

OVERALL ASSESSMENT FROM THE MANAGEMENT'S VIEW: FORECAST FOR 2022

ProSiebenSat.1 Group is well positioned for the future. We have a solid financial basis and a clear corporate strategy that reflects the key trends in the various market environments in which we operate. We are focusing in particular on the synergies between our business areas, growth of our digital activities in the Entertainment and Commerce & Ventures businesses and the scalability of our Dating & Video platforms. This consistent alignment of our strategy is paying off. Over the course of 2021, we significantly improved in all of the most important financial performance indicators. Going forward, we will continue to concentrate on profitable growth as well as the medium-term improvement of our P7S1 ROCE (return on capital employed) to over 15%.

FUTURE BUSINESS AND INDUSTRY ENVIRONMENT

The IMF forecasts robust growth of 4.4% for the global economy in 2022. However, there are still considerable uncertainties because, firstly, the further course of the pandemic is unclear and the Omicron variant in particular is currently spreading rapidly. Secondly, shortages of raw materials and supply bottlenecks continue to influence business activity to a high degree. These developments are longer-lasting than most experts had anticipated during 2021.

It is nevertheless expected both that the fight against the pandemic will continue and that production processes will be ever better adapted to the prevailing conditions, at least in the developed economies. If necessary, further government support is likely to be deployed here, such as the US government's USD 550 billion infrastructure and investment program, which provides significant growth stimulus. Against this backdrop, the IMF expects strong growth of 4.0% for the US economy in 2022, despite the negative factors.

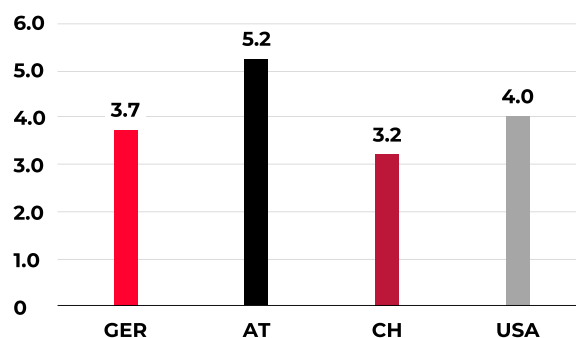
The recovery of the German economy largely came to a halt at the turn of 2021/22. As in the previous year, the number of COVID-19 infections rose sharply at the start of winter 2021, and contact-intensive services and brick-and-mortar retail were again restricted by protective measures. Unlike in previous peak phases of the pandemic, however, businesses and service providers were not completely closed, so the slowdown in private consumption ought to be less severe. However, the global supply bottlenecks that are weighing considerably on the German industrial sector – especially the important automotive and mechanical engineering industry – are having a negative impact on the economic situation.

It can therefore be assumed that pandemic restrictions and supply bottlenecks will shape the first quarter of 2022. Based on the institutes' assessment, however, the German economy – like in the previous year – is set to recover strongly at the start of summer. In particular, private consumer spending is likely to increase significantly. This is indicated by persistently favorable general conditions such as the robust labor market, stable incomes and high savings. In addition, the pressure on consumers due to inflation should lift somewhat over the course of the year. In parallel, industrial production is expected to gradually pick up speed again, especially given the high order backlogs. This ought to revive export growth accordingly. Against this backdrop, the economic experts expect an increase in real gross domestic product for the full-year 2022 of between 3.5%

(Halle Institute for Economic Research, IWH) and 4.1% (Deutsche Bundesbank). Private consumption is expected to be even more dynamic with forecast growth of between 6.5% (ifo Institute) and 7.6% (Leibniz Institute for Economic Research, RWI).

Forecasts are intrinsically subject to uncertainty, but they are currently particularly high, so the economic recovery could be slower, but it could also be much more dynamic. This will depend in particular on the further progression and intensity of the pandemic with its virus variants. In addition, the Russia/Ukraine war is causing further uncertainty.

FORECAST FOR GROSS DOMESTIC PRODUCT IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1



2022 e (Estimate).

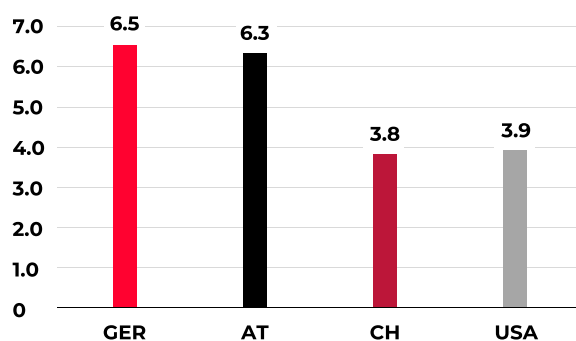
Sources: GER: ifo Economic Forecast, winter 2021 from December 14, 2021.

AT: WIFO, Economic Outlook, December 15, 2021.

CH: SECO, Economic Forecast, December 09, 2021.

USA: IMF, World Economic Outlook, January 2022.

FORECAST FOR PRIVATE CONSUMPTION IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1



2022 e (Estimate).

Sources: GER: ifo Economic Forecast, winter 2021 from December 14, 2021.

AT: WIFO, Economic Outlook, December 15, 2021.

CH: SECO, Economic Forecast, December 09, 2021.

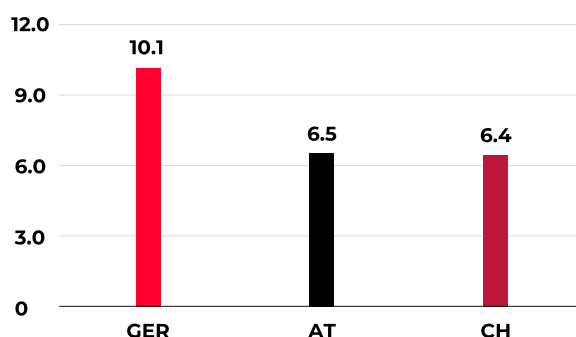
USA: IMF, World Economic Outlook, October 2021.

PricewaterhouseCoopers GmbH ("PricewaterhouseCoopers") expects the entertainment market to have a volume of EUR 40.5 billion overall in 2022, representing growth of 5.9% in consumer spending. Spending on digital entertainment services should then reach EUR 11.3 billion (2021: EUR 10.4 billion), with the streaming sector, among others, enjoying particularly dynamic growth. By 2025, the digital entertainment market looks set to generate annual growth of 6.5%, while the traditional entertainment market – including e.g. print, TV or concerts – will likely see average annual growth of 1.1% in this period. Nonetheless, the COVID-19 pandemic and high inflation rates

mean that there is still a considerable degree of uncertainty when it comes to future consumer spending on entertainment products. This is also true of the advertising industry as a whole.

Media agencies Magna Global and ZenithOptimedia forecast, respectively, that total net advertising spending will increase by 10.1% and 3.7% in 2022. While forecasts in previous years had anticipated a negative trend in the German TV advertising market, the net TV advertising market grew significantly in 2021, and experts anticipate further growth in 2022 (Magna Global: +5.0%; ZenithOptimedia: +3.0%). This underlines the importance of TV as a medium – including when looking into the future. Likewise, on a net basis, in-stream video advertising is expected to continue its dynamic development and to drive growth of the online advertising market. Despite this, forecasting uncertainty is high, particularly as the further sharp rise in nationwide infection rates in Germany since the beginning of 2022, owing to the new Omicron variant of the virus, is not yet reflected in forecasts. It also remains to be seen whether and to what extent inflation affects advertising budgets and investment.

FORECAST FOR NET ADVERTISING MARKETS IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1



2022 e (Estimate).

Source: Magna Global, Global Advertising Forecast December 2021, figures adjusted on a net basis, nonetheless methodological differences between different countries and sources.

As well as private consumption, online retail is an important indicator of revenue development in the Commerce & Ventures segment. According to IFH Cologne, the German e-commerce market is expected to reach an average volume of EUR 139 billion by 2025. Average annual growth from 2021 to 2025 would thus be 10.4%, and the share of online retail is expected to rise to 18.3% by 2025 (2021: 14.8%). Online retail was one of the biggest beneficiaries of the COVID-19 pandemic in 2020 and 2021.

According to Statista, the volume of the car rental market in Europe is expected to come to USD 14.3 billion in 2022 and will thus still not have returned to the pre-crisis level of USD 16.9 billion reached in 2019. The market volume of online comparison portals in the fields of energy, telecommunications, insurance, and consumer loans in Germany in 2022 is likely to depend heavily on how energy prices develop in particular.

The COVID-19 pandemic has strengthened the use of online services in many consumer markets. Digital channels are now a common means of communication and help to establish or deepen social interactions. This trend is also apparent in the Dating & Video segment. According to a recent study by a consulting firm on behalf of ParshipMeet Group, the total volume of the market that is relevant to our Dating & Video segment could continue to grow each year and develop dynamically, especially in the USA. Lockdowns in 2020 led to a particular rise in the number of people meeting over video call, which has now become a firmly established usage habit.

→ **Group Environment**

COMPANY OUTLOOK

Forecast

ProSiebenSat.1 Group pursues a clear strategy aiming at sustainable and profitable growth. As the macroeconomic development in ProSiebenSat.1 Group's core markets remains uncertain also in financial year 2022 amongst others due to the ongoing COVID-19 pandemic, the Group has decided to provide a midpoint with a plus/minus variance for its revenue and adjusted EBITDA outlook respectively that take this environment into account. The Group has considered in its outlook adverse effects on the business that are foreseeable amongst others as a result of the current course of the COVID-19 pandemic up until the preparation of the 2021 Annual Report on March 1, 2022. Further impacts on ProSiebenSat.1 Group's business beyond that, for example also due to negative effects of the Russia/Ukraine war on the Group's core markets, are not reflected in this forecast⁹.

→ Strategy and Management System → Future Business and Industry Environment

Overall, the Group targets further revenue growth for the full-year 2022 on this basis. Without further portfolio changes, the Group expects **revenues** in 2022 of around EUR 4.600 billion, with a variance of plus/minus EUR 100 million, compared with a previous-year figure adjusted for currency and portfolio effects of EUR 4.413 billion¹⁰. This translates into a Group revenue growth range in financial year 2022 of at least 2% to around 6%.

The range of the revenue target depends particularly on the development of advertising revenues in the German-speaking region (Germany, Austria, Switzerland). For the lower end of the variance, the Group assumes stable advertising revenues in the German-speaking region compared with the previous year as well as growth of 3% for the upper end of the variance.

Based on these revenue assumptions and excluding further portfolio changes, ProSiebenSat.1 expects Group **adjusted EBITDA** for the full-year 2022 – further mainly supported by the Entertainment segment – of around EUR 840 million with a variance of plus/minus EUR 25 million (previous-year figure adjusted for currency and portfolio effects: EUR 825 million¹¹). The Entertainment programming costs will be in total at the previous year's level (previous year: EUR 1.054 billion), with the main part of total programming costs being attributed to local content and with a possibility of being varied in the amount of around EUR 50 million depending on the development of the advertising market. The Group is taking advantage of the success of its local programming strategy to expand its reach across all platforms. In the past financial year, the Group was thus ahead of its main competitor RTL Deutschland's stations marketed by Ad Alliance in prime time in every quarter (market shares target group 14-49 years) and further extended its market leadership, especially in the important fourth quarter.

The **adjusted net income** of the Group is mainly determined by the development of the adjusted EBITDA. Furthermore, this key figure is influenced by the financial result, which includes the at-equity investment in the streaming platform Joyn, and by income taxes. On this basis and without

⁹ 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 2022 of approximately 20% and for adjusted EBITDA of approximately 15%. 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 approximately EUR 8 million and adjusted EBITDA by approximately EUR 1 million. For the outlook regarding the following figures, the Group uses a EUR/USD exchange rate of USD 1.15 to the euro in financial year 2022.

¹⁰ 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 and Gravitas Ventures LLC, at in total EUR 101 million.

¹¹ 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, Sonoma Internet GmbH (Amorelie), moebel.de Einrichten & Wohnen AG and Gravitas Ventures LLC, at in total EUR 17 million.

further portfolio changes, the Group expects that the adjusted net income for the full-year 2022 to be at or slightly above the previous year's level of EUR 362 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. Reaching a midpoint of the adjusted EBITDA target range, ProSiebenSat.1 assumes that the adjusted operating free cash flow for the full-year 2022 – for reasons of comparability adjusted for the change of investments in relation to the construction of the new campus at the premises in Unterföhring – should develop at or slightly above the previous year's figure of EUR 599 million.

ProSiebenSat.1 Group measures the medium-term financial success of the company on the basis of the key figure **P7S1 ROCE** (return on capital employed). In the financial year 2022, the Group expects P7S1 ROCE to be slightly above the level of the previous year of 14.1%.

→ Strategy and Management System

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 2022, the Group anticipates – depending on business performance and excluding any portfolio changes – a leverage ratio at or slightly below the previous year's level (previous year: 2.2x).

The development of **audience shares** is ProSiebenSat.1 Group's most important non-financial performance indicator. For financial year 2022, the Group expects to maintain its leading position with regard to audience shares in the advertising-relevant target group of 14- to 49-year-olds at a high level.

Furthermore, ProSiebenSat.1 Group has set the following **medium- and long-term targets** for the entire Group:

- With its strong strategy based on three complementary segments, ProSiebenSat.1 Group intends to remain attractive for all stakeholders also in the medium- and long-term and to grow profitably in all three segments with a clear focus on earnings.
- In this context, ProSiebenSat.1 has set itself the target of further diversifying revenues and thus continually expanding the share of revenues outside TV advertising in the German-speaking region (Germany, Austria, Switzerland).
- The focus is on consistent value creation. In the medium-term, the Group intends to achieve a return on capital employed, i.e. P7S1 ROCE, of over 15%. Expansion and new investments will therefore pay back within three years and generate a return of at least 18%. Strategic projects are usually expected to pay off within five years.
- ProSiebenSat.1 Group also continues to aim for a leverage ratio in a range between 1.5x and 2.5x in the medium-term.
- All these targets reflect the strategy that ProSiebenSat.1 Group will be one of the leading digital first infotainment and entertainment providers in the German-speaking region (Germany, Austria, Switzerland) and will use this strength to establish and expand global synergistic digital consumer platforms.
- The Group also wants to maintain its dividend policy of distributing around 50% of adjusted net income as dividends in order to allow shareholders to participate in the sustainable success of the corporate strategy on an annual basis.

Dividend Proposal

For financial year 2021, the Executive Board recommends that the Supervisory Board proposes to the Annual General Meeting a dividend pay-out of EUR 0.80 per share (previous year: EUR 0.49) to

the holders entitled to dividend. This corresponds to an expected total distribution of around EUR 181 million. Payment of the proposed dividend is subject to approval by the Annual General Meeting on May 5, 2022.

→ **Financial Performance of the Group**

DIVIDEND PROPOSAL

Adjusted net income in EUR m	362
Number of shares outstanding ¹	233,000,000
Number of treasury shares ¹	6,694,738
Number of eligible shares ¹	226,305,262
Proposed dividend in EUR	0.80
Distribution in EUR m	181
Pay-out ratio in %	50

¹ As of December 31, 2021.

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, lower economic momentum than 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.