cash-generating units, ProSiebenSat.1 Group determines the respective recoverable amount as the higher of value in use and fair value less costs to sell and compares this with the carrying amount of the measurement object, including any attributable goodwill. ProSiebenSat.1 Group derives the discounted cash flows from the financial budgets approved by management, which have a planning horizon of five years. Cash flows beyond the planning period are extrapolated using individual growth rates based on externally published sources. The main assumptions on which the derivation of the recoverable amount is based relate to future cash flows, estimated growth rates, tax rates and weighted average cost of capital.

If the reasons for impairment no longer apply, the Group recognizes a reversal of the impairment loss for the assets concerned which, however, may not exceed amortized cost. As an exception, impairment losses recognized on goodwill may not be reversed.

Financial instruments

Financial instruments are contracts that give rise to financial assets for one party and financial liabilities or equity instruments for the other party. The Group recognizes regular way purchases and sales of non-derivative financial assets on the settlement date, and derivative transactions on the trade date.

Financial assets are derecognized once the contractual rights to the cash flows from the asset expire or the Group transfers the rights to receipt of the cash flows in a transaction where substantially all the risks and rewards associated with ownership of such financial assets are transferred as well. Any differences arising on derecognition are recognized in profit or loss.

Financial liabilities are derecognized once the obligations specified in the contract are discharged, canceled or expired. When contract terms are changed or when maturities are extended, the Group examines whether these are substantial modifications to the contract terms. If this is the case, the adjustments or maturity extensions result in the original liability being derecognized and a new liability being recognized. Any difference between the carrying amount of the original liability and the fair value of the new liability as well as any processing and other transaction costs are recognized immediately in profit or loss.

If amendments to the terms of the contract do not result in the derecognition of a financial instrument measured at amortized cost (whether a financial asset or financial liability), the new carrying amount is determined as the present value of the renegotiated or modified cash flows discounted at the original effective interest rate, and any difference to the original carrying amount is recognized in profit or loss. Processing or other transaction costs result in an adjustment to the carrying amount and are amortized using the effective interest method.

Measurement of financial instruments

Financial assets are initially recognized at fair value, with the exception of trade receivables and contract assets (hereafter jointly referred to as assets from revenue contracts with customers), which are recognized at the transaction price in accordance with IFRS 15.

ProSiebenSat.1 Group subsequently measures financial assets and liabilities either at fair value through profit or loss or at amortized cost.

Instruments accounted for at fair value through profit or loss after initial recognition mainly include (i) investments in entities over which the Group does not exercise control, joint control or significant influence, (ii) fund investments, (iii) derivative financial instruments that do not qualify for hedge accounting and (iv) contingent considerations arising from business combinations, in particular payment obligations assumed under put option agreements or earn-out clauses.

The fair value corresponds to the market or stock exchange value, provided there is an active market for the respective instrument. Otherwise, the fair value is determined using valuation techniques (for example, by discounting the future cash flows at the market interest rate). The fair value of a liability that is callable at any time (demand feature) is not less than the amount payable on demand. On initial recognition, the fair value usually corresponds to the transaction price.

The fair values are determined depending on the type of instrument and on its marketability based on a three-level measurement hierarchy.
→ Note 33 "Notes on financial risk management and financial instruments"

Loss allowances for loans and receivables

For financial assets measured at amortized cost, ProSiebenSat.1 Group recognizes loss allowances in the amount of the expected credit losses. This primarily relates to assets from revenue contracts with customers.

The loss allowances for these assets cover the lifetime expected credit losses and are recognized on the basis of historical and forward-looking information using provision matrices ("simplified approach").

Expected credit losses on assets from revenue contracts with customers are recognized in separate allowance accounts.

For all other financial assets falling within the scope of the impairment requirements for financial assets – i.e. mainly cash and cash equivalents – an impairment loss in the amount of the twelve-months expected credit losses is generally recognized when the assets are initially recognized. Due to the high liquidity and low default probability, however, the expected credit losses for cash and cash equivalents are usually negligible.

If there is a significant deterioration in credit quality after initial recognition, the impairment loss is adjusted and the credit losses expected over the entire contractual term are recognized. To the extent that financial assets exist with counterparties that have an external credit rating in the investment grade range, the Group makes use of the practical expedient of assuming that the credit risk has not increased significantly if the financial asset has a low risk of default at the reporting date.

Otherwise, an increased default risk is assumed if any amount is past due by more than 30 days or if ProSiebenSat.1 Group has any other indications that creditworthiness has declined significantly. This includes information about a significant downgrade of the credit rating or signs of a significant increase in debt or a sharp decline in operating results.

If relevant market prices are currently available for the respective counterparty, maturity-matched credit default swap spreads are used to assess creditworthiness.

If a default event occurs, individual receivables are impaired. ProSiebenSat.1 Group assumes that a default event has occurred if receipt of full payment becomes unlikely due to the contracting party's limited ability to pay, or if a receivable is more than 90 days overdue. The principle of considering a default to have occurred if a receivable is more than 90 days overdue may be deviated from in justified individual cases. In these cases, no individual credit loss is recognized.

The Group recognizes impairment losses in profit or loss and reviews them on a regular basis. If the reasons for impairments no longer apply, credit losses are reversed accordingly. If there are indications of a final non-recoverability, the receivable is derecognized, possibly against previously recognized loss allowances.

Derivative financial instruments and hedge accounting

ProSiebenSat.1 Group uses derivative financial instruments in the form of interest rate swaps and interest rate options, as well as forward exchange transactions, currency swaps and currency options, to hedge against interest rate and currency risks. Derivative financial instruments are recognized as financial assets or financial liabilities in the statement of financial position at their fair values, irrespective of the purpose or intention for which they were entered into. The fair values of interest rate swaps and forward exchange transactions or currency swaps are generally zero on initial recognition, while for interest rate and currency options they correspond to the option premiums paid or to be paid. The valuation of derivative financial instruments also takes into account counterparty-specific credit risks.

If a hedging relationship meets the relevant criteria, the Group accounts for it using the hedge accounting requirements of IAS 39 "Financial Instruments: Recognition and Measurement".

ProSiebenSat.1 Group currently uses hedging derivatives exclusively as part of cash flow hedges for hedging future cash flows. Accordingly, changes in the fair value of the effective portion of the derivative are initially recognized separately in other comprehensive income in equity and only in profit or loss when the hedged item affects profit or loss. Any ineffective part is recognized immediately in profit or loss.

In the case of hedges of future license payments against currency risks, the gains or losses on the hedging instrument recognized in equity increase or decrease the cost of the license at the commencement of the license, i.e., when the hedged item is capitalized, with a corresponding effect on subsequent amortization.

At ProSiebenSat.1 Group, identified hedged items and hedging transactions are combined and managed in so-called hedge books. The effectiveness of the hedging relationship is measured at regular intervals, and the hedging relationship is adjusted if necessary. If a hedging relationship does not meet or no longer meets the requirements of the standard, hedge accounting is terminated. After termination of a hedging relationship, the amounts still recognized in other comprehensive income or as an adjustment to cost are recognized in profit or loss when the hedged item affects profit or loss. If a hedging relationship is terminated because it is no longer probable that the hedged item will occur, the amounts recognized in other comprehensive income are recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are measured at cost; foreign currency balances are translated at the respective closing rate. These are cash and cash equivalents and short-term, highly liquid financial investments with a remaining term of up to three months at the time of acquisition, provided they are subject to only insignificant risks of fluctuation in value. They are not subject to any restrictions on disposal.

Provisions for pensions

Provisions for pensions are measured using the actuarial projected unit credit method. Deviations between assumptions made and actual developments as well as changes in actuarial assumptions regarding the measurement of defined benefit pension plans must be accounted for via remeasurement of the obligations and any plan assets as of the reporting date. ProSiebenSat.1 Group recognizes actuarial gains and losses resulting from this remeasurement in other comprehensive income. The statement of financial position therefore shows the full extent of the obligations while avoiding fluctuations in profit or loss that may arise in particular from changes in the calculation parameters.

The actuarial gains and losses recognized in the respective reporting period are presented separately in the statement of comprehensive income. In subsequent periods, such amounts are not reclassified to profit or loss.

Assets available to cover pension entitlements that meet the criteria for recognition as plan assets are measured at fair value and offset against the corresponding obligations.

Share- and performance-based payments

The share-based payments of ProSiebenSat.1 Group (primarily rights to shares or to future payments based on share values) partly relate to compensation plans which the Group can settle either in shares or in cash. The applicable accounting depends on whether the Group has a present legal or constructive obligation to settle in cash. Where plans are settled in shares or do not contain such a cash settlement obligation, they are measured once at the grant-date fair value. The Group recognizes personnel expenses for these plans in functional costs over the vesting period. The counter-entry is to capital reserves.

If, in the case of remuneration plans with a settlement option, the Group has a legal or constructive obligation to settle in cash, ProSiebenSat.1 Group recognizes such plans in accordance with the requirements for cash-settled plans. The corresponding personnel expense is recognized against liabilities, which are remeasured through profit or loss in personnel expenses at each reporting date as well as on the settlement date. In addition, there are share-based compensation plans under which settlement is agreed solely in cash; these are also recognized in accordance with the aforementioned rules for cash-settled plans.

Performance-based compensation plans determined by earnings and other non-share-based parameters are measured as other long-term employee benefits in accordance with actuarial principles and are generally recognized in profit or loss.

Other provisions

Provisions are recognized if a present legal or constructive obligation to third parties exists as a result of a past event, if outflows of economic resources are expected, and if the amount can be determined reliably. They are recognized in the amount of costs that are directly attributable to fulfilling a contract and reflect the most probable outcome of the obligation, taking into account experiential values. Non-current provisions are recognized at the present value of expected settlement amounts as of the reporting date, taking estimated increases in prices or costs into account. The discount rates used are regularly adjusted to current market interest rates.

The Company measures net obligations under onerous contracts at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract, less any revenue expected from the contract. When recognizing and measuring provisions for onerous procurement transactions of programming assets, contracts are aggregated to program groups.

Recognition and measurement of provisions require estimates of the amount and probability of the future outflow of resources, which are based on experiential values and the circumstances known as of the reporting date. To assess the amount of the provisions, in addition to the evaluation of the facts and of the asserted claims, the results of comparable fact patterns are also considered on a case-by-case basis, as are assumptions regarding probabilities of occurrence and the range of possible utilizations.

Statement of cash flows

The statement of cash flows shows the origin and use of the cash flows. It distinguishes between cash flows from operating activities, from investing activities and from financing activities.

The funds covered by the statement of cash flows comprise the cash and cash equivalents presented in the statement of financial position.

Cash flows from investing and financing activities are determined on the basis of actual payments. Cash flows from operating activities, on the other hand, are derived indirectly from net income. The changes of items in the statement of financial position taken into account in the indirect derivation are adjusted for the effects of currency translation and changes in the scope of consolidation. As a result, the changes of items in the statement of financial position reported in the statement of cash flows cannot be reconciled with the corresponding figures in the consolidated statement of financial position and the segment metrics.

Interest paid and received, dividends received and all cash flows arising from taxes are reported as cash flows from operating activities.

3 / Changes in reporting standards and accounting policies

The following amendments to existing standards published by the International Accounting Standards Board ("IASB") and transposed into European law were applicable for the first time in the financial year 2022:

– IAS 16 "Property, Plant and Equipment – Proceeds before Intended Use"

– IAS 37 "Onerous Contracts – Cost of Fulfilling a Contract"

– IFRS 3 "Reference to the Conceptual Framework"

– IFRS 16 "Covid-19-Related Rent Concessions beyond 30 June 2021"

– IFRS 1, IFRS 9, IAS 16, IAS 41 "Annual Improvements 2018–2020"

The first-time application had no material effect on ProSiebenSat.1 Group's assets, liabilities, financial position and profit or loss.

The IASB also published the following pronouncements as of the reporting date, which are not yet mandatory or have not yet been transposed into European law in some cases, and which have therefore not been applied by the Group:

PUBLISHED FINANCIAL REPORTING PRONOUNCEMENTS NOT YET APPLIED

Standard	Pronouncement	Mandatory application for financial years commencing on	Anticipated effect
IAS 1	Disclosure of Accounting Policies	January 1, 2023	immaterial
IAS 8	Definition of Accounting Estimates	January 1, 2023	immaterial
IAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023	none
IFRS 17	Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023	none
IFRS 17	Insurance Contracts (including amendments)	January 1, 2023	none
IAS 1	Classifications of Liabilities as Current or Non-Current	January 1, 2024	immaterial
IAS 1	Non-current Liabilities with Covenants	January 1, 2024	none
IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024	none

RETROSPECTIVE ADJUSTMENT OF THE ACCOUNTING FOR VOUCHER SALES

Following indications to the effect that the business activities of the two subsidiaries Jochen Schweizer GmbH and mydays GmbH, both Munich (together: "Jochen Schweizer mydays") and both belonging to the Commerce & Ventures segment may be subject to the German Payment Services Supervision Act ("Zahlungsdiensteaufsichtsgesetz" or "ZAG") received at the end of February 2023, the Group has adjusted the product portfolio of Jochen Schweizer mydays. The companies issue vouchers to customers in return for consideration, which grant a right to book an experience to be selected in terms of content, location and time. The possibility of using the vouchers flexibly for booking various experiences with different event organizers can give them the character of electronic money under the ZAG.

The legal assessment ascertained that Jochen Schweizer mydays's voucher business is principally in the scope of the ZAG. Even though the majority of the vouchers issued do not qualify as electronic money due to specific scope exemptions, ProSiebenSat.1 Media SE has taken this result as an opportunity to review the previous accounting treatment of the sale of vouchers. So far, these transactions have been recognized solely in accordance with the requirements of IFRS 15 *Revenue from Contracts with Customers*. To the extent that experience indicates that the vouchers issued are likely to be redeemed, ProSiebenSat.1 Group has recognized the portion of the consideration received that remains as commission for the Group after deducting the amounts payable to the event organizers as revenues upon issuance of the vouchers. Simultaneously, for vouchers that are highly likely to expire due to non-redemption within the validity period, the entire consideration has been recognized as revenues.

In light of the requirements of the ZAG, ProSiebenSat.1 Media SE saw the need to revise the previous accounting treatment. In order to reflect the economic substance of receiving and forwarding amounts for experiences organized by third parties, the revised accounting method treats the upfront payments received from voucher purchasers in accordance with the provisions of IFRS 9 *Financial Instruments*. Following this approach, the upfront payments received from the voucher purchasers are recognised as a financial liability and, due to differing provisions in the two standards regarding the derecognition of the upfront payments, revenue is recognized at a later stage. For the unredeemed vouchers, ProSiebenSat.1 Group accordingly recognizes the payments received from the voucher purchasers as revenue at the time the right to redeem the voucher expires. The point in time is determined by the voucher term and the relevant statute of limitations period. In the vast majority of cases, this period covers three to six years and in exceptional cases up to 30 years after the end of the year in which the voucher was issued. In addition, ProSiebenSat.1 Media SE will now recognize the agency commissions as revenue only at the time an experience is booked.

The effects of the retrospective accounting adjustment on the opening statement of financial position of the comparative period (January 1, 2021) and the prior-year comparatives as of December 31, 2021, as well as on the consolidated income statement for the financial year 2021 are illustrated in the tables below:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in EUR m

		12/31/2021 after adjustments	adjustments	12/31/2021 before adjustments	01/01/2021 after adjustments	adjustments	01/01/2021 before adjustments
Goodwill	[17]	2,243	80	2,163	2,258	81	2,177
Trade receivables	[23]	494	−10	504	558	−12	569
Consolidated equity generated		534	−94	629	190	−101	290
Other equity		−140	−4	−136	−133	−4	−129
Total equity attributable to shareholders of ProSiebenSat.1 Media SE		1,657	−98	1,755	1,229	−104	1,333
Non-controlling interests		310	−33	343	318	−36	354
Other non-current financial liabilities	[29]	339	−8	347	410	0	410
Deferred tax liabilities	[14]	219	−28	248	234	−26	260
Current trade and other payables	[29]	886	331	555	924	306	618
Other current liabilities	[30]	303	−94	397	304	−70	374

CONSOLIDATED INCOME STATEMENT

in EUR m

		2021 after adjustments	adjustments	2021 before adjustments
Revenues	[6]	4,495	1	4,494
Gross profit		**1,749**	**1**	**1,748**
Other operating expenses	[10]	−12	−1	−11
Other operating income	[11]	29	−1	30
Operating result		**552**	**−1**	**553**
Interest and similar expenses		−55	1	−56
Interest result	[12]	−39	1	−40
Other financial result	[13]	142	7	135
Financial result		**62**	**8**	**54**
Result before income taxes		**614**	**7**	**607**
Income taxes	[14]	−163	2	−165
Net income		**451**	**9**	**442**
Attributable to shareholders of ProSiebenSat.1 Media SE		**456**	6	**449**
Attributable to non-controlling interests		−5	3	−7
Earnings per share in EUR				
Basic earnings per share	[15]	2.01	0.02	1.99
Diluted earnings per share	[15]	2.01	0.03	1.98

The increase in liabilities from voucher transactions by EUR 331 million as of December 31, 2021 and by EUR 306 million as of January 1, 2021 results almost exclusively from the deferred recognition of revenue for amounts not to be transferred to event operators due to non-redemption and from the reclassification of liabilities to event operators from other liabilities to trade and similar payables. As the adjusted accounting treatment essentially leads to a mere deferral of revenues, the revenues recognised by Jochen Schweizer mydays for the financial year 2021 remain virtually unchanged.

The need for retrospectively applying the adjusted accounting treatment has also affected the initial consolidation of the Jochen Schweizer mydays companies. The increase in liabilities from voucher transactions in the purchase price allocation by a total of EUR 120 million on the one hand and the reduction of the liability from a put option agreement by EUR 5 million on the other, after taking into account deferred taxes of EUR 19 million, retrospectively increased the goodwill recognized from the acquisitions by EUR 96 million. Due to reorganizations and changes in the segment structure in the meantime, EUR 4 million of this amount was transferred to the Entertainment segment and EUR 33 million to the Dating & Video segment. Furthermore, disposals of companies in the Commerce & Ventures segment, in particular the disposal of WSM Holding GmbH, Wehrheim ("WindStar") in 2020, have subsequently reduced the additional goodwill by a total of EUR 16 million. On balance, the carrying amount of goodwill as of January 1, 2021 is EUR 81 million higher, of which EUR 44 million is attributable to the Commerce & Ventures segment.

The following table summarizes the effects of the adjusted accounting policy for the Jochen Schweizer mydays voucher business on the carrying amounts of goodwill in the cash-generating units relevant for the impairment tests:

RECONCILATION OF GOODWILL AS OF JANUARY 1, 2021

in EUR m

Cash-generating unit	Entertainment[1]	Red Arrow Studios	Dating	Video	NuCom Group	SevenVentures/ SevenGrowth	**Total**
Carrying amount of goodwill before adjustment 01/01/2021	798	331	549	—	421	77	2,177
Adjustment	4	—	33	—	44	0	81
Carrying amount of goodwill after adjustment 01/01/2021	803	331	582	—	464	78	2,258

1 As of January 1, 2021: Seven.One Entertainment.

RECONCILATION OF GOODWILL AS OF DECEMBER 31, 2021

in EUR m

Cash-generating unit	Entertainment[1]	Red Arrow Studios	Dating	Video	NuCom Group	SevenVentures/ SevenGrowth	**Total**
Carrying amount of goodwill before adjustment 12/31/2021	798	315	389	180	404	77	2,163
Adjustment	4	—	21	12	42	0	80
Carrying amount of goodwill after adjustment 12/31/2021	803	315	410	192	445	78	2,243

1 As of December 31, 2021: Seven.One Entertainment.

The retrospective application of the adjusted accounting policy only had an insignificant impact on accumulated other comprehensive income from foreign currency translation. There were no changes in the cash flows from operating activities, investing activities and financing activities reported in the consolidated statement of cash flows. Only with regard to the indirect determination of cash flows from operating activities the change in accounting policy led to structural changes.

4 / Scope of consolidation

The number of subsidiaries included in the Consolidated Financial Statements changed as follows in the financial year 2022:

SUBSIDIARIES

	Germany	Other countries	**Total**
Included as of December 31, 2021	78	127	205
Additions	4	4	8
Disposals	−10	−57	−67
Included as of December 31, 2022	**72**	**74**	**146**

The additions include five newly established entities and two increases in shareholdings with the acquisition of control in a former joint venture and a former associate, including its subsidiary. The disposals comprise 53 sales, primarily attributable to the disposal of the US production business of Red Arrow Studios, nine mergers and five liquidations.

For further information on business combinations and disposals in the financial year, please refer to → Note 5 "Acquisitions and disposals affecting the scope of consolidation"

In addition to the controlled entities, ten (previous year: 13) associates and four (previous year: 4) joint ventures accounted for using the equity method are included in the Consolidated Financial Statements.

5 / Acquisitions and disposals affecting the scope of consolidation

A) ACQUISITIONS

In the financial year 2022, ProSiebenSat.1 Group carried out the following material acquisition transactions:

Acquisition of control over Joyn GmbH as a result of increase in shareholding to 100%

By agreement dated September 13, 2022, and effective as of October 31, 2022, ProSiebenSat.1 Group acquired 50% of the shares in Joyn GmbH, Munich ("Joyn") from Discovery Communications Europe Limited, London, United Kingdom ("Discovery"). As the Group already held 50% of the shares in Joyn prior to the acquisition, this constitutes a business combination achieved in stages. The negative purchase price of EUR 9 million in total comprises a cash component of EUR 17 million to be paid by the seller and media services of EUR 8 million to be rendered by the acquirer over a period of two years. With the acquisition of the Discovery shares, ProSiebenSat.1 Group takes control of Joyn and makes the online platform with a focus on advertising-financed streaming offers the center of its digital entertainment presence. Joyn is allocated to the Entertainment segment.

The following table sets out the fair values of the assets acquired and liabilities assumed identified at the acquisition date, and a derivation of the negative goodwill:

ACQUISITION OF JOYN
in EUR m

	Fair value at acquisition
Programming assets	12
Other intangible assets	1
thereof identified in the purchase price allocation	1
Property, plant and equipment	10
Deferred tax assets	0
Non-current assets	**23**
Programming assets	6
Trade receivables	12
Other receivables and assets	5
Cash and cash equivalents	9
Current assets	**32**
Financial liabilities	6
Deferred tax liabilities	0
Non-current liabilities and provisions	**6**
Financial liabilities	1
Trade and other payables	48
Other liabilities	7
Current liabilities and provisions	**57**
Total net assets	**–8**
Purchase price per IFRS 3	**9**
Disposal of equity-method investment in Joyn	**0**
Bargain purchase gain	**0**

The transaction resulted in a negative goodwill of an immaterial amount, which was recognized in profit or loss and is reported in the consolidated income statement within other operating income. A brand worth EUR 1 million and attributable deferred tax liabilities were recognized in the purchase price allocation. The trade receivables of EUR 12 million reflect gross receivables of EUR 13 million. Expected credit losses amount to EUR 1 million.

The 50% interest previously held in Joyn was accounted for using the equity method. The remeasurement of this interest required following the acquisition of control resulted in a minor measurement gain. This was recognized in the financial result.

Taking into account the cash and cash equivalents received from the acquired entity, the acquisition transaction resulted in a cash inflow of EUR 26 million, which is recognized in cash flow from investing activities.

If Joyn had been included as a fully consolidated entity at the start of the year, ProSiebenSat.1 Group's revenues would have amounted to EUR 4,186 million and earnings after taxes to minus EUR 88 million. From the date of initial full consolidation until December 31, 2022, Joyn contributed revenues of EUR 14 million and earnings before taxes of minus EUR 14 million to net income. The relative increase in revenues after initial consolidation is mainly due to a change in the contractual agreements between Joyn and Seven.One Entertainment Group regarding the marketing of advertising inventory, resulting in 100% of group-external revenues being attributable to Joyn.

Acquisition of control over Buzzbird GmbH as a result of increase in shareholding to 100%

By agreement dated May 31, 2022, and effective as of the same date, ProSiebenSat.1 Group acquired the remaining 58.3% of the shares in Buzzbird Beteiligungsgesellschaft mbH, Berlin including its subsidiary Buzzbird GmbH, Berlin at a purchase price of EUR 1 million, and now holds 100% of the shares in the company. The acquisition did not materially affect the Consolidated Financial Statements.

In the financial year 2021, ProSiebenSat.1 Group did not acquire any material subsidiaries. The Group obtained significant influence over an entity on June 25, 2021, by acquiring a share of 15.6% in the sports and fitness platform Urban Sports Club GmbH, Berlin. For further information on this transaction, please refer to the published Annual Report as of December 31, 2021.

B) DISPOSALS OF INVESTMENTS IN SUBSIDIARIES

ProSiebenSat.1 Group concluded the following material disposals of investments in subsidiaries in the financial year 2022:

Disposal of Red Arrow Studios International, Inc. and its subsidiaries

By agreement dated June 2, 2022, and effective as of July 1, 2022, Red Arrow Studios GmbH, Unterföhring sold its 100% share in Red Arrow Studios International, Inc., Wilmington, Delaware, USA ("Red Arrow Studios International") to Jewel Purchaser, Inc., Wilmington, Delaware, USA, a subsidiary of The North Road Company, as part of the Group's active portfolio management. With the sale of Red Arrow Studios International, ProSiebenSat.1 Group divests itself of the US production business of Red Arrow Studios. Red Arrow Studios International and its subsidiaries were part of the Entertainment segment.

The table below shows the carrying amounts disposed of including goodwill, the disposal proceeds, the calculation of the gains and losses on disposal and the net cash inflows from the disposal:

DISPOSAL OF CARRYING AMOUNT AND RESULT ON DISPOSAL OF RED ARROW STUDIOS INTERNATIONAL

in EUR m

	Red Arrow Studios International and subsidiaries
Goodwill	−109
Other intangible assets	−21
Property, plant and equipment	−41
Trade receivables	−42
Other receivables and other assets	−40
Cash and cash equivalents	−71
Financial liabilities	35
Provisions and other liabilities	93
Disposal net assets	**−197**
Disposal of non-controlling interests and reclassification of foreign currency translation gains and losses to profit or loss	23
Purchase price	192
Disposal gain	**18**
Cash purchase price	192
Net of cash and cash equivalents disposed	−71
Net cash inflow	**122**

The disposal proceeds reflect the euro equivalent of the selling price of USD 201 million. The goodwill sold of EUR 109 million includes an impairment of EUR 49 million recognized as of June 30, 2022. This was recognized as other operating expense.

The disposal gain of EUR 18 million was recognized as other operating income and includes currency gains of EUR 22 million from the translation of US financial statements previously recognized directly in equity. The disposal costs incurred of EUR 24 million were recognized in functional costs.

The following table provides an overview of the investments in subsidiaries disposed of in the previous year:

OVERVIEW OF DISPOSALS OF INVESTMENTS IN SUSIDIARIES AND ASSOCIATES IN 2021

Company	Purpose of the company	Voting equity interest sold	Disposal effective date
Gravitas Ventures LLC ("Gravitas Ventures")	Film distribution	62.5%	11/15/2021
moebel.de Einrichten & Wohnen AG	Operate online portal for furniture and furnishings	50.1%	11/30/2021
Sonoma Internet GmbH ("Amorelie")	Operate online store for sensual lifestyle and erotic products	97.8%	12/30/2021

For further information on these disposal transactions, please refer to the published Annual Report as of December 31, 2021.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

6 / Revenues

in EUR m

	Entertainment		Dating & Video		Commerce & Ventures		Total Group	
	2022	2021	2022	2021	2022	2021[1]	2022	2021[1]
Advertising revenues	**2,253**	**2,323**	**—**	**—**	**142**	**150**	**2,396**	**2,473**
DACH[2]	1,964	2,083	—	—	142	150	2,106	2,233
Rest of the world	289	240	—	—	—	—	289	240
Distribution	**184**	**179**	**—**	**—**	**—**	**—**	**184**	**179**
Content[3]	**355**	**493**	**—**	**—**	**—**	**—**	**355**	**493**
Europe[3]	202	201	—	—	—	—	202	201
Rest of the world	153	293	—	—	—	—	153	293
Dating & Video	**—**	**—**	**518**	**542**	**—**	**—**	**518**	**542**
Dating	—	—	274	278	—	—	274	278
Video	—	—	244	263	—	—	244	263
Digital Platform & Commerce	**—**	**—**	**—**	**—**	**611**	**702**	**611**	**702**
Consumer Advice	—	—	—	—	173	192	173	192
Experiences	—	—	—	—	89	78	89	78
Beauty & Lifestyle	—	—	—	—	349	433	349	433
Other revenues[3]	**95**	**102**	**—**	**—**	**4**	**3**	**99**	**106**
Total	**2,888**	**3,098**	**518**	**542**	**757**	**855**	**4,163**	**4,495**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".
2 DACH = German-speaking region (Germany, Austria and Switzerland).
3 Revenues of Pyjama Pictures GmbH have been reallocated from Other revenues to Content.

The table shows the breakdown of revenues by category. The categories Advertising revenues and Content are subdivided into geographical regions. The allocation is based on the country of domicile of the subsidiary that recognizes the revenues. The regions presented are either Germany (D), Austria (A) and Switzerland (CH) (together DACH), Europe and Rest of the world. The DACH Advertising revenue category in the Entertainment segment includes advertising revenues from the sale of advertising time, including the advertising revenues of the German Studio71 entity. The same category in the Commerce & Ventures segment includes revenues from media-for-equity and media-for-revenue transactions amounting to EUR 98 million (previous year: EUR 108 million). The category Advertising revenues Rest of the world mainly includes revenues from the Studio71 entities in the United States (USA). For more detailed information, please refer to the

→ **"Group Earnings" section in the Group Management Report**

The category Experiences almost exclusively includes proceeds from the derecognition of liabilities from voucher transactions, which are accounted for as financial liabilities in accordance with IFRS 9.

→ **Note 3 "Changes in reporting standards and accounting policies"**

CONTRACT ASSETS AND LIABILITIES

in EUR m

	12/31/2022	12/31/2021
Contract assets	32	34
Contract liabilities	97	131

Contract assets, i.e. positive balances from contracts with customers, primarily relate to claims for consideration resulting from work completed under commissioned productions still to be invoiced as of the reporting date. These contract assets will be reclassified as trade receivables upon invoicing. Furthermore, the contract assets mainly include services already rendered but not yet billable in the Dating & Video segment.

In connection with the sale of the US production business of Red Arrow Studios, contract assets of EUR 17 million were disposed of in the third quarter of 2022.

Contract liabilities mainly relate to advance payments received for service productions, the sale of programming rights and media services not yet provided, as well as advance services from customers in the Dating & Video segment.

Of the contract liabilities existing as of January 1, 2022, EUR 93 million (previous year: EUR 96 million) were recognized as revenues in 2022. In addition, contract liabilities of EUR 15 million were deconsolidated as a result of the sale of the US production business of Red Arrow Studios in the third quarter of 2022.

As permitted by IFRS 15, no information is provided on the remaining performance obligations as of December 31, 2022 that have an expected original term of one year or less. Performance obligations with an expected original term beyond the period of more than one year after December 31, 2022 exist only to an immaterial extent.

Inventories of EUR 41 million (previous year: EUR 49 million) primarily comprise merchandise. Impairment losses on inventories amounting to EUR 7 million (previous year: EUR 10 million) were recognized in the financial year 2022. The Beauty & Lifestyle revenue category includes revenues from the sale of goods of EUR 291 million (previous year: EUR 354 million).

KEY ASSUMPTIONS AND ESTIMATES

The assumptions underlying revenue recognition can have a significant impact on the amount and timing of revenues. In particular, the determination of cancellation and return rates is based on historical rates, which may change over time. The determination of relative stand-alone selling prices is subject to significant judgment.

7 / Cost of sales

in EUR m

	2022	2021
Operating expenses	1,012	1,040
Consumption of programming assets	958	995
Personnel expenses	374	394
Depreciation of property, plant and equipment and rights-of-use to property, plant and equipment and amortization of other intangible assets (incl. impairments)	117	133
IT operations	74	73
Expenses from the disposal of programming assets	11	25
Other	72	86
Total	**2,617**	**2,746**

Operating expenses mainly include expenses for transfers of revenue shares to artists, cost of materials, production-related third-party services and commissions in connection with in-app revenues.

The consumption of programming assets comprises amortization and impairments in the amount of EUR 973 million (previous year: EUR 1,026 million), countered by the change in provisions for onerous contracts in the amount of EUR 15 million (previous year: EUR 31 million).

Personnel expenses include wages and salaries of employees in production, including performance-based bonus entitlements, severance payments and social security contributions.

Depreciation, amortization and impairments of property, plant and equipment, rights-of-use to property, plant and equipment, and other intangible assets mainly relate to amortization of internally generated intangible assets, amortization and impairments of assets identified in the context of purchase price allocations, and depreciation of licences and technical equipment. For further information, please refer to
→ Note 19 “Other intangible assets” → Note 20 “Property, plant and equipment and rights-of-use to property, plant and equipment”

For further information, please refer to
→ Group Management Report, Section „Group Earnings“

8 / Selling expenses

in EUR m

	2022	2021
Marketing and marketing-related expenses	360	382
Personnel expenses	150	153
Distribution	63	61
Satellite usage fees	35	35
Distribution fees	27	26
Operating expenses	29	35
Sales commissions	26	31
Depreciation of property, plant and equipment and rights-of-use to property, plant and equipment and amortization of other intangible assets (incl. impairments)	30	21
IT operations	13	14
Other	12	14
Total	**682**	**712**

Marketing and marketing-related expenses are primarily attributable to costs for advertising, market research and public relations. Personnel expenses include wages and salaries of employees in the sales area, including performance-related bonus entitlements, severance payments, and social security contributions. Operating expenses mainly include packaging and shipping expenses as well as sales-related third-party services. Sales commissions largely comprise costs and commissions for marketing services.

Depreciation, amortization and impairments relate mainly to other and internally generated intangible assets and property, plant and equipment in the sales area. For further information, please refer to
→ Note 19 “Other intangible assets” → Note 20 “Property, plant and equipment and rights-of-use to property, plant and equipment”

For further information, please refer to
→ Group Management Report, Section „Group Earnings“

9 / Administrative expenses

in EUR m

	2022	2021
Personnel expenses	232	267
Depreciation of property, plant and equipment and rights-of-use to property, plant and equipment and amortization of other intangible assets (incl. impairments)	106	96
Consultancy fees	36	31
IT operations	33	26
Infrastructure expenses	21	20
Marketing and marketing-related expenses	15	15
Other	54	46
Total	**497**	**501**

Personnel expenses include wages and salaries of employees in administration, including performance-based bonus entitlements, severance payments, and social security contributions. For further information, please refer to

→ Section "Group Earnings" in the Group Management Report

Depreciation, amortization and impairments of property, plant and equipment, rights-of-use to property, plant and equipment, and other intangible assets mainly relate to rights-of-use to administrative buildings, operating- and office equipment and to internally generated and other intangible assets. For further information, please refer to

→ Note 19 "Other intangible assets" → Note 20 "Property, plant and equipment and rights-of-use to property, plant and equipment"

The consulting fees primarily relate to management-, legal- and M&A consulting services.

For further information, please refer to

→ Section "Group Earnings" in the Group Management Report

10 / Other operating expenses

Other operating expenses of EUR 181 million (previous year adjusted: EUR 12 million) mainly include impairment losses in the financial year 2022. Thereof, EUR 122 million relate to the impairment of goodwill of the cash-generating unit NuCom Group and EUR 49 million to the adjustment of the net carrying amounts to the selling price in the course of the classification of the U.S. production business of Red Arrow Studios as a disposal group as of June 30, 2022. In addition, the impairment of a brand with an indefinite useful life of the Commerce & Ventures segment in the amount of EUR 7 million is included. The previous year's figure mainly includes disposal losses from the sale of the subsidiary Gravitas Ventures in the amount of EUR 10 million.

11 / Other operating income

Other operating income amounts to EUR 50 million (previous year adjusted: EUR 29 million). This amount mainly includes income of EUR 18 million from the sale of the US production business of Red Arrow Studios and the respective subsidiaries. In addition, the amounts for both the financial year 2022 and the previous year include multiple other small amounts that are individually immaterial.

12 / Interest result

in EUR m

	2022	2021[1]
Interest and similar income	14	16
Interest and similar expenses	−42	−55
from financial liabilities at amortized cost	−37	−40
from interest rate hedging instruments	−2	−5
from other interest and similar expenses	−3	−10
Interest result	**−27**	**−39**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

Interest and similar income of EUR 10 million (previous year: EUR 16 million) derives from tax-related matters. The decline is mainly attributable to the reduction in the interest rate to be used for tax-related matters.

→ **"Income taxes" section in note 2 "Accounting principles"**

Otherwise, the interest income primarily results from money market investments measured at amortized cost.

Interest from financial liabilities at amortized cost mainly includes interest on loans drawn. This item also includes EUR 3 million (previous year: EUR 4 million) in interest expense from lease liabilities.

Interest and similar expenses from interest rate hedging instruments relate to expenses for interest rate swaps used as hedging instruments.

→ **Note 33 "Notes on financial risk management and financial instruments"**

The other interest and similar expenses mainly include interest expenses from tax-related matters and compounding effects for put option liabilities.

13 / Result from investments accounted for using the equity method and other financial result

in EUR m

	2022	2021[1]
Share of profit or loss of joint ventures	−23	−45
Share of profit or loss of associates	−1	3
Result from investments accounted for using the equity method	**−24**	**−41**
Changes in put option liabilities	4	22
Measurement and disposal result from other financial instruments	−85	130
from financial assets at fair value through profit or loss	−69	133
from financial assets accounted for using the equity method	−18	−3
from financial assets at amortized cost	2	−1
Foreign currency translation gains/losses	4	1
from cash and cash equivalents	31	9
from other financial assets at amortised cost	−1	5
from financial liabilities at amortized cost	−13	−31
from financial assets and financial liabilities at fair value through profit or loss	−13	16
from other items	1	1
Financing costs	−9	−8
Other	−2	−3
Other financial result	**−87**	**142**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

The share of profit or loss of joint ventures mainly contains the Group's share in the profit or loss generated by Joyn before control was acquired on October 31, 2022, amounting to minus EUR 23 million (previous year: EUR -45 million).

→ Note 5 "Acquisitions and disposals affecting the scope of consolidation"

The changes in put option liabilities result from measurement adjustments to the put option agreements relating to non-controlling interests in subsidiaries concluded in connection with business combinations.

→ Note 33 "Notes on financial risk management and financial instruments"

The significant decrease in the measurement and disposal result from other financial instruments results in particular from the revaluation of fund investments and listed minority interests, especially the investment in the online fashion retailer ABOUT YOU.

The currency translation effect from financial liabilities at amortized cost relates mainly to trade and other payables for programming assets denominated in U.S. dollar. The currency risk from these liabilities is hedged by holding US dollar cash balances or entering into currency derivatives, whose exchange rate effects are recognized in the currency result from financial assets and liabilities at fair value through profit or loss.

Accordingly, the exchange rate effects of the liabilities from programming assets move in the opposite direction to the combined effects resulting from the measurement of foreign currency cash and cash equivalents and currency derivatives.

14 / Income taxes

INCOME TAX EXPENSES

in EUR m

	2022	2021[1]
Current income tax expenses – Germany	45	186
Current income tax expenses – other countries	22	18
Current income tax expenses	**67**	**205**
Deferred tax expenses (+)/income (-) – Germany	83	−41
Deferred tax income – other countries	−3	−1
Deferred tax expenses (+)/income (-)	**79**	**−42**
Total income tax expenses	**147**	**163**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

The income tax rate of the German Group entities comprises the corporate income tax rate of 15.0% (previous year: 15.0%) plus solidarity surcharge of 5.5% (previous year: 5.5%) and an average trade tax rate of 12.2% (previous year: 12.2%). Overall, this results in a nominal total tax rate relevant for the Group of 28.0% (previous year: 28.0%). The foreign income tax rates are based on the laws and regulations applicable in the individual countries and vary between 15.0% and 35.0% (previous year: 15.0% and 35.0%).

Current income tax expense includes domestic and foreign taxes based on taxable income in 2022 of EUR 116 million (previous year: EUR 211 million) and income tax income for previous years of EUR 49 million (previous year: EUR 6 million). Income tax expense includes tax losses or temporary differences not recognized in a prior period of EUR 4 million (previous year: EUR 3 million).

The deferred tax expense of EUR 79 million includes EUR 29 million deferred tax expense (previous year adjusted: EUR 34 million deferred tax income) from the ongoing change in temporary differences. In addition, EUR 38 million deferred tax expense (previous year: EUR 1 million) results mainly from the reversal of temporary differences recognized in a prior period. Also included is deferred tax income of EUR 8 million (previous year adjusted: EUR 7 million) resulting from current tax losses in individual companies and deferred tax income of EUR 1 million (previous year: EUR 1 million) attributable to loss carryforwards not recognized in a prior period.

For entities that incurred losses in the current fiscal year or in the previous year, deferred tax liabilities exceeding deferred tax assets were capitalized in the amount of EUR 2 million (previous year: EUR 2 million). Based on current tax planning, it is probable that these deferred tax assets can be utilized within the next five years.

Deferred tax assets on loss carryforwards were impaired in the amount of EUR 23 million (previous year: EUR 2 million) and in connection with temporary differences in the amount of EUR 1 million (previous year: EUR 0 million). Reversals of impairment losses on deferred tax assets were recognized both for previously unrecognized loss carryforwards in the amount of EUR 1 million (previous year: EUR 2 million) and for deferred tax assets on temporary differences in the amount of EUR 2 million (previous year: EUR 2 million).

The Group's effective tax rate (ratio of reported tax expense to earnings before taxes) is 150.9 percent (previous year adjusted: 26.6 %). This is mainly due to impairment losses on goodwill and other non-current assets recognized in profit before tax, as well as valuation effects from other financial instruments that are not deductible for tax purposes.

The tax expenses calculated by applying the nominal total tax rate to the result before income taxes can be reconciled to the tax expenses recognized in the income statement as follows:

RECONCILIATION OF TAX EXPENSES

in EUR m

	2022	2021[1]
Result before income taxes	**97**	**614**
Applicable group tax rate (in percent)	28	28
Expected income tax income (-)/income tax expense (+)	27	172
Increase (+)/decrease (-) of income taxes caused by:		
Tax rate deviations		
Effects due to foreign tax rate differences	−1	−2
Effects due to domestic tax rate differences	−3	−1
Effects due to changes in statutory tax rates	0	—
Effects from deviation in taxable base		
Non-deductible interest expenses (+)/interest income (-)	−1	0
Other non-deductible operating expenses	52	19
Tax-free income	−4	−54
Non-taxable disposal effects	−6	4
Impairment goodwill	41	—
Investments accounted for using the equity method	7	12
Recognition and measurement of deferred tax assets		
Changes and non-recognition of deferred tax assets	48	21
Other effects		
Taxes from previous years	−13	−6
Total income tax expenses	**147**	**163**
Effective group tax rate (in percent)	**151**	**27**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

As of December 31, 2022, no deferred tax assets were recognized on corporate income tax loss carryforwards of EUR 1,073 million (prior year adjusted: EUR 474 million) and on trade tax loss carryforwards of EUR 950 million (prior year adjusted: EUR 355 million). The increase compared with the previous year is mainly attributable to the acquisition of Joyn. Of the loss carryforwards arising outside Germany, EUR 15 million (previous year: EUR 18 million) will expire within the next one to nine years and EUR 11 million (previous year: EUR 13 million) within the next 10 to 20 years, provided they are not utilized. The remaining loss carryforwards can be utilized for an unlimited period.

The deferred tax assets not recognized for corporate income tax loss carryforwards amount to EUR 179 million (previous year adjusted: EUR 83 million). For trade tax loss carryforwards, the unrecognized deferred tax asset amounts to EUR 160 million (previous year adjusted: EUR 58 million). No deferred tax asset was recognized in the balance sheet for deductible differences amounting to EUR 8 million (previous year: EUR 2 million).

The deferred tax assets and liabilities are allocated to the following line items in the statement of financial position:

DEFERRED TAXES

in EUR m

	Deferred tax assets	Deferred tax liabilities	Balance net 12/31/2021[1]	Deferred taxes recognized in profit or loss	Deferred taxes recognized in other comprehensive income arising from cash flow hedges and pension obligations	Deferred taxes recognized in other comprehensive income arising from foreign currency translation of tax positions recognized by foreign entities	Deferred tax effects from changes in scope of consolidation	**Balance net 12/31/2022**	Deferred tax assets	Deferred tax liabilities
Goodwill	8	−64	−56	−2	—	−1	−1	−59	1	−60
Other intangible assets	8	−220	−212	13	—	−1	−4	−204	4	−208
Property, plant and equipment	0	−100	−100	−5	—	—	11	−94	2	−96
Financial assets	7	−4	3	3	—	—	−1	6	8	−2
Programming assets	65	0	65	−75	—	—	—	−10	2	−12
Inventories and other assets	10	−22	−11	−9	−1	—	1	−20	9	−30
Pension provisions	3	0	3	−1	−1	—	—	1	1	—
Other provisions	22	−2	20	−3	—	—	−11	6	7	−1
Liabilities	99	−6	94	11	−2	0	−9	94	99	−5
Tax loss carryforwards	39	—	39	−12	—	1	−7	20	20	—
Tax credits	4	—	4	0	—	0	—	4	4	—
Deferred tax assets/liabilities before netting	**265**	**−417**	**−152**	**−80**	**−4**	**−1**	**−20**	**−257**	**157**	**−414**
Netting	−197	197							−138	138
Deferred tax assets/liabilities after netting	**67**	**−219**							**20**	**−277**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies" and due to a reclassification.

For information on netting deferred tax assets and liabilities and the use of assumptions and estimates for uncertain tax positions, please refer to

→ **“Income taxes” section in note 2 “Accounting principles”**

For more information on deferred taxes that have been recognized in accumulated other comprehensive income, please refer to

→ **Note 26 “Shareholders’ equity”**

A deferred tax liability in the amount of EUR 2 million was recognized for planned future distributions from subsidiaries (previous year: EUR 2 million). No deferred tax liabilities were recognized on temporary differences on investments in subsidiaries in the amount of EUR 21 million (previous year: EUR 24 million), because ProSiebenSat.1 Group is able to control the timing of their reversal, and because it is probable that these temporary differences will not reverse in the foreseeable future.

15 / Earnings per share

	2022	2021[1]
in EUR m		
Net income attributable to the shareholders of ProSiebenSat.1 Media SE (basic)	5	456
Valuation effects of share-based payments after taxes	−4	1
Net income attributable to the shareholders of ProSiebenSat.1 Media SE (diluted)	0	457
in shares		
Weighted average number of shares outstanding (basic)	226,318,471	226,234,153
Dilution effect from share-based payments	654,961	956,984
Weighted average number of shares outstanding (diluted)	226,973,432	227,191,138
in EUR		
Basic earnings per share	**0.02**	**2.01**
Diluted earnings per share	**0.00**	**2.01**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

As of the reporting date, current and former members of the Executive Board and selected executives of ProSiebenSat.1 Group were entitled to 654,961 (previous year: 956,984) virtual shares, called Performance Share Units, under the Performance Share Plan. With regard to the method of settlement, the Performance Share Units contain an option for ProSiebenSat.1 Media SE to settle them by shares or cash.

→ **Note 35 "Share- and performance-based payment"**

This plan is treated as if it were settled in common shares of the Company for the calculation of earnings per share due to the potential dilutive effect. In the reporting period, the potential conversion of these Performance Share Units into common shares had a dilutive effect of minus EUR 0.02 per share (previous year adjusted: EUR -0.00 per share).

16 / Other disclosures

PERSONNEL EXPENSES AND NUMBER OF EMPLOYEES

Cost of sales, selling expenses and administrative expenses include the following personnel expenses:

PERSONNEL EXPENSES
in EUR m

	2022	2021
Wages and salaries	661	718
Social security contributions and expenses for pensions and other employee benefits	96	96
Total	**757**	**814**

Social security contributions and expenses for pensions and other employee benefits include employer contributions to defined contribution plans amounting to EUR 40 million (previous year: EUR 37 million).

In the financial year 2022, ProSiebenSat.1 Group had an average of 7,501 permanent employees (previous year: 7,956). In addition, the Group also employed 511 apprentices, trainees, interns and working students (previous year: 522).

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

Depreciation, amortization and impairments of other intangible assets, property, plant and equipment, and rights-of-use to property, plant and equipment that are included in cost of sales, selling expenses and administrative expenses comprise the following:

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS
in EUR m

	2022	2021
Amortization of other intangible assets	130	155
Impairments of other intangible assets[1]	37	17
Depreciation of property, plant and equipment and rights-of-use of property, plant and equipment	71	77
Impairments of property, plant and equipment and rights-of-use of property, plant and equipment	14	2
Total	**252**	**251**

1 Included therein is an impairment reversal in the amount of EUR 0 million (previous year: EUR 9 million).

For further information on the items shown in the table, please refer to
→ Note 19 "Other intangible assets" → Note 20 "Property, plant and equipment and rights-of-use to property, plant and equipment"

Impairments on goodwill of EUR 122 million and on a trademark with an indefinite useful life of EUR 7 million are included in other operating expenses and so is an impairment loss of EUR 49 million recognised as a result of adjusting the net carrying amounts of the US production business of Red Arrow Studios down to the lower selling price following its classification as a disposal group held for sale on June 30, 2022.

Amortization and impairments of programming assets in the amount of EUR 973 million (previous year: EUR 1,026 million) are presented as cost of sales.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

17 / Goodwill

DEVELOPMENT OF GOODWILL
in EUR m

	2022	2021[1]
COST		
Balance as of January 1	**2,335**	**2,351**
Exchange rate differences	36	46
Additions	2	—
Disposals	−158	−62
Balance as of December 31	**2,216**	**2,335**
IMPAIRMENTS		
Balance as of January 1	**93**	**93**
Exchange rate differences	4	—
Additions	171	—
Disposals	−49	0
Balance as of December 31	**218**	**93**
Carrying amount as of December 31	**1,997**	**2,243**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

For further information regarding the disposals in the financial year 2022, please refer to
→ Note 5 "Acquisitions and disposals affecting the scope of consolidation"

EUR 49 million of the total additions to impairment losses result from the adjustment of the net carrying amounts to the selling price which became necessary as a result of the classification of the U.S. production business of Red Arrow Studios as a disposal group held for sale as of June 30, 2022. Another EUR 122 million relate to goodwill of the cash-generating unit NuCom Group, which is reported as part of the Commerce & Ventures segment.

In the third quarter of 2022, the increased customer restraint in the e-commerce sector as a result of the energy crisis caused primarily by the Russia/Ukraine war and the associated high inflation as well as the market capitalization of the ProSiebenSat.1 Media SE share falling below the consolidated equity reported on the statement of financial position constituted indications ("triggering events") that an impairment test as of September 30, 2022, for the goodwill of the cash-generating unit NuCom Group was required.

This indicator-based impairment test as of September 30, 2022 was performed based on current forecasts for the remainder of the financial year 2022 and the current status of the planning process for the years 2023 to 2027. Additionally, with regard to the Jochen Schweizer mydays Group, the applicability of the Payment Services Supervision Act to certain voucher products and the resulting changes in the product portfolio, including their impact on cash inflows, were taken into account. Furthermore, compared with previous planning, the planning assumptions used reflected lower expectations regarding the medium-term earnings and cash flow situation of the cash-generating unit NuCom Group. This was mainly due to increased customer restraint in the e-commerce sector as a result of the energy crisis triggered primarily by the Russia/Ukraine war and the associated high inflation. This development had intensified further in the third quarter of 2022 compared with the first half of 2022. Accordingly, this negative development in the course of the year - compared with the first half of 2022 - and its uncertain duration were taken into account in the then ongoing planning process by means of a significant correction of the original planning assumptions, in particular growth and profitability expectations, for the years from 2023. In addition to the base scenario derived from these adjustments, two further probability-weighted scenarios were taken into account in determining the value in use. Depending on the further development of customer restraint in the e-commerce sector, these scenarios reflected various cash flow developments that deviated negatively from the base scenario over the five-year planning period and beyond, taking into account the high level of uncertainty at the measurement date. A revenue growth assumption of 1.5% after the end of the five-year planning period and a probability-weighted weighted average cost of capital (WACC) of 12.6% were applied uniformly in all scenarios.

In addition, with regard to the Jochen Schweizer mydays Group, the effects of the retrospective application of the adjusted accounting method on the carrying amounts of the cash-generating unit NuCom Group were reflected in the impairment test. On the basis of the scenario analysis described and the retrospective application of the adjusted accounting method, the probability-weighted value in use of the cash-generating unit NuCom Group as of September 30, 2022, was EUR 319 million, which was below the carrying amount of EUR 398 million. This led to a non-cash impairment on the goodwill of the cash-generating unit NuCom Group of EUR 79 million. The impairment loss was therefore lower than the EUR 266 million reported in the quarterly statement for the third quarter of 2022. It was recognized in other operating expenses.

The goodwill allocated to the Group's other cash-generating units was likewise tested for impairment as of September 30, 2022, since there was also a triggering event for this goodwill in the form of the market capitalization of the ProSiebenSat.1 Media SE share falling below the consolidated equity reported on the statement of financial position. This test was performed taking into account the goodwill impairment tests carried out as of December 31, 2021. The Group determined that the valuation inputs relevant for the value in use of the corresponding cash-generating units and their carrying amounts had not materially changed between the date of the impairment tests on December 31, 2021, and the repeated indicator-based test on September 30,

2022. On this basis and given that the recoverable amounts of these cash-generating units were well above their carrying amounts in the impairment tests as of December 31, 2021, there were no indications of a need for impairments on goodwill of the relevant cash-generating units as of September 30, 2022.

As part of the mandatory annual impairment test as of the reporting date, a further non-cash impairment loss on goodwill of the cash-generating unit NuCom Group of EUR 43 million was required in the fourth quarter of 2022 and recognized in other operating expenses. As of December 31, 2022, the value in use of the cash-generating unit NuCom Group was determined on the basis of an unchanged scenario analysis, taking into account the uncertainties that continue to exist and the effects of the Payment Services Supervision Act on the cash inflows of the Jochen Schweizer mydays Group. Amounting to EUR 289 million, the value in use was below the carrying amount of EUR 332 million. Compared to the situation at the end of the third quarter of 2022, the amount by which the carrying amount exceeds the estimated recoverable amount of the cash-generating unit NuCom Group increased, mainly as a result of higher capitalcosts during the fourth quarter of 2022 and an increase of the carrying amounts. The higher carrying amounts primarily relate to Jochen Schweizer mydays Group and resulted from derecognizing advance payments for voucher tranches, whose relevant stature of limitations expired as of December 31, 2022, and recognizing those payments as revenues. At the end of the third quarter of 2022, the financial liabilities recognized for these advance payments had still had a negative effect on the carrying amount of the cash-generating unit.

The mandatory annual impairment tests as of the reporting date for the goodwill allocated to the Group's other cash-generating units confirmed the carrying amounts.

Following the sale of the US production business on July 1, 2022, the rest of the cash-generating unit Red Arrow Studios, to which the US production business belonged before the sale, was combined with the cash-generating unit Seven.One Entertainment to form the new cash-generating unit Entertainment. At the time of the combination in the third quarter of 2022, the goodwill allocated to the new cash-generating unit Entertainment amounted to EUR 982 million, of which EUR 803 million came from the cash-generating unit Seven.One Entertainment and EUR 180 million from the cash-generating unit Red Arrow Studios. The impairment tests performed in connection with and at the time of the reallocation did not identify any need for impairment. In the period between the combination of the cash-generating units and the reporting date, the goodwill allocated to the new cash-generating unit Entertainment was subject to currency effects.

As of the reporting date, the goodwill is allocated to the cash-generating units as follows:

ALLOCATION OF GOODWILL TO CASH-GENERATING UNITS

in EUR m

Cash-generating unit	Entertainment[1]	Red Arrow Studios	Dating	Video	NuCom Group	SevenVentures/ SevenGrowth	**Total**
Carrying amount of goodwill 12/31/2022	978	—	414	203	323	78	1,997
Carrying amount of goodwill 12/31/2021[2,3]	803	315	410	192	445	78	2,243

1 As of December 31, 2021: Seven.One Entertainment.
2 The disclosures for the previous year are based on the structure of cash-generating units prior to the combination of the rest of the cash-generating unit Red Arrow Studios, to which the US production business belonged before the sale, and the cash-generating unit Seven.One Entertainment to the new cash-generating unit Entertainment in the financial year 2022.
3 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

The following table provides an overview of the assumptions used in the respective goodwill impairment test as of the reporting date:

ASSUMPTIONS FOR GOODWILL IMPAIRMENT TESTING

Cash-generating unit	Entertainment[1]	Dating	Video	NuCom Group	SevenVentures/ SevenGrowth
Revenue growth p.a. after the end of the planning period[2]	1.0% (1.0%)	1.5% (1.5%)	1.5% (1.5%)	1.5% (1.5%)	1.5% (1.5%)
Discount rate (pre-tax)[2]	11.4% (9.5%)	12.2% (11.1%)	11.4% (11.7%)	13.0% (12.1%)	14.4% (10.0%)

1 As of December 31, 2021: Seven.One Entertainment.
2 Previous year's figures in parentheses. The disclosures for the previous year are based on the structure of cash-generating units prior to the combination of the rest of the cash-generating unit Red Arrow Studios, to which the US production business belonged before the sale, and the cash-generating unit Seven.One Entertainment to the new cash-generating unit Entertainment in the financial year 2022.

The revenue growth rates of the cash-generating units used after the end of the five-year planning period are based on externally published sources. The forecast EBITDA margins of the cash-generating units for the period after the end of the planning period range from 11.3% to 29.5% (previous year: 12.9% to 30.4%). The average annual revenue growth rates during the planning period are based on the corporate planning adopted by management as of the impairment test date and range from 3.3% to 13.2% (previous year: 2.6% to 15.5%). The weighted average cost of capital (WACC) used for discounting purposes reflects the risk-adjusted pre-tax interest rate derived from the capital market. The discount rate is based on the maturity-equivalent risk-free interest rate of 2.0% (previous year: 0.1%) and a market risk premium of 7.0% (previous year: 7.9%). Furthermore, a beta factor, the cost of debt and a debt-equity ratio, all derived from the respective peer group, are taken into account individually for each cash-generating unit. In addition, country-specific tax rates and risk premiums are applied depending on the individual composition of the respective cash-generating unit. The year-on-year increase in the discount rate seen in most cases is primarily based on the increase in the general interest rate level and higher beta factors. The recoverable amount is determined in the form of a value in use.

KEY ASSUMPTIONS AND ESTIMATES

The assumptions and the underlying methodology used in impairment testing can have a significant impact on the respective values and ultimately on the amount of any recognized or potential impairment on goodwill. In particular, the determination of discounted cash flows is to a large extent subject to planning assumptions, which are particularly sensitive to changes in the macroeconomic market environment and can therefore significantly affect the impairment test results.

18 / Programming assets

Programming assets include rights to feature films, series, commissioned productions, digital content, advance payments for such rights and sports rights.

DEVELOPMENT OF PROGRAMMING ASSETS

in EUR m

	Capitalized rights	Advances paid	Total
Balance as of January 1, 2021	**1,100**	**113**	**1,213**
Additions	906	77	983
Disposals	−25	0	−25
Reclassifications	74	−74	—
Amortization	−883	—	−883
Impairments	−143	—	−143
Other	−1	0	−1
Balance as of December 31, 2021 / January 1, 2022	**1,029**	**116**	**1,145**
non-current programming assets			973
current programming assets			172
Changes in scope of consolidation	11	5	16
Additions	817	91	908
Disposals	−11	—	−11
Reclassifications	86	−86	—
Amortization	−884	—	−884
Impairments	−89	—	−89
Other	0	0	0
Balance as of December 31, 2022	**959**	**127**	**1,086**
non-current programming assets			912
current programming assets			174

KEY ASSUMPTIONS AND ESTIMATES

Major components of programming assets are acquired from large film studios in the form of film packages. Among other things, the individual licenses of such film packages are initially measured in relation to the expected audience reach of the individual license broadcasts. The Group recognizes amortization of programming assets using a declining-balance method over the number of runs according to a standardized Group-wide matrix which reflects the expected audience reach potential relating to the respective broadcast. Impairments are recognized at the level of cash-generating units (programming groups) in the event that the estimated revenues of the respective cash-generating unit can no longer cover the respective carrying amount. The estimated revenues are subject to a wide range of planning assumptions that are sensitive to change and therefore may have a significant impact on the recoverability.

19 / Other intangible assets

DEVELOPMENT OF OTHER INTANGIBLE ASSETS
in EUR m

	Trademarks	Customer relationships	Internally generated intangible assets	Miscellaneous other	Advances paid	Total
COST						
Balance as of January 1, 2021	**617**	**203**	**197**	**547**	**60**	**1,623**
Exchange rate differences	14	8	0	8	0	30
Changes in scope of consolidation	−28	−10	−11	−81	−1	−130
Additions	—	—	35	42	47	124
Reclassifications	—	—	45	11	−55	—
Disposals	—	−1	−9	−44	−7	−61
Balance as of December 31, 2021 / January 1, 2022	**603**	**199**	**256**	**483**	**44**	**1,586**
Exchange rate differences	11	7	0	5	0	23
Changes in scope of consolidation	−2	−71	−3	−34	−1	−111
Additions	—	—	18	51	58	127
Reclassifications	—	—	29	6	−35	—
Disposals	−4	−8	−14	−35	−3	−65
Balance as of December 31, 2022	**608**	**127**	**286**	**476**	**63**	**1,559**
AMORTIZATION AND IMPAIRMENTS						
Balance as of January 1, 2021	**55**	**116**	**101**	**403**	**5**	**680**
Exchange rate differences	1	5	0	5	—	11
Changes in scope of consolidation	−11	−3	−5	−67	—	−87
Additions[1]	7	31	52	78	5	173
Disposals	—	−1	−10	−43	−5	−58
Balance as of December 31, 2021 / January 1, 2022	**50**	**147**	**139**	**376**	**6**	**719**
Exchange rate differences	1	6	0	3	—	9
Changes in scope of consolidation	−1	−53	−1	−32	—	−87
Additions	25	21	59	59	9	174
Disposals	−4	−8	−14	−35	−3	−65
Balance as of December 31, 2022	**71**	**112**	**183**	**372**	**12**	**749**
Carrying amount as of December 31, 2021	**553**	**52**	**117**	**107**	**38**	**867**
Carrying amount as of December 31, 2022	**536**	**15**	**103**	**104**	**51**	**809**

1 Additions to amortization and impairments are presented net of reversals of impairments (EUR 9 million).

The trademarks comprise assets with finite and indefinite useful lives. The carrying amount of the trademarks with indefinite useful lives at the reporting date is EUR 354 million (previous year: EUR 358 million). The miscellaneous other category mainly includes software, licenses from marketing digital offerings of external providers and industrial property rights.

Additions to amortization and impairments include impairments of EUR 44 million (previous year: EUR 27 million). These primarily relate to brands with finite and indefinite useful lives, customer relationships, internally generated intangible assets and advances paid for corresponding assets in the Commerce & Ventures segment and were primarily recognized in the third quarter of 2022 in indicator-based impairment tests.
→ Note 17 “Goodwill”

The following table provides an overview of the allocation of significant trademarks with indefinite useful lives to the cash-generating units for the purposes of the obligatory annual impairment test as well as the assumptions applied to the respective impairment tests as of December 31, 2022:

ASSUMPTIONS FOR IMPAIRMENT TESTING OF SIGNIFICANT TRADEMARKS WITH INDEFINITE USEFUL LIVES

Cash-generating unit	Verivox	Parship/ElitePartner
Revenue growth p.a. after the end of the planning period[1]	1.5% (1.5%)	1.5% (1.5%)
Discount rate (pre-tax)[1]	13.8% (12.1%)	12.3% (11.2%)
Carrying amount of trademarks with indefinite useful lives (in EUR m)[1]	**107 (107)**	**141 (141)**

1 Previous year's figures in parentheses.

The average annual revenue growth rates for the cash-generating units presented above during the five-year planning period are based on the corporate planning adopted by management as of the impairment test date and range from 5.3% to 22.5% (previous year: 3.6% to 9.5%). The average annual revenue growth rate assumption of 22.5% concerns the cash-generating unit Verivox and results from revenues earned in the current period falling significantly short of those earned in prior years. The lower revenue level is mainly attributable to the increased customer restraint in the e-commerce sector as a result of the energy crisis caused primarily by the Russia/Ukraine war.

Taking the impairments recognized in the third quarter of 2022 into account, the impairment tests for the trademarks with indefinite useful lives performed as of December 31, 2022, confirmed the carrying amounts.

KEY ASSUMPTIONS AND ESTIMATES

The assumptions and the underlying methodology used in impairment testing can have a significant impact on the respective values and ultimately on the amount of any potential impairment on other intangible assets. In particular, the determination of discounted cash flows is to a large extent subject to planning assumptions, which are particularly sensitive to changes in the macroeconomic market environment and can therefore significantly affect the impairment test results. Moreover, the determination of fair values less costs to sell, which are used as the lower limit for the carrying amount in the event of impairment, is subject to assumptions that can have a significant impact on the amount of any potential impairment on other intangible assets.

20 / Property, plant and equipment and rights-of-use to property, plant and equipment

The development of property, plant and equipment and rights-of-use to property, plant and equipment is presented in the following table:

in EUR m

	Real estate	Technical facilities	Office furniture and equipment	Advances paid	Total
COST					
Balance as of January 1, 2021	**529**	**174**	**91**	**85**	**879**
Exchange rate differences	5	2	1	0	8
Changes in scope of consolidation	–3	0	–1	—	–4
Additions	28	26	11	62	128
Reclassifications	1	10	6	–17	—
Disposals	–86	–4	–11	2	–99
Balance as of December 31, 2021 / January 1, 2022	**475**	**209**	**97**	**132**	**912**
Exchange rate differences	5	3	0	0	8
Changes in scope of consolidation	–35	–37	–2	0	–74
Additions	21	16	8	70	116
Reclassifications	4	1	1	–5	—
Disposals	–33	–8	–15	0	–56
Balance as of December 31, 2022	**436**	**184**	**88**	**197**	**905**
DEPRECIATION AND IMPAIRMENTS					
Balance as of January 1, 2021	**229**	**143**	**64**	**—**	**437**
Exchange rate differences	2	1	0	—	4
Changes in scope of consolidation	–2	0	–1	—	–4
Additions	45	20	13	0	79
Disposals	–84	–3	–11	—	–98
Balance as of December 31, 2021 / January 1, 2022	**191**	**161**	**65**	**0**	**417**
Exchange rate differences	2	2	0	—	4
Changes in scope of consolidation	–20	–20	–2	—	–41
Additions	47	19	19	0	85
Disposals	–29	–6	–15	0	–50
Balance as of December 31, 2022	**191**	**156**	**68**	**0**	**415**
Carrying amount as of December 31, 2021	**284**	**48**	**31**	**131**	**495**
Carrying amount as of December 31, 2022	**245**	**29**	**20**	**197**	**490**

Additions to depreciation and impairments include impairments of EUR 14 million (previous year: EUR 2 million), which primarily relate to impairments of office furniture and equipment and of rights-of-use to buildings in the Commerce & Ventures segment and were recognized in connection with indicator-based impairment tests in the third quarter of 2022.

→ **Note 17 "Goodwill"**

The real estate and advances paid items include land and buildings that belong to the real estate leasing entity with which ProSiebenSat.1 Media SE entered into a lease contract for the construction of a new corporate campus in Unterföhring in the financial year 2018. As ProSiebenSat.1 Group can determine the relevant activities of the real estate leasing entity, that entity is fully consolidated. The real estate leasing entity's liabilities to the financing banks are recognized in other financial liabilities as real estate liabilities. The land and buildings are secured by way of a land charge in the amount of the financing already drawn.

→ **Note 29 "Financial liabilities"**

The borrowing costs capitalized in the financial year 2022 amount to EUR 3 million (previous year: EUR 2 million).

21 / Leases

The lease agreements of ProSiebenSat.1 Group relate to the renting of real estate, in particular office and storage space, as well as the lease of other property, plant and equipment, mainly information technology, office furniture and equipment, and vehicles for employees.

The following table shows the development of the carrying amounts of right-of-use assets from leases:

in EUR m

	Real estate	Other property, plant and equipment	Total
Balance as of January 1, 2021	**229**	**7**	**236**
Exchange rate differences	3	0	3
Additions	22	13	34
Disposals	−2	0	−3
Depreciation and impairments[1]	−37	−7	−44
Balance as of December 31, 2021 / January 1, 2022	**214**	**12**	**226**
Exchange rate differences	3	0	3
Changes in scope of consolidation	−17	0	−17
Additions	16	9	26
Disposals	−4	−1	−5
Depreciation and impairments[1]	−38	−9	−47
Balance as of December 31, 2022	**174**	**11**	**184**

1 Including impairments of EUR 5 million (previous year: EUR 2 million) which primarily relate to real estate leases.

The additions to right-of-use assets from real estate leases of EUR 16 million (previous year: EUR 22 million) mainly result from the renting of office space.

The changes in the scope of consolidation relate to disposals in connection with the sale of the US production companies of EUR 23 million and additions from the initial consolidation of Joyn of EUR 7 million.

The following table contains the amounts recognized in profit or loss attributable to leases in which ProSiebenSat.1 Group acts as lessee:

LEASING ITEMS IN PROFIT OR LOSS

in EUR m

	2022	2021
Depreciation and impairments	47	44
Interest expenses	3	4
Off-balance short-term and low-value leases	0	1
Total expenses for leases	**51**	**49**

The total cash outflow from leases in which ProSiebenSat.1 Group acts as lessee, including off-balance short-term or low-value leases, amounted to EUR 48 million in the financial year 2022 (previous year: EUR 47 million). EUR 3 million (previous year: EUR 4 million) of this amount related to interest payments.

22 / Investments accounted for using the equity method

After the acquisition of the 50% of the shares in the former joint venture Joyn held by Discovery effective as of October 31, 2022, and the associated acquisition of control over the entity, there are no material investments accounted for using the equity method as of December 31, 2022. Until the transaction date, Joyn contributed minus EUR 23 million (previous year: EUR -45 million) to the result from investments accounted for using the equity method. The carrying amount of the investment was EUR 0 million as of December 31, 2021. For further information on the majority acquisition of Joyn, please refer to the following section:
→ Note 5 “Acquisitions and disposals affecting the scope of consolidation”

The cash outflow of EUR 17 million (previous year: EUR 47 million) resulting from the payments into the capital reserves of Joyn in the financial year 2022 until the acquisition of control is presented in the cash flow from investing activities under payments for investments including investments accounted for using the equity method. As in the previous year, ProSiebenSat.1 Group did not receive any dividends from Joyn in the financial year 2022.

In the reporting period, ProSiebenSat.1 Group held other investments in associates and joint ventures apart from Joyn, which are, however, of minor importance to the Group. The carrying amount of these investments at the reporting date is EUR 29 million (previous year: EUR 61 million), the decrease in carrying amount being mainly attributable to an impairment of the investment in the sports and fitness platform Urban Sports Club.

23 / Receivables and other financial assets

in EUR m

	12/31/2022			12/31/2021[1]		
	current	non-current	**Total**	current	non-current	Total
Contract assets	32	—	32	34	—	34
Trade receivables	439	8	447	460	13	473
Total receivables	**471**	**8**	**479**	**494**	**13**	**507**
Fund investments held to cover pension obligations	—	—	—	—	27	27
Equity investments	16	206	222	55	270	325
Derivatives	29	77	106	30	31	61
Other financial assets	48	3	51	54	11	65
Total other financial assets	**93**	**286**	**379**	**139**	**340**	**478**
Total	**564**	**294**	**858**	**633**	**353**	**985**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

Trade receivables also include receivables from related parties.
→ Note 36 “Related parties”

Equity investments notably include fund investments and non-controlling interests acquired by the Group as part of its media-for-equity strategy. The equity instruments classified as current are mainly ABOUT YOU shares. The decrease in equity instruments compared to the previous year is primarily due to valuation effects.

The derivatives are mainly interest rate instruments and currency forwards to hedge interest rate and currency risks.
→ Note 33 “Notes on financial risk management and financial instruments”

Other financial assets mainly include refund receivables from suppliers, purchase price receivables from the sale of entities, and receivables from the provision of collateral.

The following table shows the changes in loss allowances for gross trade receivables and for contract assets from contracts with customers:

CHANGES IN LOSS ALLOWANCES

in EUR m

	2022	thereof individually credit-impaired receivables	2021[1]	thereof individually credit-impaired receivables[1]
Balance as of January 1	**33**	**27**	**45**	**33**
Additions	12	12	15	15
Releases	–7	–5	–13	–9
Usage	–8	–6	–15	–12
Changes in scope of consolidation	0	0	0	—
Balance as of December 31	**30**	**27**	**33**	**27**

1 Prior-year figures partly adjusted as described in Note 3 "Changes in reporting standards and accounting policies".

For further information on credit loss allowances, please refer to
→ **Note 33 "Notes on financial risk management and financial instruments"**

24 / Other receivables and assets

in EUR m

	12/31/2022			12/31/2021		
	current	non-current	**Total**	current	non-current	Total
Accrued items	37	—	37	37	2	39
Receivables from value added tax	28	—	28	21	—	21
Advance payments	4	—	4	6	—	6
Other	12	3	14	27	1	28
Total other receivables and assets	**81**	**3**	**83**	**91**	**3**	**94**

The item "Other" includes many minor individual items.

25 / Cash and cash equivalents

Cash and cash equivalents comprise bank balances and term deposits. They have maturities of three months or less as of the date of initial recognition and break down as follows:

in EUR m

	12/31/2022	12/31/2021
Bank balances	411	550
Term deposits	92	44
Total cash and cash equivalents	**504**	**594**

The following table shows the cash and non-cash changes in financial liabilities:

CHANGES IN FINANCIAL LIABILITIES

in EUR m

	01/01/2022	Cash changes	Non-cash changes			**12/31/2022**
			Changes in scope of consolidation	Exchange rate changes	Additions/Other	
Non-current financial liabilities	2,395	−277	—	—	−1	2,117
Current financial liabilities	51	−50	—	0	−1	0
Lease liabilities	220	−45	−21	4	20	178
Real estate liabilities	97	36	—	—	—	133
Total	**2,763**	**−336**	**−21**	**4**	**18**	**2,427**

in EUR m

	01/01/2021	Cash changes	Non-cash changes			12/31/2021
			Changes in scope of consolidation	Exchange rate changes	Additions/Other	
Non-current financial liabilities	2,591	−202	—	—	5	2,395
Current financial liabilities	608	−550	—	0	−7	51
Lease liabilities	228	−42	−1	4	32	220
Real estate liabilities	71	26	—	—	—	97
Total	**3,498**	**−769**	**−1**	**4**	**30**	**2,763**

26 / Shareholders’ equity

As of December 31, 2022, the subscribed capital of ProSiebenSat.1 Media SE amounted to EUR 233 million (previous year: EUR 233 million), with a nominal value of EUR 1.00 per share. Accordingly, as of December 31, 2022, the number of shares issued amounted to 233,000,000 (previous year: 233,000,000 shares), of which the Company holds 6,514,679 shares (previous year: 6,694,738 shares) as treasury shares.

→ Subsection “Treasury shares”

The capital reserve amounts to EUR 1,046 million (previous year: EUR 1,046 million). It mainly consists of equity contributed by shareholders in excess of the subscribed capital.

The accumulated other comprehensive income of EUR 72 million (previous year: EUR 45 million) in ProSiebenSat.1 Group’s equity includes the effects of currency translation of the financial statements of foreign subsidiaries amounting to EUR 38 million (previous year: EUR 22 million), the cash flow hedge reserve after taxes of EUR 41 million (previous year: EUR 34 million), and the effect arising from remeasuring defined benefit plans amounting to minus EUR 7 million after taxes (previous year: EUR -11 million).

The expenses and income recognized in other comprehensive income throughout the financial year 2022 can be broken down as follows:

OTHER COMPREHENSIVE INCOME

in EUR m

	2022			2021		
	before taxes	Income taxes	**after taxes**	before taxes	Income taxes	after taxes
Currency translation[1]	**27**	**—**	**27**	**72**	**—**	**72**
Tranlations effects of the period	48	—	48	74	—	74
Reclassificatation to profit or loss	−21	—	−21	−2	—	−2
Cash flow hedges	**10**	**−3**	**7**	**47**	**−13**	**34**
Changes of the period	36	−10	26	66	−18	47
Reclassification to hegded item or profit or loss	−26	7	−19	−18	5	−13
Remeasurement of defined benefit pension plans	**5**	**−1**	**4**	**0**	**0**	**0**
Total other comprehensive income[1]	**42**	**−4**	**38**	**120**	**−13**	**106**

1 In the financial year 2022, EUR 11 million (previous year: EUR 17 million) of the pre- and post-tax amounts are attributable to non-controlling interests.

NON-CONTROLLING INTERESTS

With the exception of General Atlantic PD GmbH, Munich (“General Atlantic”), an indirect subsidiary of General Atlantic Coöperatief U.A., Amsterdam, Netherlands, no other shareholders have significant interests in subsidiaries. General Atlantic holds a non-controlling share and voting interest of 28.4% in NuCom Group and, since September 4, 2020, a non-controlling share and voting interest of 45.0% in ParshipMeet Holding GmbH.

→ Note 34 “Segment reporting”

As ProSiebenSat.1 Group holds a preferred share in each of NuCom Group and ParshipMeet Group, net assets and net result for the period are allocated disproportionately to the respective capital shares. Each of the preferred shares grant a fixed return of 8% per annum on the preferred share amount and a liquidation preference. If the Annual General Meeting or the Advisory Board resolves to distribute a dividend, the interest is paid in the form of an advance dividend. Otherwise, the interest claim increases the preferred amount. The pro rata distribution of net assets is made accordingly after deducting the preferred shares, and that of net income for the period after deducting the acquired preferred interest claims. As the net assets of NuCom Group, after deduction of the preferred share existing at the beginning of the financial year, have been completely utilized as a result of accumulated losses, the preferred shareholders will de facto not acquire any additional claims to the net assets of NuCom Group in the financial year 2022: No interest will accrue on the preferred share for the financial year 2022 for that reason. It will accrue in subsequent years to the extent that sufficient net assets are available to cover accumulated interest claims. In the event that losses in a period would lead to a negative share of General Atlantic's net assets as a result of proportionate allocation, no allocation is made and the losses attributable to ProSiebenSat.1 Group increase accordingly. As of December 31, 2022, the claims from the two preferred shares recognized in equity amount to EUR 633 million (prior year: EUR 602 million).

The following table contains financial information of the respective groups of entities and a reconciliation between the groups' net assets and General Atlantic's pro rata share as non-controlling shareholder. The presentation is based on figures before intra-group eliminations.

FINANCIAL INFORMATION FOR NUCOM GROUP AND PARSHIPMEET GROUP

in EUR m

	12/31/2022		12/31/2021	
	NuCom Group	ParshipMeet Group	NuCom Group[1]	ParshipMeet Group[1]
Non-current assets	651	1,016	859	1,004
Current assets	158	265	235	204
Non-current liabilities	162	120	184	165
Current liabilities	455	159	464	118
Net assets	**193**	**1,003**	**446**	**925**
Preferred share	214	419	214	388
Net assets attributable to other shareholders (excl. General Atlantic)	−2	—	−3	—
Share of General Atlantic	28.4%	45.0%	28.4%	45.0%
Net assets attributable to General Atlantic	**0**	**263**	**67**	**242**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

in EUR m

	2022		2021	
	NuCom Group	ParshipMeet Group	NuCom Group[1]	ParshipMeet Group
Revenues	611	518	702	542
Result before income taxes	−258	71	−72	100
Net result for the period	**−253**	**48**	**−71**	**78**
Net result for the period attributable to shareholders of ProSiebenSat.1 Media SE	−186	40	−45	56
Net result for the period attributable to General Atlantic	−65	8	−26	22
Net result for the period attributable to other shareholders	−2	—	0	—
Other comprehensive income	**0**	**28**	**0**	**36**
Ohter comprehensive income attributable to shareholders of ProSiebenSat.1 Media SE	0	16	0	20
Other comprehensive income attributable to General Atlantic	0	12	0	16
Total comprehensive income	**−253**	**76**	**−71**	**114**
Total comprehensive income attributable to shareholders of ProSiebenSat.1 Media SE	−186	56	−45	76
Total comprehensive income attributable to General Atlantic	−65	20	−26	38
Total comprehensive income attributable to other shareholders	−2	—	0	—
Return on preferred share	**—**	**31**	**19**	**29**
Change in cash and cash equivalents	**−9**	**−54**	**−287**	**41**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

General Atlantic, as a non-controlling shareholder, has certain protective rights (e.g. with respect to the sale of major assets) at both NuCom Group and ParshipMeet Group, which may significantly restrict ProSiebenSat.1 Group's ability to gain access to or use assets of its subsidiaries.

An amount of EUR 5 million (previous year: EUR 5 million) in ProSiebenSat.1 Group's net assets and an amount of EUR 6 million (previous year: EUR 0 million) in total comprehensive income are attributable to several other non-controlling interests.

ALLOCATION OF PROFITS

In the past financial year, a dividend of EUR 0.80 (previous year: EUR 0.49) per share was distributed. The dividend payment amounted to EUR 181 million (previous year: EUR 111 million).

For the financial year 2022, the Executive Board and the Supervisory Board propose to the Annual General Meeting the distribution of a dividend of EUR 0.05 per share to holders entitled to dividends. This corresponds to an expected total distribution of around EUR 11 million. Payment of the proposed dividend is subject to approval by the ordinary Annual General Meeting.

AUTHORIZED CAPITAL

By resolution of the Annual General Meeting on June 1, 2021, new authorized capital was created (Authorized Capital 2021). According to the resolution, the Executive Board, subject to the consent of the Supervisory Board, is authorized until and including May 31, 2026, to increase the share capital by in total up to EUR 46,600,000 by issuing, on one or more occasions, new registered no-par value shares, in return for contributions in cash and/or in kind. Shareholders' pre-emptive rights may be excluded under certain conditions.

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 800,000,000, in return for contributions in cash and/or in kind, until May 31, 2026, and to grant the holders or creditors of such bonds conversion or option rights to subscribe for in total up to 23,300,000 new registered no-par value shares in the pro rata amount of in total up to EUR 23,300,000 of the Company's registered share capital, and/or to stipulate respective conversion rights of ProSiebenSat.1 Media SE (Authorization 2021). For this purpose, the share capital was contingently increased by in total up to EUR 23,300,000 to be effected through the issuance of up to 23,300,000 new registered no-par value shares (Contingent Capital 2021). The Executive Board is authorized to exclude shareholders' pre-emptive rights under certain conditions.

TREASURY SHARES

In accordance with section 71 (1) no. 8 of the German Stock Corporation Act (AktG), the Annual General Meeting by resolution of June 12, 2019, authorized the Company, subject to the consent by the Supervisory Board and in accordance with the more detailed conditions of the authorization, to acquire treasury shares of the Company on or before June 11, 2024, in the total amount of up to 10.0% of the Company's share capital that existed at the time the authorization was granted or – if this value is lower – of up to 10.0% of the Company's share capital existing at the time the authorization is exercised, and to use these shares, potentially excluding pre-emptive rights, in the cases specified in more detail in the authorization (Authorization 2019). Treasury shares may also be acquired using derivatives in an amount of up to 5.0% of the share capital existing at the time the authorization was granted or – if this figure is lower – existing at the time the authorization is exercised in accordance with the more detailed conditions of the authorization.

No treasury shares were acquired in the financial years 2022 and 2021.

The "myShares" employee share program is regularly serviced by issuing treasury shares. In the financial year 2022, 180,059 (previous year: 77,009) treasury shares were issued to employees under the program. In total, the number of treasury shares decreased from 6,694,738 as of December 31, 2021, to 6,514,679 as of December 31, 2022.

CAPITAL MANAGEMENT INFORMATION

Capital management instruments used at ProSiebenSat.1 Group include equity measures, dividend payments to shareholders, share buy-backs and debt financing measures.

ProSiebenSat.1 Group's capital management is aimed at securing the Group's long-term ability to continue as a going concern and generating appropriate returns for the shareholders. Management takes into account changes in the macroeconomic environment and risks arising from the underlying business activities. It is furthermore important to ProSiebenSat.1 Group to ensure unrestricted capital market access to various debt financing instruments and the servicing of financial liabilities.

As part of active debt management, the leverage ratio in particular, measured as the ratio of net financial debt to adjusted EBITDA over the past twelve months, and capital and liquidity requirements as well as the timing of refinancing measures are managed. Going forward, ProSiebenSat.1 Group will focus particularly on an appropriate level of financial leverage when determining distributions to shareholders. As a result, the Group has adjusted its dividend policy and instead of the previous payout ratio of 50% will generally aim to maintain a ratio of 25% to 50%. For further information, in particular on the criteria to be used for determining the exact payout ratio, see
→ "Strategy and Objectives" section in the Group Management Report

For information on the calculation of adjusted EBITDA, please refer to
→ Note 34 "Segment reporting"

ProSiebenSat.1 Group's capital structure was as follows as of the reporting date:

CAPITAL STRUCTURE
in EUR m

	12/31/2022	12/31/2021[1]
Shareholders' equity	**1,774**	**1,968**
Share of total capital	29.5%	29.6%
Financial debt	**2,117**	**2,446**
Share of total capital	35.3%	36.7%
Leverage[2]	**2.4**	**2.2**
Total capital (total equity and liabilities)	**6,005**	**6,656**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".
2 Leverage reflects the ratio of net financial debt to adusted EBITDA in the last twelve months.

For further information on the financial management of ProSiebenSat.1 Group, please refer to
→ "Group Financial Position and Liquidity" section in the Group Management Report

27 / Provisions for pensions

The provisions for pensions were recognized for defined benefit plan obligations to active and former members of the ProSiebenSat.1 Media SE Executive Board and their surviving dependents. The biometric data is derived from the Heubeck 2018G mortality tables. The pension agreements provide for benefits after the contractual age limit is reached, in the event of permanent incapacity for work or in the event of the death of the beneficiary. The beneficiaries have a contractual right to choose between a lifelong pension, several annual installments or a one-off payment.

Until the third quarter of the financial year 2021, the pension entitlements of active and former members of the Executive Board were predominantly covered by financial assets (investment fund units) that did not qualify as plan assets and were therefore recognized separately and measured at fair value through profit or loss. In the fourth quarter of 2021, the Group transferred the assets covering the pension entitlements of the then active members of the Executive Board to a dual contractual trust arrangement ("CTA") that qualifies as plan assets. The assets covering the pension entitlements of the former Executive Board members were transferred to the CTA in the financial year 2022.

The assets held by the CTA are listed investment fund units with an investment focus on US and European fixed-income investments and equities as well as cash and cash equivalents. In addition, the listed investment fund units include smaller positions of Asian equities as well as emerging market equities. The investment strategy of the CTA reflects the life cycle of the underlying liability. Plan assets are measured at fair value and offset with the pension obligation. The fair value of the plan assets was EUR 23 million as of the reporting date (previous year: EUR 1 million). As of December 31, 2022, the offsetting of the present value of the obligations and the plan assets therefore resulted in a net liability of EUR 2 million (previous year: EUR 31 million).

The following table shows the development of the present value of the pension obligation and of the fair value of the plan assets in the financial year 2022:

PRESENT VALUE OF OBLIGATIONS 2022

in EUR m

	Fair value of plan assets	Present value of pension obligation
Balance as of January 1	**1**	**32**
Amounts recognized in profit or loss		
Current service cost	—	1
Past service cost	—	0
Interest income (plan assets)/interest expense (pension obligation)	0	0
Total amount recognized in profit or loss	**0**	**2**
Remeasurements	**—**	
Experience adjustments	—	0
Changes in financial assumptions	—	−8
Income (+)/Expense (-) from remeasurement of plan assets	−3	—
Total amount recognized in other comprehensive income	**−3**	**−8**
Funding of plan assets	**24**	**—**
Pension payments	—	−1
Settlements	—	—
Balance as of December 31	**23**	**24**

In the previous year, the present value of the pension obligation and the fair value of the plan assets developed as follows:

NET PENSION OBLIGATIONS 2021

in EUR m

	Fair value of plan assets	Present value of pension obligation
Balance as of January 1	**—**	**32**
Amounts recognized in profit or loss		
Current service cost	—	1
Past service cost	—	0
Interest income (plan assets)/Interest expense (pension obligation)	0	0
Total amount recognized in profit or loss	**0**	**1**
Remeasurements		
Experience adjustments	—	0
Changes in financial assumptions	—	–1
Income (+)/Expenses (-) from remeasurement of plan assets	0	—
Total amount recognized in other comprehensive income	**0**	**0**
Funding of plan assets	1	—
Pension payments	—	–1
Settlements	—	—
Balance as of December 31	**1**	**32**

The following parameters were used for this calculation:

PENSION OBLIGATIONS MEASUREMENT PARAMETERS

	2022	2021
Discount rate	4.2%	1.0%
Salary growth rate	0.0%	0.0%
Pension growth rate	1.0%	1.0%

For ProSiebenSat.1 Group, the discount rate is the material actuarial assumption for the measurement of its pension obligations. If this variable increased (decreased) by 0.5 percentage points, the pension obligation as of the reporting date in 2022 would be 4% lower (higher) than the carrying amount recognized as of this date.

The weighted duration of the pension obligation averages nine years (previous year: 11 years) until retirement age.

The Group expects the following pension payments in the years ahead:

EXPECTED PENSION PAYMENTS

in EUR m

	2023	2024	2025	2026	2027
Expected pension payments	2	1	3	1	1

28 / Other provisions

in EUR m

	01/01/2022	Additions	Usage	Release	Foreign exchange and interest effects	Changes in scope of consolidation	**12/31/2022**
Provisions for onerous contracts	19	3	–14	–4	0	—	4
thereof current	19						4
Provisions for risks from business operations	34	32	–25	–6	0	—	36
thereof current	34						36
Provision for employee benefits	63	29	–4	–15	3	–57	20
thereof current	14						12
Miscellaneous other provisions	61	14	–20	–13	0	—	42
thereof current	59						40
Total	**177**	**79**	**–63**	**–38**	**4**	**–57**	**101**

Provisions comprise current provisions in the amount of EUR 92 million (previous year: EUR 126 million) and non-current provisions in the amount of EUR 9 million (previous year: EUR 51 million).

ProSiebenSat.1 Group expects the vast majority of the non-current provisions to result in cash outflows within the next five years.

In the reporting period as in the previous year, provisions for onerous contracts primarily relate to programming assets.

The provisions for risks from business operations relate in particular to reimbursement obligations from contracts with customers of uncertain amounts and expected payments to broadcasters in connection with video and live entertainment offerings.

The provisions for employee benefits primarily comprise variable compensation owed to individual executives and members of the Executive Board. A significant portion of the addition to these provisions and the decline due to the change in the scope of consolidation relate to the disposal of the US production business of Red Arrow Studios on July 1, 2022. The reversals in the financial year are primarily due to the development of the business situation. This relates to all the Group's segments.

→ Note 5 "Acquisitions and disposals affecting the scope of consolidation"...→ Note 35 "Share- and performance-based payment"

The miscellaneous other provisions comprise the following items:

MISCELLANEOUS OTHER PROVISIONS

in EUR m

	12/31/2022	12/31/2021
Interest on tax liability	12	26
Additional payments to bestseller beneficiaries	10	11
Value added tax	10	10
Other	10	14
Total	**42**	**61**

KEY ASSUMPTIONS AND ESTIMATES

Provisions are recognized and measured on the basis of estimates regarding the amount and probability of future outflows of resources, as well as on the basis of past experience and the circumstances known at the reporting date. In assessing the amount of provisions, all available factual information, in particular claims asserted and experience with comparable transactions, is taken into account and assumptions are made regarding the probability of occurrence and the range of possible claims. The assessment of whether a present obligation exists is generally based on the opinions of internal or external experts. In particular, provisions for onerous contracts are based to a considerable extent on management estimates with regard to their amount and probability of occurrence. Based on more recent information, these estimates may change and the actual charges may differ from the amount of the obligations recognized.

29 / Financial liabilities

in EUR m

	current	non-current	**Total 12/31/2022**
Loans and borrowings	—	1,194	1,194
Promissory notes	—	923	923
Total financial debt	**—**	**2,117**	**2,117**
Trade and other payables	**909**	**73**	**982**
Lease liabilities	40	138	178
Real estate liabilities	3	130	133
Put option liabilities	38	11	49
Accrued media authority liabilities	15	—	15
Liabilities from derivatives	15	1	17
Accrued interest	7	—	7
Miscellaneous other financial liabilities	6	6	13
Total other financial liabilities	**124**	**287**	**411**
Total financial liabilities	**1,034**	**2,477**	**3,510**

in EUR m

	current	non-current	12/31/2021[1]
Loans and borrowings	51	1,197	1,248
Promissory notes	—	1,198	1,198
Total financial debt	**51**	**2,395**	**2,446**
Trade and other payables	**886**	**52**	**938**
Lease liabilities	41	179	220
Real estate liabilities	2	94	97
Put option liabilities	4	57	60
Accrued media authority liabilities	15	—	15
Liabilities from derivatives	1	7	8
Accrued interest	4	—	4
Miscellaneous other financial liabilities	13	2	15
Total other financial liabilities	**80**	**339**	**419**
Total financial liabilities	**1,017**	**2,785**	**3,802**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

Non-current loans and borrowings include a term loan with a nominal amount of EUR 1,200 million as of December 31, 2022 (previous year: EUR 1,200 million), which bears floating-rate interest at Euribor money market rates plus a credit margin. In May 2022, a term loan tranche of EUR 800 million was extended until April 2027 and a term loan tranche of EUR 400 million was extended until April 2025. The latter can also be extended until April 2027 under certain conditions.

In the fourth quarter of 2021, the Group took up a negative-interest money market product with a twelve-month maturity amounting to EUR 50 million, which was repaid in full in October 2022.

As of the reporting date, ProSiebenSat.1 Group also has outstanding promissory notes with a total nominal volume of EUR 925 million and remaining terms of between three and nine years. A promissory note of EUR 275 million originally maturing in December 2023 was repaid early in December 2022.
→ Note 33 "Notes on financial risk management and financial instruments"

In the event of a change of control of ProSiebenSat.1 Media SE as a result of the direct or indirect acquisition of more than 50.0% of the voting rights of ProSiebenSat.1 Media SE by third parties, the creditors of all aforementioned instruments are entitled to terminate and demand repayment.

Trade and other payables include liabilities from voucher sales amounting to EUR 324 million (previous year adjusted: EUR 333 million). Trade and other payables also include liabilities to related parties.
→ Note 36 "Related parties"

No liens or similar collateral were provided for the financial liabilities.

30 / Other liabilities

in EUR m

	12/31/2022		12/31/2021[1]	
	current	**non-current**	current	non-current
Accrued items and advance payments received	104	1	122	1
Employee benefits	55	—	79	—
Value added tax	40	—	37	—
Other taxes	23	—	15	—
Outstanding advertising services	8	2	13	12
Miscellaneous other	29	2	36	2
Total	**258**	**6**	**303**	**16**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

Accrued items and advance payments received primarily consist of advance payments received as well as accruals for marketing rights and other accruals.

The item "Outstanding advertising services" contains contract liabilities for the rendering of advertising services from media-for-equity transactions for which the Group has already received the corresponding company shares.

The item "Miscellaneous other" includes an amount of EUR 19 million (previous year: EUR 22 million) of contract liabilities from advertising spots to be delivered free of charge because of rebate agreements.

In total, other liabilities contain contract liabilities of EUR 97 million (previous year: EUR 131 million).
→ Note 6 "Revenues"

ADDITIONAL NOTES

31 / Contingent liabilities

Major legal disputes in which ProSiebenSat.1 Media SE and/or companies controlled by ProSiebenSat.1 Media SE are involved as defendants are shown below:

- **Claims for disclosure and action for damages by RTL 2 Television GmbH & Co. KG and El Cartel Media GmbH & Co. KG against entities of ProSiebenSat.1 Group:** The plaintiffs assert claims for disclosure and damages in connection with the marketing of advertising times by Seven.One Media GmbH. The legal opinion commissioned by decision of the Regional Court on April 13, 2012, has been available to ProSiebenSat.1 Group since 2018. The expert arrived at the conclusion that there are no statistically substantiated indications of a positive probability of damage. We consider this finding to be correct and the action thus ready for dismissal. The plaintiffs have filed a motion to disqualify the expert on grounds of bias and disputed his conclusions. The court-appointed expert died in 2020, without the court questioning him or ruling on the plaintiffs' motion. There is therefore a possibility that the issue will have to be examined again. The court still has not decided on the motion for disqualification on the grounds of bias or the appointment of a new expert. The date for pronouncement of a decision was set for March 2, 2023 but was postponed to June 30, 2023 due to the illness of the Chairman of the Chamber. However, it is not expected that a final judgment will be issued at this hearing. Instead, the court is expected to decide on the motion for disqualification on the grounds of bias and then continue the proceedings. If and in so far as the proceedings are contested to the end, it can be expected that the legal dispute will extend over several courts and continue beyond 2023. Payment obligations for ProSiebenSat.1 SE or its subsidiaries are not expected to arise in the near future. The outcome of the proceedings therefore remains unpredictable. Hence, no provision was recognized.

- **Claims for payment of additional remuneration for bestsellers against entities of ProSiebenSat.1 Group:** Authors of highly successful TV shows may assert claims against entities of ProSiebenSat.1 Group under section 32a of the German Copyright Act ("UrhG"). The broadcasting group has agreed on "joint remuneration agreements" (section 36 UrhG) with five associations (directors, camera operators, screenwriters, actors and editors), providing for the payment of additional remuneration to directors, camera operators, screenwriters, actors and actresses and film editors once TV movies or TV series reach certain audience numbers. On the basis of these joint remuneration agreements, the broadcasting group has also concluded joint remuneration agreements with the directors' association for the telenovela genre. As of December 31, 2022, a total of EUR 10 million (previous year: EUR 11 million) was recognized as a provision for these issues and other related claims. This amount is based on a best estimate of the additional remuneration expected to be payable based on the joint remuneration agreements already concluded and the specific models developed by the broadcasting group for further joint remuneration agreements, some of which were already presented to and negotiated with the associations, as well as based on individual out-of-court settlements. The amount of the provision also takes into account the risks with regard to the value added tax treatment of the remuneration for bestsellers that has yet to be finally clarified. It is also possible that more authors will assert additional justified claims under section 32a UrhG, which are not covered by the existing joint remuneration agreements or provisions (e.g. for other program genres as well). Therefore, a reliable estimate of the effects on our earnings development is not possible at this time.

- **Regulatory investigation into the voucher business of Jochen Schweizer GmbH and mydays GmbH being subject to official authorization:** On February 28, 2023, ProSiebenSat.1 Media SE issued an ad-hoc announcement stating that, following a notice received shortly before, it assumed on the basis of the results of an external assessment that the voucher business of its two subsidiaries Jochen Schweizer GmbH ("Jochen Schweizer") and mydays GmbH ("mydays") partly falls under the German Payment Services Supervision Act ("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 ("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 form BaFin is required. In the same letter, 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 concerning the affected voucher products with BaFin. At the same time, the public prosecutor's office Munich I initiated a monitoring process (“Beobachtungsvorgang”), examining the initial suspicion of possible criminal acts. ProSiebenSat.1 Media SE and its affected subsidiaries are cooperating fully 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.

Moreover, ProSiebenSat.1 Media SE and companies controlled by it are defendants or parties in further court and arbitration proceedings as well as regulatory proceedings. Based on the current state of knowledge, these proceedings do not significantly impact the economic situation of ProSiebenSat.1 Group.

32 / Other financial obligations

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

in EUR m

	12/31/2022	12/31/2021
Purchase commitments for programming assets	1,702	1,630
Distribution	83	114
Lease and rental commitments	4	3
Miscellaneous other	235	393
Total	**2,025**	**2,140**

The amounts presented are not discounted.

The purchase commitments for programming assets derive from agreements for the acquisition of licenses for films and series as well as commissioned productions concluded before December 31, 2022. A large proportion of the contracts are denominated in US dollars.

The item “Distribution” includes financial obligations for satellite services, obligations under contracts for terrestrial transmission facilities and cable feed charges. The underlying contracts do not constitute lease arrangements.

The lease and rental commitments mainly contain obligations from leases already concluded for which the use of the underlying leased items has not yet commenced as of the reporting date.

In contrast to the previous year, other financial obligations no longer include any financing commitments of the Group to the former joint venture Joyn as of the reporting date, due to the acquisition of control in the financial year 2022, as Joyn has been included in the consolidated financial statements as a fully consolidated subsidiary since October 31, 2022.
→ Note 5 “Acquisitions and disposals affecting the scope of consolidation”

33 / Notes on financial risk management and financial instruments

ProSiebenSat.1 Group is exposed to various financial risks in the course of its ongoing business operations and with respect to its debt financing. These risks are managed by the central treasury department as part of financial risk management. The main objectives of financial risk management are to ensure solvency at all times and to manage market price risks in a risk-adequate manner. The derivative financial instruments used in this context are entered into exclusively with a view to hedging against existing market price risks and are not used for speculative purposes. ProSiebenSat.1 Group largely uses hedge accounting to provide a meaningful and economically appropriate representation of the earnings effects of interest rate and currency hedging measures.

The principles, tasks and responsibilities of financial risk management are set down in ProSiebenSat.1 Group's internal financial guidelines. Risks are reported to the Executive Board on a monthly basis.

The risks explained below have been identified as material and are assessed on an ongoing basis. After taking hedging activities into account, ProSiebenSat.1 Group does not consider itself to be exposed to any material concentrations of risk.

INTEREST RATE RISKS

ProSiebenSat.1 Group defines interest rate risk as the risk of rising financing costs due to increases in interest rates. ProSiebenSat.1 Group is exposed to interest rate risk on the one hand through its floating-rate financial liabilities and on the other hand through future financing measures. The floating-rate financial liabilities mainly consist of an unsecured syndicated loan with two term loan tranches (term loan) and a revolving credit facility (RCF). Both bear interest at Euribor money market rates plus a credit margin. In May 2022, the syndicated loan was extended to April 2025 (EUR 400 million) and April 2027 (EUR 800 million). The RCF currently has a volume of EUR 500 million (previous year: EUR 750 million). It was not utilized in the financial year 2022 (previous year: temporary utilization of EUR 180 million in the first quarter of 2021).

Furthermore, ProSiebenSat.1 Group has outstanding promissory notes with a volume of EUR 925 million and remaining terms of three to nine years. EUR 298 million of this relates to floating-rate tranches, which bear interest based on Euribor money market rates.

A promissory note of EUR 275 million originally maturing in December 2023 was repaid early in December 2022. In addition, a short-term money market instrument of EUR 50 million with a negative fixed interest rate taken up in October 2021 was repaid in October 2022.

ProSiebenSat.1 Group hedges the interest rate risk arising from floating-rate financial liabilities and future financing measures by way of interest rate swaps and interest rate options. In the case of interest rate swaps, variable interest payments are swapped for fixed interest payments. The uncertain amounts of future variable interest payments on the hedged loans are thus effectively converted into fixed interest payments. The fair value of the interest rate swaps is determined by discounting the expected future cash flows. With interest rate options, ProSiebenSat.1 Group as buyer has the right, but not the obligation to swap future variable interest payments for fixed interest payments or to receive a compensation payment in the amount of the difference between the interest payment agreed in the option contract and that derived from the market rate. The future variable interest payments are therefore also effectively converted into fixed interest payments, but only if this is beneficial for ProSiebenSat.1 Group. An option premium must be paid for the purchased swap right. The fair value of the interest rate options is calculated using a standard option pricing model.

To the extent that the interest rate swaps can be expected to offset the interest rate-induced changes in cash flows from the floating-rate loans to a sufficiently high degree during their term, they are designated as hedging instruments in a cash flow hedge. Effectiveness is measured using the hypothetical derivative method, under which the changes in the fair value of the hedging instrument are compared with the changes in the fair value of a hypothetical "perfect" derivative, i.e. one that would fully replicate the interest rate-induced cash flows and changes in the underlying transaction. Since the hedging instruments and the hedged interest payments match in terms of nominal amounts, hedged interest rates, maturities and payment dates and since it is assumed for the purpose of measuring hedge effectiveness that the Euribor interest rate benchmark on which the hedged cash flows are based is not altered as a result of the interest rate benchmark reform, hedge ineffectiveness can only arise from changes in the credit default risk of the hedging instruments. If the change in fair value of the hedging instrument (including the change in credit default risk) is greater than the change in fair value of the hypothetical derivative, the excess is immediately recognized in profit or loss as hedge ineffectiveness. The remaining effective portion is transferred to the cash flow hedge reserve in equity and only recognized in profit or loss when the hedged interest payment affects the income statement.

As of December 31, 2022, as in the previous year, ProSiebenSat.1 Group held interest rate swaps with a nominal volume totaling EUR 1,000 million that hedge the Euribor interest rate risk in the period up to February 2023 and were designated as hedging instruments in a cash flow hedge. As is the case with the underlying hedged items, these interest rate swaps have an interest rate floor.

In connection with the extension of the syndicated loan, ProSiebenSat.1 Group adjusted the hedging portfolio with regard to the interest rate options. The Group now holds interest rate options of EUR 700 million (previous year: 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 (previous year: hedging horizon up to 2024). The interest rate options are accounted for as stand-alone derivatives and not included in hedge accounting.

In the case of the financial liabilities managed as part of interest rate risk management, the fixed-interest portion in relation to the nominal amount of the total financial liabilities was approximately 86% as of December 31, 2022 (previous year: approx. 100%). As in the previous year, the average fixed interest rate of the interest rate swaps amounts to 0.5% per annum as of December 31, 2022. The average interest rate cap of the interest rate options amounts to 1.5% per annum as of December 31, 2022 (previous year: 0.0%). For the reporting year, these transactions resulted in net interest expense of EUR 2 million (previous year: EUR 5 million). In addition, a sale of interest rate options resulted in a gain of EUR 16 million.

As of December 31, 2022, the fair value of all interest rate swaps held by ProSiebenSat.1 Group amounts to EUR 3 million (previous year: EUR -7 million). The fair value of the interest rate options is EUR 48 million (previous year: EUR 2 million).

Interest rate risk defined as the risk of changes in market value is not considered relevant because ProSiebenSat.1 Group's financial debt is not held for trading purposes or for other transfers to third parties.

The interest rate risk position is regularly assessed using current market data and existing risks are quantified using sensitivity analyses. The table below shows the changes of the interest result – including effects from hedging instruments – arising from an increase (decrease) of the relevant interest rates by one percentage point:

INTEREST RATE RISKS

in EUR m

	Interest	**12/31/2022**	12/31/2021
Cash and cash equivalents	variable	504	594
Liabilities to banks	variable	–1,200	–1,200
Liabilities to banks	fix	—	–50
Promissory notes	variable	–298	–348
Promissory notes	fix	–628	–853
Gross exposure variable		**–994**	**–953**
Gross exposure fix		**–628**	**–903**
Interest rate hedges[1]		**1,200**	**1,548**
Hedge ratio (as a percentage of the nominal amount of the variable-interest financing liabilities)		80.1%	100.0%
Net exposure variable		206	594
Sensitivities of variable net exposure			
Annual effect on net interest result of an increase in short-term interest rates by 100 basis points (1 percentage point)		–3	8
Annual effect on net interest result of a decrease in short-term interest rates by 100 basis points (1 percentage point)		4	–6

1 Not including interest options with a notional amount of EUR 500 million. As forward-starting instruments they will assume their hedging function only on the future expiration of active hedging instruments. Accordingly, these options are not reflected in the hedge ratio as of the reporting date. In the previous year, options with a notional amount of EUR 453 million have not been considered as they primarily hedged the interest rate risk arising from potential refinancing measures as well as potential drawings under the RCF.

If interest rates increased by one percentage point, the change in the fair value of the interest rate hedges would improve the financial result by EUR 21 million. The cash flow hedge reserve would remain unchanged. If interest rates decreased by one percentage point, the effect on the financial result would amount to minus EUR 19 million. The cash flow hedge reserve would also remain unchanged.

As of the reporting date, December 31, 2022, ProSiebenSat.1 Group had the following interest rate hedging instruments:

	Year of maturity			Nominal amount	Average hedged interest rate		Fair value	
	2023 in EUR m	2024 - 2027 in EUR m	from 2028 in EUR m	12/31/2022 in EUR m	12/31/2022 in %	12/31/2021 in %	**12/31/2022 in EUR m**	12/31/2021 in EUR m
Interest rate swaps	1,000	—	—	1,000	0.535	0.535	3	–7
thereof designated as cash flow hedges[1]	1,000	—	—	1,000	0.535	0.535	3	–7
Interest rate options	—	700	—	700	1.500	0.000	48	2
thereof designated as cash flow hedges	—	—	—	—	n.a.	n.a.	—	—

1 As explained above, the interest rate swaps designated as hedging instruments in a cash flow hedge contain an interest rate floor.

CURRENCY RISKS

ProSiebenSat.1 Group defines currency risks as the risk of losses resulting from changes in exchange rates. In the context of currency management, transaction risk is the primary focus. Transaction risk arises from receivables and payables already recognized in the statement of financial position and future contractually fixed or planned foreign currency cash inflows and outflows. The payments may result from operating activities as well as investing and financing activities. Transaction risk must be distinguished from translation risk, which is described in the next paragraph.

ProSiebenSat.1 Group's reporting currency is the euro. The financial statements of subsidiaries domiciled outside the euro currency zone are translated into euro in the preparation of the Consolidated Financial Statements. Translation risk relates to exchange rate effects that arise when translating results and the financial statement items of foreign subsidiaries whose functional currencies are different from the Group currency. This primarily applies to US entities of the Studio71 group and the Dating & Video segment. In the context of currency management, investments in these companies are considered long-term engagements. Thus, no translation risk hedging is undertaken.

ProSiebenSat.1 Group concludes a significant portion of its license agreements with production studios in the USA. In addition, individual formats are produced or corresponding production orders placed in the USA. ProSiebenSat.1 Group usually settles any payment obligations from such programming rights purchases and productions or production orders in US dollar. Exchange rate fluctuations between the euro and US dollar may therefore have a negative impact on the earnings and financial position of ProSiebenSat.1 Group. If license rights are granted by production studios whose functional currency is euro or another non-US dollar currency, the US dollar license agreements may under certain circumstances contain embedded currency derivatives that are recognized separately from the license rights at fair value through profit or loss.

The currency risk from receivables and payables in other foreign currencies or from matters other than the acquisition of programming rights and production orders is negligible due to their low volume.

ProSiebenSat.1 Group applies a Group-wide portfolio approach when hedging financial obligations relating to programming rights purchases. Foreign currency exposure is defined as the total volume of all future US dollar payments resulting from existing license agreements that are due within a period of seven years under the implemented hedging strategy. ProSiebenSat.1 Group applies a range of derivatives and non-derivative financial instruments to hedge against currency fluctuations. Instruments include foreign currency forwards, foreign currency swaps, foreign currency options and foreign currency cash positions in US dollar.

Currency forwards and currency swaps are unconditional, contractual agreements for the exchange of two currencies, the applicable nominal volume, exchange rate and due date being fixed at contract inception. A currency swap is a combination of a spot currency transaction and an opposing currency forward. The spot transaction is naturally executed as soon as the contract is concluded, so only the forward component of a currency swap is recognized and measured as an asset or liability in the statement of financial position. Henceforth, therefore, no further distinction is made between currency forwards and currency swaps and for simplicity's sake they are grouped under the umbrella term "currency forwards/swaps".

In the case of currency options, the option buyer acquires the right to purchase an agreed amount of currency at a specific time at a price determined at contract inception. As the buyer, ProSiebenSat.1 Group must pay an option premium for the acquired right. Currency options are only occasionally used as hedging instruments in the Group.

In the reporting period and in the previous year, only currency forwards/swaps were used as derivative currency instruments. The majority of these transactions were designated as hedging instruments in a cash flow hedge of future license payments in US dollar. The designation was based on forward rates. Hedge effectiveness is determined using the hypothetical derivative method and the changes in the fair value of the hedging instruments are compared with the changes in the fair value of a "perfect" currency forward/swap, which perfectly replicates the changes in the euro equivalent of the future US dollar payment induced by exchange rate changes.

Because the nominal amounts, currencies and maturities involved match, any hedge ineffectiveness can only result from changes in credit default risk. If the change in fair value of the hedging instrument (including the change in credit default risk) is greater than the change in fair value of the hypothetical derivative, the excess is immediately recognized in profit or loss as hedge ineffectiveness. The remaining effective portion is initially recognized in the cash flow hedge reserve in equity and accounted for as a basis adjustment of the carrying amount of the hedged item when the hedged item is recognized. It is only recognized in profit or loss when the hedged item affects the income statement as a result of the consumption of the corresponding licenses.

With respect to these programming rights, approximately 58% (previous year: approx. 76%) of the total foreign currency risk arising from the future US dollar payment obligations under existing contracts was hedged.

In addition, ProSiebenSat.1 Group holds currency derivatives that hedge US dollar liabilities from license agreements that have already been recognized in the statement of financial position. As both the changes in the fair value of the hedging instruments and the currency effects from the measurement of the liabilities from license agreements are recognized immediately in profit or loss in the financial result, there is an immediate and largely offsetting effect in the income statement even without hedge accounting. For these derivatives, ProSiebenSat.1 Group therefore refrains from formal designation in a hedging relationship and application of the hedge accounting requirements.

As of December 31, 2022, ProSiebenSat.1 Group's hedge portfolio includes currency forwards/swaps in a nominal volume of USD 659 million (previous year: USD 933 million) that are used to hedge the financial obligations arising from programming rights purchases and production orders. The fair values of the currency hedging transactions are based on quoted forward exchange rates as of December 31, 2022. As of December 31, 2022, the US dollar cash position relevant for currency management amounts to USD 53 million (previous year: USD 52 million).

CURRENCY-RELATED TRANSACTIONS AND BALANCES

	Year of maturity			Nominal amount		Average hedged USD/EUR rate				Fair value	
	2023	2024 - 2027	from 2028	12/31/2022	12/31/2021	12/31/2022		12/31/2021		**12/31/2022**	12/31/2021
	in USD m	in USD m	in USD m	in USD m	in USD m	current	non-current	current	non-current	**in EUR m**	in EUR m
Currency forwards/swaps	394	265	—	659	933	1.1097	1.2525	1.2223	1.2634	38	59
thereof designated as cash flow hedges	210	245	—	455	738	1.2428	1.2779	1.2536	1.2634	54	53
Currency holdings	53	n. a.	n. a.	53	52	n. a.	n. a.	n. a.	n. a.	50	46

The US dollar risk position is regularly assessed using current market data and existing risks are quantified using sensitivity analyses. The following table shows the effects of a 10% appreciation and depreciation of the US dollar on the euro equivalent of the US dollar payments to be made in future years, taking account of the effect of the currency hedges:

CURRENCY RISKS

in USD m

	12/31/2022	12/31/2021
Gross foreign currency exposure	**−1,232**	**−1,290**
Currency hedges	712	985
subject to hedge accounting	455	738
not subject to hedge accounting	204	195
currency holdings	53	52
Net foreign currency exposure	**−520**	**−305**
Hedge ratio	57.8%	76.3%
Spot rate USD/EUR	1.0676	1.1320
US dollar increase by 10%	0.9608	1.0188
US dollar decrease by 10%	1.1744	1.2452
in EUR m		
Change in future payments resulting from a 10% increase in the US dollar	−54	−30
Change in future payments resulting from a 10% decrease in the US dollar	44	25

If only the currency effect on the foreign currency transactions accounted for in a hedging relationship is considered, a US dollar devaluation of 10% would result in a loss of EUR 37 million, which would have to be recognized directly in equity in the cash flow hedge reserve. Similarly, a 10% appreciation of the US dollar would result in a cash flow hedge gain in equity of EUR 46 million.

However, the exchange rate effects from license fee liabilities, the offsetting effects of the foreign currency cash position, and the effects from currency hedging transactions not designated in a cash flow hedge and from embedded currency derivatives are recognized directly as currency gains or losses in the income statement. Depreciation (appreciation) of the US dollar by 10% would have an effect on the currency result of EUR 1 million (minus EUR 2 million).

EFFECTS OF HEDGING RELATIONSHIPS ON THE FINANCIAL STATEMENTS

Since the hedging instruments used by ProSiebenSat.1 Group in hedge accounting are closely tailored to the underlying hedged items, the primary source of potential hedge ineffectiveness is credit default risk. In accordance with internal risk management guidelines, this risk is largely reduced by restricting eligible derivative counterparties to those with high credit ratings and by entering into netting and close-out agreements in the event of a breach of contract.

When measuring fair values and determining ineffectiveness, the credit default risk of the hedging instruments is taken into account in the form of credit value adjustments and debit value adjustments.

The hedging instruments designated in hedging relationships by ProSiebenSat.1 Group have the following effects on the statement of financial position as of December 31, 2022:

HEDGING INSTRUMENTS 2022
in EUR m

		Carrying amount of hedging instruments			
	Nominal amount of hedging instruments	Assets	Liabilities	Line item of financial position in which hedging instruments are recognized	Change in fair value used for calculating hedge effectiveness for the reporting period
Coverage of interest rate risks	1,000	3	—	Other financial assets/Other financial liabilities	6
Coverage of foreign exchange risks	361	54	—	Other financial assets/Other financial liabilities	30

In the previous year, the designated hedging instruments had the following effects on the statement of financial position:

HEDGING INSTRUMENTS 2021
in EUR m

		Carrying amount of hedging instruments			
	Nominal amount of hedging instruments	Assets	Liabilities	Line item of financial position in which hedging instrument is recognized	Change in fair value used for calculating hedge effectiveness for the reporting period
Coverage of interest rate risks	1,000	—	7	Other financial assets/Other financial liabilities	0
Coverage of foreign exchange risks	586	53	—	Other financial assets/Other financial liabilities	66

The hedged items designated in hedging relationships have the following effects on the cash flow hedge reserve in equity as of December 31, 2022:

CASH FLOW HEDGE RESERVE 2022
in EUR m

	Change in the value of hedged items used for calculating hedge effectiveness for the reporting period	Cash flow hedge reserve
Hedging of interest rate risks	6	2
Hedging of foreign exchange risks	30	55

In the previous year, the designated hedged items affected the cash flow hedge reserve in equity as follows:

CASH FLOW HEDGE RESERVE 2021
in EUR m

	Change in the value of hedged items used for calculating hedge effectiveness for the reporting period	Cash flow hedge reserve
Hedging of interest rate risks	0	−6
Hedging of foreign exchange risks	−66	53

In the financial year 2022, the above hedge transactions have the following effects on profit or loss and other comprehensive income, or on acquisition cost of programming assets:

HEDGE TRANSACTIONS 2022

in EUR m

	Hedging gain or loss recognized in the cash flow hedge reserve	Hedge ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the cash flow hedge reserve to profit or loss or acquisition cost	Line item affected in profit or loss because of the reclassification
Hedging of interest rate risks	6	—	Other financial result	–2	Interest result/ Other financial result
Hedging of foreign exchange risks	30	—	Other financial result	29	Cost of sales

In the previous year, the hedge transactions had the following effects on profit or loss and other comprehensive income, or on acquisition cost:

HEDGE TRANSACTIONS 2021

in EUR m

	Hedging gain or loss recognized in the cash flow hedge reserve	Hedge ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the cash flow hedge reserve to profit or loss or acquisition cost	Line item affected in profit or loss because of the reclassification
Hedging of interest rate risks	0	—	Other financial result	–5	Interest result/ Other financial result
Hedging of foreign exchange risks	66	—	Other financial result	24	Cost of sales

The movements in the cash flow hedge reserve have been as follows:

CASH FLOW HEDGE RESERVE

in EUR m

	Interest rate risks	Foreign exchange risks
As of January 1, 2021	**–8**	**8**
Changes due to effective hedging relationship	0	66
Transfer to the acquisition cost of the underlying hedged transaction	—	–24
Reclassification to profit or loss	5	—
Deferred taxes	–2	–12
As of December 31, 2021 / January 1, 2022	**–4**	**38**
Changes due to effective hedging relationship	6	30
Transfer to the acquisition cost of the underlying hedged transaction	—	–29
Reclassification to profit or loss	2	0
Deferred taxes	–2	0
As of December 31, 2022	**1**	**39**

No hedging relationships were terminated in either the reporting period or the previous year that would have affected the cash flow hedge reserve.

CREDIT AND DEFAULT RISKS

ProSiebenSat.1 Group is exposed to credit default risks resulting primarily from its operating business, and to a lesser extent from derivative financial instruments and financial investment activities.

The maximum default risk – without taking into account any collateral or netting agreements, as exist in particular for derivative transactions – corresponds to the carrying amounts recognized in the financial statements.

In the case of trade receivables – and contract assets from contracts with customers – the carrying amount includes a loss allowance for lifetime expected credit losses; in the case of all other financial assets measured at amortized cost, it includes a loss allowance for expected credit losses resulting from possible default events within the next twelve months after the closing date.

To minimize credit default risks, ProSiebenSat.1 Group endeavors to enter into financial transactions and derivative legal transactions exclusively with contracting parties that have a first-class to good credit rating. Credit default risks of financial instruments are regularly monitored and analyzed. With a few separately monitored exceptions, the credit default risk for the financial assets held by ProSiebenSat.1 Group (including trade receivables) is considered low. The same applies to contract assets from contracts with customers. Accordingly, there were no indications of material payment defaults as of the reporting date.

When measuring derivative financial instruments at fair value, the risk of default of the counterparty is taken into account in the form of credit value adjustments and the Group's own default risk in the form of debit value adjustments. Probabilities of default are calculated on the basis of maturity-matched credit default swap spreads of the respective contract parties. The credit risk that is taken into account in the measurement is determined, for each counterparty and maturity, by way of multiplication of the relevant default probability by the discounted expected net cash flows of the derivative financial instruments. There is no significant concentration of default risk with respect to a single counterparty or a clearly distinguishable group of counterparties. As of the reporting date, there were no material agreements in place limiting the maximum default risk other than netting and offsetting agreements customary in the market for derivative transactions. The fair value of derivative financial instruments, for which ProSiebenSat.1 Group reports a net positive fair value per counterparty, totaled EUR 107 million as of December 31, 2022 (previous year: EUR 55 million), excluding credit value adjustments.

With respect to its operating business, i.e. for trade receivables and contract assets from contracts with customers, ProSiebenSat.1 Group recognizes loss allowances for individual customers classified as being at risk of default, taking account of factors such as over-indebtedness, proximity to insolvency, payment difficulties, and deterioration of the relevant business environment or of key performance indicators.

In addition, loss allowances are recognized in the amount of the present value of lifetime expected credit losses. Where the customer base is diverse and such that it may be clustered into homogenous groups with respect to credit risk, the lifetime expected losses are in principle calculated based on historical default rates via a provision matrix which differentiates between customer groups and the aging of the outstanding receivables. Default rates are calculated separately for (i) non-past due receivables and contract assets, (ii) receivables up to 90 days past due and (iii) receivables more than 90 days past due. With respect to business activities in which gathering customers in homogenous groups according to credit risk is not useful or impossible because of the low number of customers or their heterogeneity, an expected loss allowance is measured based on an individual credit risk assessment for each customer, similar to the approach used for customers classified as being at risk of default.

At the reporting date, the default rates used are reviewed taking into account current information and expectations regarding future developments. In particular, the review takes into account the default rates for the current period and premiums and discounts are applied if changes in the market environment or macroeconomic developments indicate a higher or lower probability of default compared with historical experience. As in the previous year, the expected credit losses for trade receivables and contract assets – excluding those individually impaired – calculated as part of the portfolio analysis remained within a narrow corridor of 0.0% to a maximum of 1.5% across all customer groups and age categories.

Due to the generally low default risk for customers assessed based on the portfolio approach, there is hardly any notable difference in default rates between customer groups.

For information on loss allowances on trade receivables including expected losses calculated using the simplified model, please refer to
→ **Note 23 "Receivables and other financial assets"**

LIQUIDITY RISKS

As part of its liquidity management, ProSiebenSat.1 Group ensures that sufficient liquidity is available at all times, despite the significant seasonal fluctuations in revenues. The term loan (EUR 1,200 million) and the promissory notes (EUR 925 million) are key components of the Group's corporate financing. The RCF (EUR 500 million) is also available. ProSiebenSat.1 Group can use the RCF flexibly for general operating purposes.

As of December 31, 2022, there was no utilization of the RCF, so that as of December 31, 2022, EUR 500 million was available to be drawn from the RCF. The RCF has a term until April 2027. One term loan tranche of EUR 800 million also has a term until April 2027. The second term loan tranche of EUR 400 million has a term until April 2025, which can be extended by two years under certain conditions.

After early repayment of the promissory note totaling EUR 275 million originally maturing in December 2023, the remaining promissory notes mature as follows:

PROMISSORY NOTES MATURITIES
in EUR m

Maturity	Nominal amount due
October 2025	226
December 2026	225
October 2027	346
October 2029	80
October 2031	48
Total promissory notes	**925**

As of December 31, 2022, ProSiebenSat.1 Group has cash and cash equivalents of EUR 504 million (previous year: EUR 594 million) and thus has a total of EUR 1,004 million (previous year: EUR 1,344 million) in cash and cash equivalents and unused RCF.

As part of the disclosure of liquidity risks, a maturity analysis is provided in the table below for non-derivative financial liabilities on the basis of contractual maturities and for derivative financial liabilities based on the expected timing of cash outflows. For each maturity bucket, the undiscounted contractual payments (including interest) are disclosed as of December 31, 2022, and as of the end of the previous year.

FINANCIAL LIABILITIES BY MATURITY 2022

in EUR m

	1 year or less	1 – 5 years	more than 5 years	**Total contractual cash flows 12/31/2022**
Loans and borrowings	48	1,340	—	1,388
Promissory notes	18	861	134	1,013
Liabilities from real estate financing	95	36	19	149
Liabilities from leases	40	106	40	186
Trade and other payables	909	73	—	982
Non-derivative financial liabilities	**1,109**	**2,416**	**194**	**3,719**
Derivative financial liabiltities[1]	**22**	**6**	**—**	**28**

1 The derivative financial liabilities include payment obligations in euro under foreign currency forward/swap contracts. As these payment obligations in euro give rise to a concomitant right to receive payments in US dollar, the amounts given in the table only reflect the net payment obligation. The corresponding gross payment obligation was EUR 209 million on December 31, 2022, of which EUR 189 million was due within the next 12 months and EUR 20 million within the next 1 to 5 years.

FINANCIAL LIABILITIES BY MATURITY 2021

in EUR m

	1 year or less[1]	1 – 5 years	more than 5 years	Total contractual cash flows 12/31/2021[1]
Loans and borrowings	63	1,216	—	1,279
Promissory notes	13	768	484	1,265
Liabilities from real estate financing	4	19	91	114
Liabilities from leases	44	132	58	234
Trade and other payables	886	52	—	938
Non-derivative financial liabilities	**1,010**	**2,188**	**632**	**3,830**
Derivative financial liabiltities[2]	**11**	**70**	**—**	**81**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".
2 In principle the derivative financial liabilities include payment obligations in euro under currency forward/swap contracts. As these payment obligations in euro give rise to a concomitant right to receive payments in US dollar, the amounts given in the table only reflect the net payment obligation. As of December 31, 2021, there are no financial liabilities related to currency forward/swap contracts.

INFORMATION ABOUT CARRYING AMOUNTS AND MARKET VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and the fair values of all categories of financial assets and financial liabilities of ProSiebenSat.1 Group. The fair value hierarchy levels reflect the significance of the input data used for the measurement and are defined as follows:

– Level 1: Fair value is calculated on the basis of quoted, unadjusted prices in active markets for identical assets or liabilities.

– Level 2: Fair value is calculated on the basis of quoted market prices other than quoted market prices included within level 1 or according to measurement methods using inputs that are observable in the market either directly or indirectly.

– Level 3: Fair value is mainly calculated on the basis of inputs for which no observable market data are available.

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

in EUR m

		12/31/2022					12/31/2021[1]				
				Fair value					Fair value		
	Presented in the statement of financial position as	**Carrying amount**	**Fair value**	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
FINANCIAL ASSETS											
Measured at fair value											
Fund units to finance pension obligations	Other financial assets	—	—	—	—	—	27	27	27	—	—
Equity instruments	Other financial assets	222	222	16	—	206	325	325	55	—	270
Hedge derivatives	Other financial assets	58	58	—	58	—	53	53	—	53	—
Derivatives for which hedge accounting is not applied	Other financial assets	48	48	—	48	—	8	8	—	8	—
Measured at amortized cost											
Cash and cash equivalents[2]	Cash and cash equivalents	504	504				594	594			
Loans and receivables[2]	Trade receivables and other financial assets	529	529				570	570			
Total		**1,361**	**1,361**	**16**	**106**	**206**	**1,578**	**1,578**	**82**	**61**	**270**
FINANCIAL LIABILITIES											
Measured at fair value											
Liabilities from put options[1]	Other financial liabilities	49	49	—	—	49	60	60	—	—	60
Hedge derivatives	Other financial liabilities	0	0	—	0	—	7	7	—	7	—
Derivatives for which hedge accounting is not applied	Other financial liabilities	17	17	—	17	—	1	1	—	1	—
Measured at amortized cost											—
Term loan and other borrowings	Financial debt	1,194	1,196	—	1,196	—	1,248	1,268	—	1,268	—
Promissory notes	Financial debt	923	837	—	837	—	1,198	1,203	—	1,203	—
Real estate financing	Other financial liabilities	133	134	—	134	—	97	102	—	102	—
Other financial liabilities at (amortized) cost[2]	Trade and other payables and other financial liabilities	1,017	1,017				972	972			
Total		**3,333**	**3,250**	**—**	**2,184**	**49**	**3,583**	**3,613**	**—**	**2,581**	**60**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".
2 The carrying amount is a reasonable proxy of fair value. Fair value is therefore not calculated separately. Accordingly, the fair value column reflects the carrying amount, and no allocation to one of the levels of the fair value hierarchy is made. Loans and receivables include contract assets from contracts with customers of EUR 32 million (previous year: EUR 34 million).

The equity instruments mainly consist of minority interests in other entities and option or warrant agreements for such minority interests, which ProSiebenSat.1 Group acquires in particular as part of its media-for-equity strategy. In addition, this line item includes fund investments.

These instruments are measured at fair value through profit or loss. The fair values are determined based on present value techniques using risk-adjusted discount rates or valuation using multiples such as trading multiples or transaction multiples. Conversion rights and other optional components are usually valued on the basis of scenario analyses and occasionally binomial models or Monte Carlo simulations. To the extent that observable market prices from financing rounds or fair values from external valuation reports are available, or net asset values for the fund investments, they are considered as input to the fair value measurement.

Financial derivatives held for hedging purposes with positive fair values are reported as other financial assets, those with negative fair values as other financial liabilities. The measurement relies on present value models based on risk-free discount rates or standard option pricing models (Black model or Black-Scholes model).

The financial liabilities measured at fair value include derivatives with negative fair values and liabilities from put options and earn-out agreements.
→ **Note 13 "Result from investments accounted for using the equity method and other financial result"**

KEY ASSUMPTIONS AND ESTIMATES

Contingent purchase price components in business combinations in the form of put options on shares held by non-controlling interests are measured at fair value as of the acquisition date and in subsequent periods. Measurement is performed on a transaction-by-transaction basis and largely draws on input data which is not observable on the market. The instruments are therefore classified as level 3 financial instruments. In general, DCF methods are used for the measurement. The determination of discounted cash flows is subject to a wide range of planning assumptions that are sensitive to change and therefore may have a significant impact on the valuation. Key inputs that are not observable on the market are the enterprise values underlying the calculations and the risk-adjusted debt discount rates applied. A 5% increase in the underlying enterprise values would increase the (negative) fair value of the put options by EUR 1 million as of the reporting date, whereas a 5% decrease would reduce it by EUR 1 million. However, a change in the discount rate by plus or minus one percentage point would have no notable effect.

The fair values of loans and borrowings and promissory notes are determined by discounting the expected future cash flows using the interest rates applicable to similar financial liabilities with comparable remaining terms.

The following table shows the reconciliation of the respective fair values to the end of the reporting period for financial instruments that are regularly measured at fair value and assigned to level 3:

RECONCILIATION OF LEVEL 3 FAIR VALUES

in EUR m

	Equity instruments[1]	Liabilities from put options[1,2]
Balance as of January 1, 2021	**212**	**155**
Gains or losses recognized in the income statement	87	–14
Additions from acquisitions	44	—
Disposals/Payments	–30	–83
Reclassification into the level 1 category	–35	—
Other changes	–8	2
Balance as of December 31, 2021 / January 1, 2022	**270**	**60**
Gains or losses recognized in the income statement	–67	–3
Additions from acquisitions	21	—
Disposals/Payments	–19	–9
Other changes	0	0
Balance as of December 31, 2022	**206**	**49**

1 This line item includes unrealized losses on other equity instruments of EUR 61 million (previous year: gains of EUR 79 million) and unrealized gains on liabilities from put options of EUR 3 million (previous year: gains of EUR 4 million).
2 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

Apart from effects from the unwinding of discounts, which are presented in interest result, any gains or losses on instruments assigned to level 3 are presented in other financial result.

The losses of EUR 67 million recognized for equity instruments in the reporting period essentially relate to the remeasurement of fund investments and media-for-equity investments. The additions of EUR 21 million predominantly result from investments acquired as part of media-for-equity transactions, whereas the disposals of EUR 19 million mainly reflect sales of fund investments.

The disposals/payments of liabilities from put options of minus EUR 9 million primarily result from the disposal of US production companies in July 2022.

→ **Note 5 “Acquisitions and disposals affecting the scope of consolidation”**

OFFSETTING OF FINANCIAL INSTRUMENTS

All derivative transactions entered into with banks are subject to the German Master Agreement for Financial Derivatives as is customary for such transactions in the industry. As a result, these derivatives are subject to contractual netting agreements in the event that one of the parties to the contract fails to meet its payment obligations. However, they do not satisfy the offsetting criteria. Therefore presentation in the statement of financial position is on a gross basis. Otherwise, ProSiebenSat.1 Group does not have any contractual arrangements for settling financial assets and liabilities on a net basis.

The following table contains information on the netting of financial instruments and netting agreements. The figures presented are fair values that have been determined without taking into account credit value adjustments:

OFFSETTING OF FINANCIAL INSTRUMENTS
in EUR m

	Financial assets (gross presentation)	Financial liabilities offset in the statement of financial position	Financial assets (net presentation)	Amounts subject to offsetting agreements	Financial assets after offsetting (not reflected in the statement of financial position)
Derivative financial instruments 12/31/2022	106	—	106	–16	90
Derivative financial instruments 12/31/2021	61	—	61	–7	55

in EUR m

	Financial liabilities (gross presentation)	Financial assets offset in the statement of financial position	Financial liabilities (net presentation)	Amounts subject to offsetting agreements	Financial liabilities after offsetting (not reflected in the statement of financial position)
Derivative financial instruments 12/31/2022	17	—	17	–16	0
Derivative financial instruments 12/31/2021	8	—	8	–7	1

34 / Segment reporting

ProSiebenSat.1 Group reports the three segments Entertainment, Dating & Video and Commerce & Ventures.

- The Entertainment segment combines ProSiebenSat.1 Group's station portfolio with the station brands ProSieben, SAT.1, Kabel Eins, sixx, ProSieben MAXX, SAT.1 Gold and Kabel Eins Doku, as well as the stations of our Group subsidiaries in Austria and Switzerland and entertainment platforms such as Joyn. Alongside Joyn, the digital media and entertainment company Studio71 is also part of ProSiebenSat.1's digital entertainment offering. Studio71 markets and distributes a broad portfolio of content creators and their content on digital platforms such as YouTube, Facebook and Instagram. Since June 2022, the full-service agency Buzzbird GmbH has complemented the portfolio in the influencer marketing sector. In addition, the segment combines the sales companies Seven.One Media GmbH and Seven.One AdFactory GmbH and various commercial websites. Moreover, the production and program distribution business of Seven.One Studios GmbH ("Seven.One Studios"), which was formed out of Red Arrow Studios at the beginning of November 2022, is also integrated in this segment. Its extensive portfolio includes entertainment, reality and factual formats as well as TV series, TV films and digital content. With Seven.One Audio, which is part of Seven.One Entertainment Group GmbH, we are focusing on young target groups and at the same time tapping into additional revenue sources in podcast marketing.

– With the ParshipMeet Group brands, the Dating & Video segment covers a broad spectrum of the online dating and social entertainment market under the motto “Meet – Date – Fall in Love”. 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. Since September 4, 2020, General Atlantic holds a non-controlling interest of 45.0% in ParshipMeet Group.

– The Commerce & Ventures segment includes SevenVentures, which offers established growth companies individually tailored support for their further successful development with a flexible investment model comprising minority investments and media cooperations. The investment vehicle SevenGrowth, with companies such as Marktguru Deutschland GmbH and wetter.com GmbH, and NuCom Group also belongs to this segment. In 2018, ProSiebenSat.1 Group agreed a long-term partnership with General Atlantic, through which General Atlantic holds a non-controlling interest of 28.4% in NuCom Group. NuCom Group comprises online companies that operate in the fields of Consumer Advice, Experiences, and Beauty & Lifestyle. These include among others the online comparison portal Verivox GmbH (Consumer Advice), the experiences provider Jochen Schweizer mydays Holding GmbH (Experiences), the car rental comparison portal billiger-mietwagen.de (SilverTours GmbH, Consumer Advice), or the online beauty shop Flaconi GmbH (Beauty & Lifestyle).

– The reconciliation column (Holding & other) contains holding functions and other effects. The latter result from the elimination and consolidation of intra-group transactions between the segments. These business transactions are conducted at arm’s length. As in the previous year, the amounts presented in the financial year 2022 relate to the holding functions, with the exception of internal revenues.

The Executive Board, as the chief operating decision maker, measures the performance of the segments on the basis of a segment performance indicator, which is referred to as “adjusted EBITDA” in internal management and reporting. “Adjusted EBITDA” stands for adjusted earnings before interest, taxes, depreciation and amortization. It describes the earnings before interest, taxes, depreciation, amortization and impairments (operating result) adjusted for certain influencing factors (reconciling items). The segment’s revenues are also used as a key performance indicator.

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

SEGMENT INFORMATION 2022

in EUR m

	Entertainment	Dating & Video	Commerce & Ventures	Total Segments	Reconciliation (Holding & other)	**Total Group**
Revenues	2,987	518	759	4,264	–101	4,163
External revenues	2,888	518	757	4,163	—	4,163
Internal revenues	98	—	3	101	–101	—
Adjusted EBITDA	563	99	41	703	–25	678
Reconciling items	–1	3	–7	–6	–7	–12
Depreciation, amortization and impairments	150	30	231	411	19	430
Investments	1,004	13	29	1,046	66	1,112
thereof programming assets	895	—	—	895	—	895

SEGMENT INFORMATION 2021[1]
in EUR m

	Entertainment	Dating & Video	Commerce & Ventures	Total Segments	Reconciliation (Holding & other)	Total Group
Revenues	3,218	542	858	4,617	–122	4,495
External revenues	3,098	542	855	4,495	—	4,495
Internal revenues	120	0	3	122	–122	—
Adjusted EBITDA	698	119	51	868	–26	841
Reconciling items	–19	–3	–10	–32	–6	–38
Depreciation, amortization and impairments	135	36	61	232	20	251
Investments	1,156	11	47	1,215	64	1,278
thereof programming assets	1,060	—	—	1,060	—	1,060

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

For segment reporting, intra-group leasing transactions are classified by the lessor as operating leases. The lessee reports neither a right-of-use asset nor a lease liability and recognizes the lease payments directly in expenses.

Depreciation, amortization and impairments reported for a segment are attributable to the assets allocated to that segment. This includes impairments of EUR 229 million (previous year: EUR 29 million). The Commerce & Ventures segment accounts for EUR 177 million (previous year: EUR 4 million, after reversal of impairment on a trademark of EUR 9 million) thereof and the Entertainment segment for EUR 51 million (previous year: EUR 16 million). Amortization and impairments of programming assets and impairments of financial investments or current financial assets are not allocated to the individual segments. For further information, please refer to

→ **Note 17 “Goodwill”** → **Note 19 “Other intangible assets”**
→ **Note 20 “Property, plant and equipment and rights-of-use to property, plant and equipment”**

Investments were made for other intangible assets, property, plant and equipment and programming assets.

The segments‘ adjusted EBITDA is reconciled to the Group’s net income as follows:

RECONCILIATION OF SEGMENT INFORMATION
in EUR m

	2022	2021[1]
Adjusted EBITDA of reportable segments	703	868
Eliminations and other reconciliations	–25	–26
Adjusted EBITDA of the Group	**678**	**841**
Reconciling items	–12	–38
Financial result	–139	62
Depreciation, amortization and impairments	–430	–251
Income taxes	–147	–163
Net income	**–49**	**451**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

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

PRESENTATION OF THE RECONCILING ITEMS

in EUR m

	2022	2021[1]
Income from changes in scope of consolidation	23	0
Fair value adjustments of share-based payments	11	—
Income from other one-time items	3	6
Income adjustments	**38**	**6**
M&A related expenses	–28	–12
Reorganization expenses	–5	–7
Expenses for legal claims	–1	–1
Fair value adjustments of share-based payments	—	–4
Expenses from changes in scope of consolidation	–3	–11
Expenses for other one-time items	–13[2]	–8
Valuation effects relating to strategic realignments of business units	–1	–1
Expense adjustments	**–50**	**–44**
Reconciling items	**–12**	**–38**

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".
2 Including a severence payment of about EUR 9 million for the former CEO Rainer Beaujean, who left the Executive Board on October 3, 2022.

Information about the geographical distribution of ProSiebenSat.1 Group's external revenues and non-current assets is presented below, divided into the geographical regions of Germany, Austria and Switzerland (DACH), the United States of America (USA), and Others.

INFORMATION ABOUT GEOGRAPHIES

in EUR m

	DACH		USA		Others		**Total Group**	
	2022	2021[1]	**2022**	2021[1]	**2022**	2021[1]	**2022**	2021[1]
External revenues	3,218	3,505	798	878	147	111	4,163	4,495
Non-current assets	3,545	3,726	630	816	34	36	4,209	4,578

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

In the DACH region, Germany accounts for external revenues of EUR 2,947 million (previous year adjusted: EUR 3,242 million) and non-current assets of EUR 3,499 million (previous year adjusted: EUR 3,674 million).

Revenues and non-current assets are allocated based on the country of domicile of the subsidiary that recognizes the revenues or holds the non-current assets.

Non-current assets reported include goodwill, other intangible assets, property, plant and equipment, and non-current programming assets.

As in the previous year, no single customer accounted for more than 10% of Group revenues in the financial year 2022.

35 / Share- and performance-based payment

PERFORMANCE SHARE PLAN

The Performance Share Plan (PSP) is a long-term compensation instrument, which was developed for members of the Executive Board and selected executives of ProSiebenSat.1 Group. The beneficiaries and the number of Performance Share Units (PSUs) granted were determined by the Executive Board of ProSiebenSat.1 Media SE with the approval of the Supervisory Board or – if pertaining to Executive Board members – by the Supervisory Board. Since the financial year 2021, the PSP has been issued only to members of the Executive Board.

On June 1, 2021, the Annual General Meeting approved a new compensation system for the members of the Executive Board. The new compensation system (hereinafter: 2021 compensation system) applies to all new Executive Board employment contracts and to contract extensions. In the financial year 2022, the previous compensation system (hereinafter: 2018 compensation system) therefore applies to the ongoing Executive Board employment contracts and the 2021 compensation system is applicable to new Executive Board employment contracts and to contract extensions.

The terms of the plan and the key performance indicators of the PSP for both compensation systems are explained below. For further information, please refer to the following section:
→ Compensation Report

Terms of the plan (2021 compensation system and 2018 compensation system)

The PSP is structured as multi-year variable remuneration in the form of virtual shares. Tranches are granted annually, each with a four-year performance period. Payment is made in cash in year five, the year after the end of the performance period. The Company has the right to choose equity settlement rather than cash settlement and to deliver a corresponding number of own shares for this purpose.

In accordance with IFRS 2, PSUs are measured at fair value. The fair value is determined on the basis of a recognized option pricing model and varies with the share price performance of ProSiebenSat.1 Media SE and the achievement of targets based on internal and external company performance. In the 2021 compensation system, the Company's performance is measured based on P7S1 ROCE at Group level with a weighting of 70% and the relative total shareholder return (TSR – shareholder return for ProSiebenSat.1 Media SE shares compared to shareholder return for companies in the selected benchmark index STOXX Europe 600 Media) with a weighting of 30%. In the 2018 compensation system, the Company's performance is measured based on adjusted net income at Group level as well as the relative TSR, each with a weighting of 50%.

An individual allotment value is specified in the service contract for each member of the Executive Board. With effect from the start of a financial year, a number of PSUs corresponding to the allotment value will be granted on the basis of the volume-weighted average XETRA closing price of the ProSiebenSat.1 Media SE share over the 30 trading days preceding the start of the financial year. After the end of the four-year performance period, the PSUs granted are converted into a final number of PSUs with an overall target achievement determined by the weighted target achievement of P7S1 ROCE and relative TSR (2021 compensation system) or adjusted net income and relative TSR (2018 compensation system). The payout amount per PSU corresponds to the volume-weighted average XETRA closing price of the ProSiebenSat.1 Media SE share over the 30 trading days preceding the end of the performance period, plus the accumulated dividend payments on the ProSiebenSat.1 Media SE share during the performance period. The payout amount is limited to a maximum of 200% of the individual allotment value per tranche (cap). In the case of a settlement in own shares, the payout amount is converted into a corresponding number of own shares of the Company issued to the beneficiaries on the basis of the above average price.

P7S1 ROCE at Group level (2021 compensation system)

P7S1 ROCE stands for ProSiebenSat.1 Group's return on capital employed and 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 of assets from purchase price allocations, and other reconciling items are also adjusted for in the calculation of adjusted EBIT. Capital employed is the difference between intangible assets (including goodwill and assets arising from purchase price allocations), property, plant and equipment, investments accounted for using the equity method, media-for-equity investments, programming assets, inventories, trade accounts receivable and current other financial assets (excluding derivatives) and other receivables and assets minus other provisions, trade and other payables, liabilities to investments accounted for using the equity method and other liabilities. The figure relates to the average of the reporting dates of the last five quarters. P7S1 ROCE in an industry-standard and frequently used performance indicator that tracks return on capital employed and creates incentives for continuous value enhancement. ProSiebenSat.1 Group reports on P7S1 ROCE in its regular financial reporting.

The target achievement for P7S1 ROCE is determined using the average annual target achievement of P7S1 ROCE over the four-year performance period. Before the start of each financial year, the Supervisory Board sets the target value in percent for P7S1 ROCE, adopting the budgeted value from the budget planning for the respective financial year as the 100% value. To ascertain the target achievement, the actual P7S1 ROCE as reported in the relevant audited and approved Consolidated Financial Statements of ProSiebenSat.1 Media SE is compared with the target value for the respective financial year.

If the P7S1 ROCE achieved corresponds to the target value, target achievement is 100%. If there is a negative deviation of 15% or more from the target value, target achievement is 0%. For maximum target achievement of 200%, the P7S1 ROCE achieved must exceed the target value by 15% or more. Intermediate values are interpolated on a straight-line basis.

Relative total shareholder return (TSR) (2021 compensation system)

Relative total shareholder return (relative TSR) represents a comparison of the shareholder return (share price performance including hypothetically reinvested gross dividends) on shares in ProSiebenSat.1 Media SE with that of the companies listed in STOXX Europe 600 Media. The relative comparison incentivizes the outperformance of competitors on the capital market and thus measures the performance of the ProSiebenSat.1 Media SE share independently of economic effects. The target achievement for relative TSR is determined using the average annual target achievement of relative TSR over the four-year performance period. Firstly, the TSR for ProSiebenSat.1 Media SE and for the companies listed in STOXX Europe 600 Media is determined on an annual basis. Then, the calculated TSR values are ranked and the relative positioning of ProSiebenSat.1 Media SE in this ranking is determined.

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

Adjusted net income at Group level (2018 compensation system)

For each tranche, target achievement with regards to adjusted net income is determined using the average annual target achievement over the four-year performance period. The target value for each financial year of the performance period is determined annually in euro by the Supervisory Board and is derived from the budget planning for the Group: In a first step, the actual adjusted net income generated according to the relevant audited and approved consolidated financial statements of ProSiebenSat.1 Media SE is adjusted, if necessary, for effects from material changes in

IFRS accounting and from effects of M&A transactions carried out within the reporting period that are not included in the planning (together with related financing effects). In a second step, the resulting adjusted net income is then compared with the target adjusted net income for the respective financial year.

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

Relative total shareholder return (TSR) (2018 compensation system)

In addition, 50% of the final number of PSUs are dependent on the relative TSR of ProSiebenSat.1 Media SE's shares compared with STOXX Europe 600 Media companies. In contrast to the 2021 compensation system, relative TSR in the 2018 compensation system is determined once over the four-year performance period.

The following table presents the main information about the individual tranches of the PSP of ProSiebenSat.1 Group:

PERFORMANCE SHARE PLAN

in PSUs	PSP 2022	PSP 2021	PSP 2020	PSP 2019
As of January 1, 2022	**—**	**220,135**	**425,088**	**366,666**
Granted in 2022	284,497	—	—	—
As of December 31, 2022	**284,497**	**220,135**	**425,088**	**366,666**
Grant date	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019
Vesting period	2022 to 2025	2021 to 2024	2020 to 2023	2019 to 2022

The number of PSUs issued in tranches 2019 to 2021 is subject exclusively to the provisions of the 2018 compensation system, whereas the number of PSUs issued in the financial year 2022 is subject to the provisions of both the 2018 compensation system and the 2021 compensation system, depending on which compensation system applied for the entitled Executive Board member in the financial year.

In personnel expenses, the adjustment of the provisions for the issued PSUs resulted in total income of EUR 4 million (previous year: expense of EUR 3 million). As of December 31, 2022, the current other provision amounts to EUR 2 million (previous year: EUR 2 million) and the non-current other provision to EUR 4 million (previous year: EUR 10 million).

Each tranche of the PSP is paid out or settled in the year the audited and approved Consolidated Financial Statements for the last financial year of the four-year performance period of the respective tranche are published.

GROUP LONG-TERM INCENTIVE PLAN (LTI)

The Group maintains another long-term, KPI-based compensation plan for selected executives of ProSiebenSat.1 Group below Executive Board level. This plan was issued for the first time in the financial year 2021 and serves to successively replace the PSP and other share-based, long-term compensation instruments for the selected executives of ProSiebenSat.1 Group. Under this long-term compensation plan, the plan participants are annually measured against two performance parameters, P7S1 ROCE and organic revenue growth, for the plan term of three financial years. The (weighted) performance parameters are used to determine the plan participants' annual bonus entitlement.

As of December 31, 2022, the other non-current provisions recognized in connection with the Group LTI amount to EUR 3 million (previous year: EUR 1 million). In personnel expenses, the adjustment of the provisions resulted in total expenses of EUR 2 million (previous year: EUR 1 million).

OTHER COMPENSATION MODELS

Dating & Video segment

In the Dating & Video segment, the Group maintains share-based, long-term compensation instruments for managing directors and certain executives of ParshipMeet Group.

A share-based, long-term compensation instrument grants plan participants a right to shares in the entity with a cash settlement option (ESOP). The plan participants obtain the right to acquire a certain number of shares in ParshipMeet Group for no consideration. In return, the Group has the right to buy back these shares from the respective plan participants at the market price of the shares at the time of the repurchase. The shares are earned until the end of the four-year vesting period on a straight-line basis over the term or, if an exit event occurs before the end of the term, are paid out early and in full. Under certain conditions and at the request of the plan participants, the terms of the plan also provide for the early payout of partial amounts already earned.

In addition, the ParshipMeet Group maintains other virtual share-based, long-term incentive programs (VESOPs). The plans grant a right to participate in the increase in value of the ParshipMeet Group with cash settlement. They have terms of three to four years and vest early upon the occurrence of an exit event. Different exercise prices and individual payment caps apply to these plans.

As of the reporting date, the fair value of the subscription rights is calculated using a Black-Scholes option pricing model and based on the latest corporate planning adopted by the management of ProSiebenSat.1 Group. The most important inputs for the fair value measurement as of December 31, 2022, are the fair value of ParshipMeet Group calculated using a DCF method, a volatility of 53.0% (previous year: 51.5%) and a risk-free interest rate of 2.0% (previous year: -0.8%). The volatility was calculated using a standard peer group.

As of December 31, 2022, the current other provisions recognized in connection with these plans amount to EUR 10 million (previous year: EUR 11 million) and the non-current other provisions to EUR 0 million (previous year: EUR 2 million). In personnel expenses, additions of EUR 3 million and reversals of EUR 4 million resulted in a total adjustment of provisions of EUR 1 million (previous year: expense of EUR 7 million). In the financial year 2022, an amount of EUR 1 million (previous year: EUR 3 million) was paid out from the plans.

Commerce & Ventures segment

In the Commerce & Ventures segment, there are also share-based, long-term compensation instruments for managing directors and certain executives of Group entities.

These long-term compensation plans are to be settled mainly in cash, with the respective payout being measured on the basis of the relevant increase in enterprise value during the respective vesting period or upon the occurrence of an exit event (for example, an IPO or sale of the shares). The fair values of the compensation entitlements earned are calculated using a Black-Scholes option pricing model and based on the corporate planning adopted by the management of ProSiebenSat.1 Group. None of these plans in itself has a material effect on the Group's assets, liabilities, financial position and profit or loss. As of December 31, 2022, the other non-current provisions recognized in connection with these plans amount to EUR 2 million (previous year: EUR 8 million). In personnel expenses, the adjustment of the provisions resulted in total income of EUR 7 million (previous year: EUR 1 million).

KEY ASSUMPTIONS AND ESTIMATES

Cash-settled share- and performance-based compensation plans are to be remeasured at each reporting date. The valuation is based to a considerable extent on the results forecast as part of the corporate planning process, which are subject to significant estimation uncertainties and can fluctuate considerably if the underlying assumptions change. The results actually achieved may therefore differ significantly from the forecasts taken into consideration in the valuation. In addition, the valuation depends on assumptions about the occurrence or timing of certain plan conditions, such as exit events. Changes in assumptions can have a significant impact on the amount of obligations recognized and the course of expense recognition.

36 / Related parties

Related parties of ProSiebenSat.1 Group are persons and companies that control ProSiebenSat.1 Group, exercise significant influence over it, or are controlled or significantly influenced by ProSiebenSat.1 Group.

In the financial year 2022, as in the previous year, the members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE as well as associates and joint ventures of ProSiebenSat.1 Group were defined as related parties.

EXECUTIVE BOARD AND SUPERVISORY BOARD

The members of the Executive Board and Supervisory Board, including their memberships in other statutory supervisory boards and comparable controlling bodies, are listed in the Annual Report under “Members of the Executive Board” and “Members of the Supervisory Board.” The compensation system for the members of the Executive Board and Supervisory Board is explained in more detail in the Compensation Report.

→ Members of the Executive Board → Members of the Supervisory Board → Compensation Report

Effective January 1, 2022, Ralf Peter Gierig became a new member of the Executive Board & Chief Financial Officer (Group CFO) of ProSiebenSat.1 Media SE.

After Dr. Andreas Wiele was initially court-appointed to the Supervisory Board with effect as of February 13, 2022, the Annual General Meeting elected him as a member of the Supervisory Board on May 5, 2022. Following the meeting, the Supervisory Board elected Dr. Andreas Wiele as its new Chairman. He thus succeeded Dr. Werner Brandt. Bert Habets was newly elected to the Supervisory Board at the Annual General Meeting.

On October 3, 2022, Rainer Beaujean resigned from his office as Group CEO by mutual agreement with the Supervisory Board. Bert Habets resigned from his office as member of the Supervisory Board as of October 31, 2022, in order to take up the post of Group CEO of ProSiebenSat.1 Media SE as of November 1, 2022.

In the financial year 2022, the Executive Board compensation includes both the compensation of active Executive Board members and the compensation of the Executive Board member who left in the financial year 2022. In the previous year, the Executive Board compensation relates to the compensation of the active Executive Board members in the financial year 2021.

The compensation of the members of the Executive Board in office at the end of the financial year, including the prorated regular compensation for members who left in the past year, amounted to EUR 8.5 million in the reporting year (previous year: EUR 8.7 million). This compensation includes variable components of EUR 4.8 million (previous year: EUR 5.8 million) and fringe benefits of

EUR 0.1 million (previous year: EUR 0.1 million). The variable compensation includes one-year and multi-year variable compensation.

Total compensation for former members of the Board of Management and those who left during the financial year amounted to EUR 10.9 million in the financial year 2022 (previous year: EUR 2.4 million). This includes the severance payment of the former CEO Rainer Beaujean in the amount of EUR 8.7 million.

At the end of the financial year 2022, active members of the Executive Board and those who departed in the financial year held a total of 747,087 PSUs (previous year: 482,126 PSUs) under the PSP. The total expenses for share-based payments in the reporting period amount to EUR 0.1 million (previous year: EUR 2.0 million).

As of December 31, 2022, ProSiebenSat.1 Media SE recognized pension provisions of EUR 2.2 million (previous year: EUR 1.4 million) for pension commitments to active members of the Executive Board in the financial year 2022 and those who departed during the financial year. As of December 31, 2022, pension provisions for former members of the Executive Board amount to EUR 22.1 million (previous year: EUR 30.4 million).

The total entitlement of active members of the Executive Board in the financial year 2022 to pension benefits that have accrued as of December 31, 2022, amounts to EUR 2.9 million (previous year: EUR 1.5 million), of which EUR 1.1 million is attributable to the Executive Board member who departed in the financial year. As of December 31, 2022, the entitlement of members of the Executive Board who departed in earlier financial years to accrued pension benefits amounts to EUR 11.3 million (previous year: EUR 11.3 million).

Benefits to the Executive Board are due in the short term – except for PSP tranches 2020-2022 and pension entitlements.

The total compensation of Supervisory Board members including attendance fees amounted to EUR 1.6 million in the financial year 2022 (previous year: EUR 1.6 million).

As in the previous year, there were no other significant transactions between the Company and members of the Executive Board and Supervisory Board.

ASSOCIATES AND JOINT VENTURES

ProSiebenSat.1 Group maintains relationships in the ordinary course of business with some of its associates and joint ventures. In doing so, the Company generally buys and sells products and services on market terms.

VOLUME OF TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES
in EUR m

	2022 / December 31, 2022			2021 / December 31, 2021		
	Associates	Joint ventures	**Total**	Associates	Joint ventures	Total
Income statement						
Revenues from goods sold and services rendered	121	32	153	110	51	161
Expenses from goods purchased and services received	24	24	48	25	34	59
Statement of financial position						
Receivables	17	1	17	16	12	28
Payables	7	0	7	17	7	24

In the previous year and in the reporting period, the revenues and expenses still include transactions with the former joint venture Joyn, which was recognized as a related party until conclusion of the majority acquisition on October 31, 2022.

37 / Professional fees of the independent auditor

The following professional fees for services provided by the auditor Ernst & Young were incurred:

in EUR m

	2022	2021
Audit services	3.8	3.3
Other attestation services	0.4	0.3
Total auditor fees	**4.2**	**3.6**

These disclosures relate exclusively to the legally independent entity of the appointed auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart.

The fees for audit services primarily comprise the audit of the Consolidated Financial Statements, the audits of the separate financial statements of ProSiebenSat.1 Media SE and its subsidiaries, and reviews of interim financial statements being integrated into the audit. Other attestation services mainly concern attestation services related to the sustainability reporting and the Compensation Report as well as the Comfort Letter prepared in connection with the debt issuance program of ProSiebenSat.1 Media SE.

38 / Corporate governance

In December 2022, and – after an update – in 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 pursuant to section 161 of the German Stock Corporation Act (AktG) and made it permanently accessible to the public on ProSiebenSat.1 Group's website.
→ www.prosiebensat1.com/en/investor-relations/corporate-governance/management-declaration

39 / 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 assumed 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 ("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 ("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 concerning 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 Public Prosecutor's Office Munich I initiated a monitoring process ("Beobachtungsvorgang"), examining the initial suspicion of possible criminal acts. ProSiebenSat.1 Media SE and its affected subsidiaries are cooperating fully 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 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 retroactively adjusted the accounting for Jochen Schweizer and mydays.

→ Note 3 „Changes of reporting standards and accounting policies"

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.

40 / List of subsidiaries and associated companies of ProSiebenSat.1 Group pursuant to section 313 (2) of the German Commercial Code (HGB)

(As of December 31, 2022)

Company	Footnote	Location	Equity interest in %
ProSiebenSat.1 Media SE		Unterföhring	
SUBSIDIARIES			
Germany			
7Love Holding GmbH	[1]	Hamburg	96.93
AdTech S8 GmbH		Unterföhring	100.00
Alpina Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Unterföhring KG	[2]	Mainz	0.00
be Around GmbH		Berlin	100.00
be Around Holding GmbH	[3]	Berlin	80.00
BuzzBird Beteiligungsgesellschaft mbH		Berlin	100.00
BuzzBird GmbH		Berlin	100.00
Cheerio Entertainment GmbH		Cologne	100.00
esome advertising technologies GmbH		Hamburg	100.00
Fem Media GmbH		Unterföhring	100.00
Flaconi Gesellschaftertreuhand GmbH		Berlin	100.00
Flaconi GmbH		Berlin	100.00
Flaconi Logistik GmbH & Co. KG		Berlin	100.00
Flat White Productions GmbH		Cologne	100.00
Glomex GmbH	[4]	Unterföhring	100.00
Jochen Schweizer GmbH		Munich	100.00
Jochen Schweizer mydays Holding GmbH	[1]	Munich	89.90
Joyn GmbH		Munich	100.00
JSMD Event GmbH		Munich	100.00
Kairion GmbH		Frankfurt am Main	100.00
LOVOO GmbH		Dresden	100.00
Marketplace GmbH		Berlin	100.00
marktguru Deutschland GmbH		Munich	90.00
Masterpiece Gaming GmbH		Norderstedt	100.00
MMP Event GmbH		Cologne	100.00
mydays GmbH		Munich	100.00

(As of December 31, 2022)

Company	Footnote	Location	Equity interest in %
NCG - NUCOM GROUP SE		Unterföhring	71.59
NCG Commerce GmbH		Unterföhring	100.00
P7S1 SBS Holding GmbH	[4]	Unterföhring	100.00
PARSHIP ELITE Service GmbH		Hamburg	100.00
Parship Group GmbH		Hamburg	100.00
ParshipMeet Holding GmbH		Hamburg	55.00
PE Digital GmbH		Hamburg	100.00
PEG Management GmbH & Co. KG	[5]	Unterföhring	30.30
ProSiebenSat.1 Achte Verwaltungsgesellschaft mbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Digital Content GmbH		Unterföhring	100.00
ProSiebenSat.1 Digital Data GmbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Einundzwanzigste Verwaltungsgesellschaft mbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Entertainment Investment GmbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Erste Verwaltungsgesellschaft mbH	[4]	Unterföhring	100.00
ProSiebenSat.1 Fünfzehnte Verwaltungsgesellschaft mbH	[4]	Unterföhring	100.00
ProSiebenSat.1 GP II GmbH		Unterföhring	100.00
ProSiebenSat.1 Services GmbH		Unterföhring	100.00
ProSiebenSat.1 Tech Solutions GmbH	[4]	Unterföhring	100.00
Pyjama Pictures GmbH		Berlin	55.00
Red Arrow Studios International GmbH	[4]	Unterföhring	100.00
RedSeven Entertainment GmbH	[4]	Unterföhring	100.00
Regiondo GmbH		Munich	100.00
SAM Sports - Starwatch Artist Management GmbH		Hamburg	100.00
Sat.1 Norddeutschland GmbH	[4]	Hanover	100.00
Seven.One AdFactory GmbH	[4]	Unterföhring	100.00
Seven.One Entertainment Group GmbH		Unterföhring	100.00
Seven.One Media GmbH	[4]	Unterföhring	100.00
Seven.One Pay TV GmbH	[4]	Unterföhring	100.00
Seven.One Production GmbH	[4]	Unterföhring	100.00
Seven.One Studios GmbH	[4]	Unterföhring	100.00
SevenOne Capital (Holding) GmbH	[4]	Unterföhring	100.00
SevenPictures Film GmbH	[4]	Unterföhring	100.00
SevenVentures GmbH	[4]	Unterföhring	100.00
SilverTours GmbH		Cologne	100.00
SMARTSTREAM.TV GmbH		Munich	91.00
Studio 71 GmbH		Berlin	100.00
Stylight GmbH		Munich	100.00
TMG Holding Germany GmbH		Dresden	100.00
tv weiss-blau Rundfunkprogrammanbieter GmbH	[4]	Unterföhring	100.00
Verivox Finanzvergleich GmbH		Heidelberg	100.00
Verivox GmbH		Heidelberg	100.00
Verivox Holding GmbH		Unterföhring	100.00
Verivox Versicherungsvergleich GmbH		Heidelberg	100.00
Virtual Minds GmbH		Freiburg im Breisgau	100.00
VX Sales Solutions GmbH		Heidelberg	100.00
wetter.com GmbH	[4]	Konstanz	100.00
Armenia			
Marktguru LLC		Yerevan	100.00
Australia			
eHarmony Australia Pty Limited		Sydney	100.00
Denmark			
Snowman Productions ApS		Copenhagen	100.00
Israel			
July August Communications and Productions Ltd.		Tel Aviv	100.00
The Band´s Visit LP		Tel Aviv	55.00

(As of December 31, 2022)

Company	Footnote	Location	Equity interest in %
Malta			
Masterpiece Gaming Limited		Valletta	100.00
Mexico			
Quepasa.com de Mexico, S.A. de C.V.		Hermosillo	99.00
The Netherlands			
P7S1 Broadcasting Holding I B.V.		Amsterdam	100.00
SNDC8 B.V.		Amsterdam	100.00
Austria			
ATV Privat TV GmbH		Vienna	100.00
ATV Privat TV GmbH & Co KG		Vienna	100.00
ProSieben Austria GmbH		Vienna	100.00
ProSiebenSat.1Puls 4 GmbH		Vienna	100.00
Puls 4 TV GmbH		Vienna	100.00
PULS 4 TV GmbH & Co KG		Vienna	100.00
SAT.1 Privatrundfunk und Programmgesellschaft m.b.H.		Vienna	75.50
SevenVentures Austria GmbH		Vienna	100.00
Visivo Consulting GmbH		Vienna	63.78
Romania			
MyVideo Broadband S.R.L.		Bucharest	100.00
Regiondo Software S.R.L.		Sibiu	100.00
Sweden			
Snowman Productions AB		Stockholm	100.00
Switzerland			
ADITION Schweiz GmbH in liquidazione		Locarno	100.00
Seven.One Entertainment Group Schweiz AG		Zurich	100.00
SevenVentures (Schweiz) AG in Liquidation		Zurich	100.00
Verivox Schweiz AG in Liquidation		Zurich	100.00
Serbia			
esome advertising technologies d.o.o. Beograd		Belgrade	100.00
Spain			
Danville Gestión de Activos, S.L.		Madrid	100.00
SilverTours Technology S.L.		Alicante	100.00
Ukraine			
Glomex TOV		Kiev	100.00
United Kingdom			
CPL Good Vibrations Limited		London	100.00
CPL Productions Limited		London	100.00
CPL RB Limited		London	100.00
CPL Tiny Beast Limited		London	100.00
eHarmony UK Limited		London	100.00
Endor (Vienna 2) Limited		London	100.00
Endor (Vienna 3) Limited		London	100.00
Endor (Vienna) Limited		London	100.00
Endor Productions Limited		London	100.00
Glomex Limited		Birmingham	100.00
LHB Limited		London	100.00
P7S1 Broadcasting (UK) Limited		London	100.00
ProSiebenSat.1 Digital Content GP Limited		London	100.00
ProSiebenSat.1 Digital Content LP		London	99.15
Red Arrow Studios Limited		London	100.00
Spider Pictures Limited		London	100.00
Studio 71 UK Limited		London	100.00
United States of America			
8383 Productions, LLC		Beverly Hills, CA	100.00
Collected Labs LLC		Wilmington, DE	100.00

(As of December 31, 2022)

Company	Footnote	Location	Equity interest in %
Collective Digital Studio GP, LLC		Wilmington, DE	100.00
Digital Air LLC		Beverly Hills, CA	100.00
Digital Atoms, LLC		Beverly Hills, CA	100.00
Digital Bytes, LLC		Beverly Hills, CA	100.00
Digital Cacophony, LLC		Beverly Hills, CA	100.00
Digital Diffusion, LLC		Beverly Hills, CA	100.00
Digital Echo, LLC		Beverly Hills, CA	100.00
Digital Fire LLC		Beverly Hills, CA	100.00
eHarmony, Inc.		Wilmington, DE	100.00
Fabrik Entertainment, LLC		Wilmington, DE	100.00
Fourteenth Hour Productions, LLC		Beverly Hills, CA	100.00
HI5 Inc.		Wilmington, DE	100.00
Ifwe Inc.		Wilmington, DE	100.00
Initech, LLC		Olympia, WA	100.00
Node Productions, LLC		Beverly Hills, CA	100.00
ParshipMeet US Holding Inc.		Wilmington, DE	100.00
Pave Network, LLC		Beverly Hills, CA	100.00
Prank Film, LLC		Beverly Hills, CA	100.00
Red Arrow Studios, Inc.		Wilmington, DE	100.00
Seven.One NewsTime Inc.		Wilmington, DE	100.00
Skout, LLC		Wilmington, DE	100.00
Studio 71 (Canada), Inc.		Beverly Hills, CA	100.00
Studio 71, LP		Wilmington, DE	100.00
Stylight Inc.		Lewes, DE	100.00
The Fred Channel, LLC		Beverly Hills, CA	70.00
The Meet Group, Inc.		Wilmington, DE	100.00
ASSOCIATES			
Germany			
AGF Videoforschung GmbH		Frankfurt am Main	17.65
Corint Media GmbH		Berlin	30.97
koakult GmbH		Berlin	33.33
Sportority Germany GmbH		Munich	40.00
SPREE Interactive GmbH		Nuremberg	19.55
Urban Sports GmbH		Berlin	16.08
Switzerland			
Goldbach Audience (Switzerland) AG		Küsnacht (ZH)	24.95
Goldbach Media (Switzerland) AG		Küsnacht (ZH)	22.96
Swiss Radioworld AG		Küsnacht (ZH)	22.96
United States of America			
Remagine Media Ventures, L.P.		Wilmington, DE	30.50
JOINT VENTURES			
Germany			
Addressable TV Initiative GmbH		Frankfurt am Main	50.00
d-force GmbH		Freiburg im Breisgau	50.00
United Kingdom			
European Broadcaster Exchange (EBX) Limited		London	25.00
Nit Television Limited		London	50.01

Company	Footnote	Location	Equity interest in %	Currency	Equity in thousands	Net income in thousands
OTHER MATERIAL INVESTMENTS						
Germany						
tink GmbH	[6]	Berlin	16.23	EUR	4,081	−88
Cayman Islands						
Minute Media Inc.	[6]	Grand Cayman	3.20	USD	—	—
Luxembourg						
FRIDAY Insurance S.A.	[6]	Bartringen	11.39	EUR	44,360	−33,949

[1] Due to option rights in the reporting year consolidated at 100%.
[2] Control due to contractual agreements to direct the relevant activities.
[3] Due to option rights in the reporting year consolidated at 90%.
[4] Company meets the requirements of Section 264 (3) of the German Commercial Code (HGB) and exercises the option to be exempted from certain requirements on the preparation, auditing and disclosure of the annual financial statements and the management report.
[5] A subsidiary of ProSiebenSat.1 Media SE is the general partner of this company.
[6] Values according to the latest available annual financial statements (according to local accounting standards), if published.

INFORMATION

EXPLANATORY NOTES ON REPORTING PRINCIPLES

This Annual Report 2022 provides a comprehensive description of ProSiebenSat.1 Group's performance on the basis of financial and non-financial information in financial year 2022. The reporting period is the financial year from January 1 to December 31, 2022.

CONTENT AND FORM OF THE GROUP MANAGEMENT REPORT

The Annual Report 2022 contains the ProSiebenSat.1 Group Management Report. The Compensation Report describes the main features of the compensation system for the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE for financial year 2022. It is located in the "To Our Shareholders" section of this Annual Report.

THE FOLLOWING SYMBOLS INDICATE IMPORTANT INFORMATION

→ Further information is available online or on another page of the Annual Report.

▼▲ The contents of the non-financial report are indicated by a red triangle at the beginning and end of the respective passage.

The ProSiebenSat.1 Group Sustainability Report published as part of the Annual Report 2022 has been prepared in accordance with the standards of the Global Reporting Initiative (GRI): Universal Standard. All the standards applied refer to the version published by the GRI in 2021 or 2016. The links to the Annual Report always relate to the start of the section that includes information on the relevant standard disclosures. At the same time, the GRI Content Index provides information on how ProSiebenSat.1 Group contributes to the UN Sustainable Development Goals (SDGs). SDGs that we consider particularly relevant in the context of our sustainability strategy are bold. The complete GRI Content Index can be viewed online under

→ **https://annual-report2022.prosiebensat1.com/business-performance-2022/gri-content-index**

PREDICTIVE STATEMENTS ON FUTURE ASSETS, LIABILITIES, FINANCIAL POSITION AND PROFIT OR LOSS

Our forecasts are based on current assessments of future developments. In this context, we draw on our budget planning and comprehensive market and competitive analyses. The forecast values are calculated in accordance with the reporting principles used in the Consolidated Financial Statements and are consistent with the adjustments described in the Group Management Report. However, forecasts naturally entail some uncertainties that could lead to positive or negative deviations from planning. If imponderables occur or if the assumptions on which the predictive statements are made no longer apply, actual results may deviate materially from the statements made or the results implicitly expressed.

Developments that could negatively impact this forecast are explained in detail in the Risk and Opportunity Report. Potential risks are accounted for regularly and systematically as part of the Group-wide risk management process. We also report on growth potential and opportunities that we have not yet or not fully budgeted for.

→ **Risk and Opportunity Report**

ROUNDING FINANCIAL FIGURES

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

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Unterföhring, 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 CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

OPINIONS

We have audited the consolidated financial statements of ProSiebenSat.1 Media SE, Unterföhring, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the fiscal year from 1 January 2022 to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of ProSiebenSat.1 Media SE for the fiscal year from 1 January 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. 315d HGB which is published on the website stated in the group management report and is part of the group 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 group management report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2022 and of its financial performance for the fiscal year from 1 January 2022 to 31 December 2022, and

- the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of the management declaration (group statement on corporate governance) 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 consolidated financial statements and of the group management report.

Basis for the opinions

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

Emphasis of matter paragraph

Without qualifying our opinion, we draw attention to the information and explanations on the ZAG ["Zahlungsdiensteaufsichtsgesetz": German Payment Services Oversight Act] outlined in note (31) "Contingent liabilities" of the notes to the consolidated financial statements and in the sections "Significant Events and Changes in the Scope of Consolidation" and "Risk Report" of the group management report, which relate to an independent internal investigation by an external law firm into potential misconduct on the part of members of the executive bodies and employees of the ProSiebenSat.1 Group, in particular with regard to obligations of the entities concerned under the ZAG and the effects on the consolidated financial statements. The investigation is ongoing and could potentially yield knowledge about matters that could have effects on the assets, liabilities, financial position and financial performance of the Group and that would need to be reflected in the Group's financial reporting.

The contingent liability presented in note (31) "Contingent liabilities" of the notes to the consolidated financial statements is based on the knowledge presented. The potential financial impacts for the Group in connection with the official investigations into the obligation to obtain a license for the voucher business of Jochen Schweizer GmbH and mydays GmbH cannot be predicted at present. However, such impacts could be considerable and, consequently, it cannot be ruled out that the effects of the matter on the financial reporting could be assessed differently in the future.

Key audit matters in the audit of the consolidated financial statements

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

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

[1] IMPAIRMENT TESTING OF GOODWILL

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

ProSiebenSat.1 Media SE performs the impairment testing of assets required under IAS 36, Impairment of Assets, at least annually as of 31 December of each fiscal year or ad hoc. For this purpose, the carrying amount of a cash-generating unit to which goodwill has been allocated is compared with its recoverable amount. The recoverable amount is determined by the Group 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. The impairment test is also essentially based on the proper identification of the cash-generating units to which goodwill is allocated. In each case, the recoverable amount 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 cash-generating units.

In light of the complexity of the valuation process due to the use of assumptions and the judgment by the executive directors, the impairment testing of goodwill was a key audit matter.

Auditor’s response

As part of our procedures, we analyzed the process implemented by the executive directors of ProSiebenSat.1 Media SE and the accounting policies for determining the recoverable amounts of cash-generating units or groups of units for those units to which goodwill has been allocated, with a view to its suitability for identifying a potential impairment requirement. We obtained an understanding of the planning process and the correct inclusion of the individual budgets and forecasts in group planning.

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 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 budgets and forecasts prepared by the Executive Board and approved by the Supervisory Board and with the current business development. We also checked planning accuracy by comparing the budgets and forecasts of prior years with the actual figures of the fiscal year.

With the aid of our internal valuation specialists, we assessed the valuation model in terms of methodology and arithmetical accuracy as well as 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 risk-adjusted capitalization 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 the level of the cash-generating unit. In so doing, we considered both exogenous and endogenous changes in the planning assumptions in the various scenarios.

In addition, we assessed the information provided in the notes to the consolidated financial statements on significant accounting judgments, estimates and assumptions used in impairment testing of goodwill in respect of the requirements of IAS 1 and IAS 36.

Our procedures did not lead to any reservations relating to impairment testing of goodwill.

Reference to related disclosures

With regard to the accounting policies applied for goodwill, refer to the disclosure in note (2) “Accounting principles” in chapter (E) “Recognition and measurement” in the section on “Impairments of other non-financial assets” of the notes to the consolidated financial statements. For the related disclosures on judgments by the executive directors and sources of estimation uncertainty as well as the disclosures on goodwill, refer to note (17) “Goodwill” which also contains information on the sensitivity of the valuation results.

[2] REVENUE RECOGNITION

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

Revenues are a key financial performance indicator for the Group and are shaped by diverse business models in the various segments. In the Entertainment, Dating & Video and Commerce & Ventures segments, a risk of material misstatement exists especially in relation to the existence and timely recognition of revenues. In the Entertainment segment, there is also a risk of advertising revenues being misstated when transferring and processing campaign data from the upstream systems. Furthermore, a substantial portion of revenues from program productions is recognized over time. In this context, the estimates made by the executive directors with regard to the expected total costs or progress towards completion have a significant effect on the recognition and measurement of revenues on an accrual basis. In the Commerce & Ventures segment, there are estimation uncertainties with regard to the measurement of revenue, especially due to cancellation or return rights.

In view of their complexity, the proper allocation, recognition and measurement of the various revenue streams is subject to an elevated risk of misstatement. In light of the above, revenue recognition was a key audit matter.

Auditor’s response

During our procedures, we considered, based on the criteria defined in IFRS 15, Revenue from Contracts with Customers, the accounting policies applied in the consolidated financial statements of ProSiebenSat.1 Media SE for the recognition of revenues.

We examined the existence of revenues for significant consolidated entities by, among other things, determining the correlation with the related trade receivables and related incoming payments and analyzed any deviations.

In order to assess the existence of advertising revenues, in the Entertainment segment we tested in particular application controls and interfaces between the ERP system and the upstream systems used to capture advertising services. In addition, we tested on a sample basis revenue recognition for certain advertising campaigns by reference to the corresponding agreements. For the program productions, we assessed, on a sample basis, the expected total costs on the basis of the budgets for commissioned productions and reconciled the total contract value with the underlying contracts. We checked the expenses incurred until the reporting date on a sample basis by reference to incoming invoices and time sheets and analyzed how they were allocated to the respective commissioned productions. In addition, we recalculated the recognition of revenues from contracts recognized over time according to the progress towards completion in accordance with IFRS 15. We analyzed the contracts contained in reported revenues to determine whether the planned and actual margins from the contracts were in line with our expectations of the progress of the project in question. We also referred to the development of comparable projects for this purpose.

In the Commerce & Ventures segment, we analyzed the assumptions made by the executive directors relating to the cancellation and return rates on the basis of historical experience.

Our procedures did not lead to any reservations relating to revenue recognition.

Reference to related disclosures

Information about the accounting policies with regard to revenues is provided in note (2) "Accounting principles" in chapter (E) "Recognition and measurement" in the section on "Revenues" of the notes to the consolidated financial statements. Information about the components of revenues is provided in note (6) "Revenues" of the notes to the consolidated financial statements.

[3] IMPAIRMENT OF PROGRAMMING ASSETS

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

Owing to their immense significance for the Group, programming assets, which would normally be included in other intangible assets, are presented as a separate item in the consolidated statement of financial position.

When examining both the individual program titles and the programming groups for indications of impairment, the executive directors apply a significant degree of judgment with regard to planning the future use of programming assets and estimating their revenue potential. Indications are, for example, if a program title or a group of program titles is no longer likely to be broadcast due to a lack of marketability or a strategic realignment of programming content. The consolidated financial statements, as a whole, are therefore subject to a risk that impairments of programming assets are not recognized to a sufficient extent. In light of their relevance in terms of strategy and value and the use of judgment in their measurement, we consider measurement of programming assets to be a key audit matter.

Auditor's response

As part of our procedures, we discussed the assessment by the executive directors of ProSiebenSat.1 Media SE of indications that the future use of programming assets could be restricted with the persons responsible. We also performed our own analyses of the number of available broadcasts in view of the license periods of the program titles and their last date of broadcast to identify potential reductions in the usability of the program titles in the portfolio.

In addition, we assessed the impairment test performed by ProSiebenSat.1 Media SE's executive directors at the level of programming groups and the definition of these groups. To this end, we recalculated the expected net cash inflows and discussed the underlying assumptions with those responsible for the programming assets and compared the results with the current earnings and market development. We assessed the definition of the programming groups for compliance with the criteria of IAS 36, Impairment of Assets.

Our procedures did not lead to any reservations relating to the impairment of the programming assets.

Reference to related disclosures

Information about the accounting policies with regard to programming assets is provided in note (2) "Accounting principles" in chapter (E) "Recognition and measurement" in the section on "Programming assets" of the notes to the consolidated financial statements. The related disclosures on the assumptions and estimates used by the executive directors and information on the development of the value of programming assets is provided in note (18) "Programming assets" of the notes to the consolidated financial statements.

[4] EFFECTS OF THE INVESTIGATIONS IN CONNECTION WITH THE ZAG

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

The two subsidiaries Jochen Schweizer GmbH and mydays GmbH were the subject of an investigation by external law firms, engaged by the Group in response to a tip-off, to ascertain whether parts of the subsidiaries' operations, which essentially comprise the sale of vouchers, fall within the scope of the ZAG. After the tip-off was received, the Supervisory Board of ProSiebenSat.1 Media SE also immediately arranged for an independent internal investigation to be carried out by an external law firm. The purpose of the investigation is to examine potential misconduct on the part of members of the executive bodies and employees of the ProSiebenSat.1 Group, in particular with regard to obligations under the ZAG. At the same time, the Munich I public prosecutor's office launched observation proceedings to examine the initial suspicion of potential criminal offenses. The related investigations by the Munich I public prosecutor's office are currently ongoing. In this connection, the Group restated the financial reporting for Jochen Schweizer GmbH and mydays GmbH retrospectively. Due to the significance of the possible effects on the consolidated financial statements and the complexity and length of the investigations, this was a key audit matter.

Auditor's response

As part of our procedures, we examined the business model and the related contractual arrangements as well as the process for the sale of vouchers and for handling such sales at Jochen Schweizer GmbH and mydays GmbH. We compared the insights gained with the working papers and opinions of external law firms provided to us and with the correspondence with the German Federal Financial Supervisory Authority as the competent supervisory authority and discussed them with officers of the two subsidiaries and of the Group.

We obtained an understanding of the process established by the Supervisory Board and executive directors of ProSiebenSat.1 Media SE to look into the matter and discussed the knowledge obtained in the independent internal investigation with the engaged external law firm. With the assistance of our own forensic experts, we participated in meetings between the law firm involved and officers of the subject subsidiaries and of the Group and assessed the knowledge obtained. On this basis, we performed extended audit procedures on similar matters by evaluating further opinions and working papers of external law firms on selected legal risks.

We obtained an understanding of the executive directors' assessment of the potential financial impacts for the Group in connection with the official investigations into the obligation to obtain a license for the voucher business of Jochen Schweizer GmbH and mydays GmbH based on an opinion by an external law firm specializing in penal law and discussed it with the engaged law firm.

As part of our procedures on the retrospective restatement of the financial reporting in connection with the sale of vouchers, we analyzed the underlying contractual arrangements to assess whether they result in the recognition of a financial liability pursuant to IAS 32, *Financial Instruments: Presentation* and IFRS 9, *Financial Instruments* as of the date of sale. Furthermore, we obtained an understanding of the executive directors' assessment of the timing of the recognition of revenue from agency commissions based on the criteria of IFRS 15, *Revenue from Contracts with Customers*.

We compared the calculation of the restated amounts with the data in the SAP system of Jochen Schweizer GmbH and mydays GmbH used in the calculation and the related working papers and opinions of external law firms, in particular by reference to the limitation periods applicable in each case, and reperformed the calculation. To this end, we checked on a sample basis whether the underlying contracts were properly recorded in the notes to the consolidated financial statements on the basis of the criteria defined in IAS 32, IFRS 9 and IFRS 15.

Reference to related disclosures

See notes (3) "Changes in reporting standards" and (31) "Contingent liabilities" of the notes to the consolidated financial statements for information on the effects of the investigations in connection with the ZAG.

OTHER INFORMATION

The Supervisory Board is responsible for the Report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the management declaration (group declaration on corporate governance) as well as for the Compensation Report pursuant to Sec. 162 AktG. In all other respects, the executive directors are responsible for the other information. The other information comprises the management declaration (group statement on corporate governance) referred to above as well as the "Internal Control and Risk Management System" section of the management report. The other information also comprises additional parts to be included in the annual report, of which we obtained a version prior to issuing this auditor's report, in particular:

- the Responsibility Statement pursuant to Sec. 297 (2) Sentence 4 HGB;
- the Report of the Supervisory Board pursuant to Sec. 171 (2) AktG;
- the Compensation Report;
- the Group Non-Financial Report;
- the Sustainability Report;
- and the sections "Our Executive Board," "Members of the Supervisory Board," "Members of the Executive Board," "ProSiebenSat.1 Media SE Share," "Explanatory Notes on Reporting Principles," "Group Key Figures: Multi-Year Overview," "Segment Key Figures: Multi-Year Overview," and "Financial Calendar";

but not the consolidated financial statements, not the group management report disclosures whose content is audited and not our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than 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 consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

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

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

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

– Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

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

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

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

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH SEC. 317 (3A) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the file ProSiebenSat.1_Media_SE_KA-KLB_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 consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

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

Basis for the opinion

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

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

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

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

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

Group auditor’s responsibilities for the assurance work on the ESEF documents

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

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.
- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

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

We were elected as auditor by the Annual General Meeting on 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 group entities the following services that are not disclosed in the consolidated financial statements or in the group management report: audit-related services not required by law pertaining to financial information and an assessment of an IT system.

Other matter – Use of the auditor’s report

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

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

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

Berlin, April 27, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

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

INDEPENDENT AUDITOR'S REPORT ON A REASONABLE ASSURANCE ENGAGEMENT

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the group non-financial report of ProSiebenSat.1 Media SE. The following text is a translation of the original German independent assurance report.

To ProSiebenSat.1 Media SE, Unterföhring

We have performed a reasonable assurance engagement on the group non-financial report of ProSiebenSat.1 Media SE, Unterföhring, (hereinafter the "Company"), which comprises the disclosures in the section "Sustainability" of the annual report 2022 marked by a red triangle at the beginning (▼) and end (▲) of the respective text passage as well as the section "Organization and Group Structure" of the group management report incorporated by reference, for the period from 1 January 2022 to 31 December 2022 (hereinafter the "non-financial report").

Not subject to our assurance engagement are other references to disclosures made outside the non-financial report.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the non-financial report in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB "Handelsgesetzbuch": German Commercial Code and Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in section "Disclosures in accordance with the EU Taxonomy Regulation" of the non-financial report.

These responsibilities of the Company's executive directors include the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a non-financial report that is free from material misstatement, whether due to fraud (manipulation of the non-financial report) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "Disclosures in accordance with the EU Taxonomy Regulation" of the non-financial report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

INDEPENDENCE AND QUALITY ASSURANCE OF THE AUDITOR'S FIRM

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronounce-ments - in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a reasonable assurance opinion on the non-financial report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance about whether the Company's non-financial report is prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed in section "Disclosures in accordance with the EU Taxonomy Regulation" of the non-financial report. Not subject to our assurance engagement are other references to disclosures made outside the non-financial report.

The assurance engagement on the non-financial report includes performing procedures and obtaining evidence for the quantitative and qualitative disclosures in the non-financial report that is sufficient and appropriate to provide a basis for our opinion.

We exercise professional judgment and maintain professional skepticism throughout the assurance engagement. Our procedures also include:

- Obtaining an understanding of the selection of topics for the non-financial report, the risk assessment and the policies of the Group for the topics identified as material,
- Identifying and assessing the risks of material misstatement in the non-financial report, whether due to fraud or error, designing and performing procedures responsive to those risks, and obtaining evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control,
- Obtaining an understanding of internal control relevant to the assurance engagement on the non-financial report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems,
- Obtaining sufficient appropriate evidence for the sustainability information of the companies within the Group to express our opinion,

- Evaluating the appropriateness of methods used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures and
- Evaluating the presentation of disclosures in the non-financial report.

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

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

OPINION

In our opinion, on the basis of the knowledge obtained in the assurance engagement, the non-financial report of ProSiebenSat.1 Media SE for the period from 1 January 2022 to 31 December 2022 is prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed in section “Disclosures in accordance with the EU Taxonomy Regulation” of the non-financial report.

We do not express an assurance opinion on the other references to disclosures made outside the non-financial report.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company’s purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

GENERAL ENGAGEMENT TERMS AND LIABILITY

The “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungs-gesellschaften [German Public Auditors and Public Audit Firms]” dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, April 27, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Richter Wirtschaftsprüferin [German Public Auditor]	Johne Wirtschaftsprüferin [German Public Auditor]

INDEPENDENT AUDITOR'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the Sustainability Report 2022 of ProSiebenSat.1 Media SE. The following text is a translation of the original German independent assurance report.

To ProSiebenSat.1 Media SE, Unterföhring

We have performed a limited assurance engagement on the Sustainability Report of ProSiebenSat.1 Media SE, Unterföhring, (hereinafter the "Company"), for the period from 1 January 2022 to 31 December 2022 (hereinafter the "Sustainability Report").

Our engagement exclusively relates to the German PDF-version of the Sustainability Report. Not subject to our assurance engagement are other references to disclosures made outside the Sustainability Report.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the Sustainability Report in accordance with the criteria listed in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI Criteria") and for the selection of the relevant disclosures.

These responsibilities of the Company's executive directors include the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud (manipulation of the Sustainability Report) or error.

INDEPENDENCE AND QUALITY ASSURANCE OF THE AUDITOR'S FIRM

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion with limited assurance on the Sustainability Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Sustainability Report is not prepared, in all material respects, in accordance with the GRI Criteria. Not subject to our assurance engagement are other references to disclosures made outside the Sustainability Report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Inquiries of employees concerning the sustainability strategy, sustainability principles and sustainability management of ProSiebenSat.1 Media SE,
- Inquiries of the executive directors and relevant employees involved in the preparation of the Sustainability Report about the preparation process, about the internal control system related to this process, and about disclosures in Sustainability Report,
- Inquiries of employees of the Group responsible for data capture and consolidation as well as the preparation of the Sustainability Report, to evaluate the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the disclosures in the Sustainability Report,
- Identification of likely risks of material misstatement in the Sustainability Report,
- Analytical procedures on selected disclosures in the Sustainability Report at the level of the Group and selected entities,
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected disclosures and data,
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report,
- Evaluation of the presentation of the Sustainability Report.

ASSURANCE CONCLUSION

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Report of the Company for the period from 1 January 2022 to 31 December 2022 is not prepared, in all material respects, in accordance with the GRI Criteria.

We do not express an assurance conclusion on the other references to disclosures made outside the Sustainability Report.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

GENERAL ENGAGEMENT TERMS AND LIABILITY

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, April 27, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Richter
Wirtschaftsprüferin
[German Public Auditor]

Johne
Wirtschaftsprüferin
[German Public Auditor]

INDEPENDENT AUDITOR'S REPORT

To ProSiebenSat.1 Media SE, Unterföhring

We have audited the attached remuneration report of ProSiebenSat.1 Media SE, Unterföhring, prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from 1. January 2022 to 31. December 2022 and the related disclosures.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD

The executive directors and supervisory board of ProSiebenSat.1 Media SE are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and supervisory board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and supervisory board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

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

OPINION

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from 1. January 2022 to 31. December 2022 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

OTHER MATTER – FORMAL AUDIT OF THE REMUNERATION REPORT

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects.

LIMITATION OF LIABILITY

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on 1. January 2017, which are attached to this report, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement.

Munich, April 27, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

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

GROUP KEY FIGURES: MULTI-YEAR OVERVIEW

in EUR m	**2022**	2021[1]	2020	2019	2018
Revenues	4,163	4,495	4,047	4,135	4,009
Adjusted EBITDA[2]	678	841	706	872	1,013
Adjusted EBITDA margin (in %)	16.3	18.7	17.4	21.1	25.3
EBITDA	666	803	801	838	570
Operating result (EBIT)	236	552	553	578	348
Result before income taxes	97	614	370	572	344
Net income attributable to shareholders of ProSiebenSat.1 Media SE	5	456	267	413	248
Adjusted net income[3]	301	365	221	387	541
Adjusted earnings per share (in EUR)	1.33	1.61	0.98	1.71	2.36
Payments for the acquisition of programming assets	895	1,060	1,063	1,072	1,070
Adjusted operating free cash flow[4]	492	599	424	—	—
Free cash flow	388	289	120	207	−78
Cash flow from investing activities	−966	−1,249	−1.391	−1.396	−1.536

in EUR m	**12/31/2022**	12/31/2021[1]	12/31/2020	12/31/2019	12/31/2018
Employees[5]	7,284	7,906	7,307	7,253	6,583
Programming assets	1,086	1,145	1,213	1,204	1,113
Equity	1,774	1,968	1,687	1,288	1,070
Equity ratio (in %)	29.5	29.6	23.8	19.5	16.5
Cash and cash equivalents	504	594	1,224	950	1,031
Financial debt	2,117	2,446	3,192	3,195	3,194
Net financial debt	1,613	1,852	1,968	2,245	2,163
Leverage ratio[6]	2.4	2.2	2.8	2.6	2.1

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".
2 EBITDA before reconciling items.
3 Net income attributable to shareholders of ProSiebenSat.1 Media SE before the amortization and impairments from purchase price allocations as well as impairments of goodwill, adjusted for the reconciling items. These include valuation effects recognized in other financial result, valuation effects of put option and earn-out liabilities, valuation effects from interest rate hedging transactions as well as other material one-time items. Moreover, the tax effects resulting from such adjustments are also adjusted. See Group Management Report, chapter "Planning and Management".
4 As of financial year 2021, ProSiebenSat.1 Group has introduced the "adjusted operating free cash flow" among others as the most significant financial performance indicator. Prior-year figures were not determined up to financial year 2020. For the definition, please refer to the Group Management Report, chapter "Planning and Management".
5 Full-time equivalent positions as of reporting date.
6 Ratio net financial debt to adjusted EBITDA in the last twelve months.

SEGMENT KEY FIGURES: MULTI-YEAR OVERVIEW

in EUR m	**2022**	2021[1]	2020
Entertainment			
External revenues	2,888	3,098	2,768
Adjusted EBITDA[2]	563	698	561
Dating & Video			
External revenues	518	542	333
Adjusted EBITDA[2]	99	119	80
Commerce & Ventures			
External revenues	757	855	945
Adjusted EBITDA[2]	41	51	84
Reconciliation (Holding & other)			
Adjusted EBITDA[2]	–25	–26	–19

1 Prior-year figures partly adjusted as described in Notes to Consolidated Financial Statements, note 3 "Changes in reporting standards and accounting policies".
2 EBITDA before reconciling items.

FINANCIAL CALENDAR

The financial calendar presents the publication dates of financial reports and quarterly reports well in advance, along with other important dates such as the date of the Annual General Meeting. The calendar is available on the ProSiebenSat.1 website:

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

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This and other publications are available on the Internet, along with information about ProSiebenSat.1 Group, at
www.ProSiebenSat1.com

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding ProSiebenSat.1 Media SE and ProSiebenSat.1 Group. Such statements may be identified by the use of such terms as "expects", "intends", "plans", "assumes", "pursue the goals" and similar wording. Various factors, many of which are outside the control of ProSiebenSat.1 Media SE, could affect the Company's business activities, success, business strategy and results. Forward-looking statements are not historical facts, and therefore incorporate known and unknown risks, uncertainties and other important factors that might cause actual results to differ from expectations. These forward-looking statements are based on current plans, goals, estimates and projections, and take account of knowledge only up to and including the date of preparation of this report. Given these risks, uncertainties and other important factors, ProSiebenSat.1 Media SE undertakes no obligation, and has no intent, to revise such forward-looking statements or update them to reflect future events and developments. Although every effort has been made to ensure that the provided information and facts are correct, and that the opinions and expectations reflected here are reasonable, ProSiebenSat.1 Media SE assumes no liability and offers no warranty as to the completeness, correctness, adequacy and/or accuracy of any information or opinions contained herein. This report is an English translation; in case of any discrepancies, the German authoritative version of the report shall prevail over the English translation.