

OVERALL ASSESSMENT FROM THE MANAGEMENT'S VIEW: OUR GROUP

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

ORGANIZATION AND GROUP STRUCTURE

BUSINESS ACTIVITIES AND SEGMENTS

Corporate Profile and Business Activities

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

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

segment. Here, we use media services and the power of our brands to build digital consumer brands into market leaders. Our three segments are connected by a wide range of tangible synergies, with the media services of ProSiebenSat.1's platforms as the foundation of our strong Group.

→ **Strategy and Management System**

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

» **INFORMATION**

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

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

» **INFORMATION**

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

Segments and Brand Portfolio

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

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

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

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

ProSiebenSat.1's digital offering also includes the digital media and entertainment company Studio71, which sells and distributes a broad portfolio of content creators on digital platforms such as YouTube, Facebook and Instagram, particularly addressing the young target group between 18 and 25 years. With this digital portfolio for a young audience, and especially thanks to the

positioning of the ProSieben entertainment brand, which specifically targets younger viewers between 14 and 39 years, the Group's Entertainment business distinguishes itself from the competition.

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

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

→ **Research & Development** → **Opportunity Report**

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

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

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




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

Commerce & Ventures: We bundle our various investments in consumer-focused digital companies in the Commerce & Ventures segment. With a wide range of investment formats, we

are able to support companies at various stages of growth, from seed financing and media-for-revenue and media-for-equity deals to strategic majority investments. The companies are united by a common foundation: We invest in digital firms that benefit from the reach of our platforms.

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

PROSIEBENSAT.1 GROUP SEGMENTS IN FINANCIAL YEAR 2021

 <p style="text-align: center;">ENTERTAINMENT</p> <p>The Entertainment segment comprises the Seven.One Entertainment Group with our station brands and the content, distribution and sales business, as well as the production and distribution business of Red Arrow Studios and Studio71.</p>	 <p style="text-align: center;">DATING & VIDEO¹</p> <p>In the Dating & Video segment, we cover a broad spectrum from social entertainment to dating and online matchmaking with ParshipMeet Group.</p>	 <p style="text-align: center;">COMMERCE & VENTURES</p> <p>In this segment, we bundle our investments in digital commerce companies with a strong consumer focus. We support these companies with our investment options at various stages of growth.</p>
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¹The Dating & Video segment was reported as the Dating segment in the first three quarters of 2021 and renamed Dating & Video in the fourth quarter.

CORPORATE STRUCTURE AND INVESTMENTS

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

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