ProSiebenSat.1 Media SE

QUARTERLY STATEMENT FOR THE FIRST QUARTER OF 2021

SPEEDING UP

SHARPENING FOCUS
CREATING VALUE
TAKING RESPONSIBILITY

KEY FIGURES OF PROSIEBENSAT.1 GROUP

in EUR m

	Q1 2021	Q1 2020
Revenues	**938**	926
Revenue margin before income taxes (in %)	**7.7**	4.6
Total costs[1]	**864**	853
Consumption of programming assets	**213**	226
Adjusted EBITDA[2]	**143**	157
Adjusted EBITDA-margin (in %)	**15.2**	16.9
EBITDA	**138**	145
Reconciling items[3]	**–5**	–12
Operating result (EBIT)	**80**	80
Adjusted EBIT	**99**	109
Financial result	**–7**	–38
Result before income taxes	**73**	43
Adjusted net income[4]	**37**	58
Net income	**66**	31
Attributable to shareholders of ProSiebenSat.1 Media SE	**66**	37
Attributable to non-controlling interests	**0**	–7
Adjusted earnings per share (in EUR)	**0.16**	0.26
Payments for the acquisition of programming assets	**205**	266
Free cash flow	**–25**	–50
Cash flow from investing activities	**–256**	–335
Adjusted operating free cash flow[5]	**82**	19
Audience share (in %)[6]	**25.6**	26.7

	03/31/2021	12/31/2020	03/31/2020
HD subscribers (in m)[7]	**10.8**	10.6	10.2
Employees[8]	**7,619**	7,307	7,323
Programming assets	**1,196**	1,213	1,239
Equity	**1,814**	1,687	1,357
Equity ratio (in %)	**28.1**	23.8	20.6
Cash and cash equivalents	**594**	1,224	898
Financial debt	**2,593**	3,192	3,192
Leverage ratio[9]	**2.9**	2.8	2.7
Net financial debt	**1,999**	1,968	2,294

1 Total costs comprise cost of sales, selling expenses, administrative expenses and other operating expenses.
2 EBITDA before reconciling items.
3 Expense adjustments less income adjustments.
4 Net income attributable to shareholders of ProSiebenSat.1 Media SE before the amortization and impairments from purchase price allocations, adjusted for the reconciling items. These include valuation effects recognized in other financial result, valuation effects of put-options 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. Annual Report 2020, page 82.
5 For a definition of the adjusted operating free cash flow, please refer to the Annual Report 2020, page 81.
6 ProSiebenSat.1 Group; AGF in cooperation with GfK; market standard: TV; VIDEOSCOPE 1.4; Target group: 14–49.
7 HD FTA subscribers, Germany.
8 Full-time equivalent positions as of reporting date.
9 Ratio net financial debt to adjusted EBITDA in the last twelve months.

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AT A GLANCE

- **ProSiebenSat.1 Group continues to drive forward its diversification and thus slightly grows revenues by 1% to EUR 938 million in the first quarter of 2021 – despite the continuing effects of the COVID-19 pandemic and correspondingly lower advertising revenues.**
- **In the environment of the pandemic, the Group's adjusted EBITDA develops better than originally expected and is only 9% below the previous year at EUR 143 million. Strong earnings growth in the Dating and Commerce & Ventures segments largely offset the declines in the high-margin advertising business.**
- **Both earnings growth in the Dating and Commerce & Ventures segments and efficient cost management strengthen the profitability of ProSiebenSat.1 Group.**
- **Net financial debt decreases by EUR 295 million compared to March 31, 2020 despite pandemic shaped environment.**
- **The Group is raising its full-year outlook for revenues by EUR 100 million to between EUR 4,250 million and EUR 4,450 million at the lower and upper end of the target range respectively and for adjusted EBITDA from EUR 720 million to EUR 760 million to between EUR 750 million and EUR 800 million.**

ProSiebenSat.1 Group unites leading entertainment brands with a strong Dating and Commerce & Ventures portfolio under one roof and is thus one of the most diversified media companies in Europe. This is the result of our Group strategy, which we pursue consistently. Hence, the Company focuses on synergies within the Group and uses the multi-million reach of its TV channels to establish and strengthen its own digital business areas. This means that ProSiebenSat.1 Group is harnessing the strength of its entertainment business and its extensive advertising reach to establish consumer-focused digital platforms and actively develops this portfolio with acquisitions and disposals in order to create value. In this way, the Group is driving forward its diversification by its own power. At the same time, our focus is on ensuring that each part of the Group contributes to increasing the value, with the businesses supporting one another. The aim is to make our company more synergistic, diversified and profitable, generating sustainable growth in all business areas. In order to achieve this goal, ProSiebenSat.1 has been set up in three segments as of January 2021: Entertainment, Dating and Commerce & Ventures.

In the pandemic environment, ProSiebenSat.1 Group made a good start into financial year 2021, benefiting primarily from its ongoing diversification. Strong growth was generated, among others, in the Entertainment segment outside the advertising business by program production / sales (content) and distribution, as well as investments of the Commerce & Ventures segment, which such as the online beauty provider Flaconi GmbH ("Flaconi") particularly benefited from the advertising reach of the entertainment business. In addition, both the revenue share of The Meet Group Inc. ("The Meet Group"), which is not included in the comparable previous year's period because the transaction was completed on September 4, 2020 and the revenues are only attributable to ProSiebenSat.1 Group from that date, and the strong organic growth of this company had a positive effect. In this context, the Group posted a slight increase in revenues of 1% or EUR 13 million to EUR 938 million, although advertising revenues were down year-on-year as expected due to the continuing COVID-19 restrictions. This decline in revenues in the high-margin advertising business was also largely compensated in adjusted EBITDA by cost efficiency in the Entertainment segment and strong growth in earnings in the Dating and Commerce & Ventures segments: At EUR 143 million, adjusted EBITDA was only 9% or EUR 14 million lower than the previous year's figure. In 2020, the figure was impacted by COVID-19 only as of mid-March, whereas in 2021 the effects of the pandemic were noticeable throughout the first quarter. Adjusted net income amounted to EUR 37 million (previous year: EUR 58 million). At the same time, net financial debt improved by almost EUR 300 million compared to the end of the previous year's quarter despite the pandemic-dominated environment and remained almost stable compared to the end of 2020. This reflects the Group's effective cash flow management. The Group will also continue on this positive path and therefore has slightly raised its target ranges for revenues and adjusted EBITDA for the full-year 2021 compared to the guidance published in the Annual Report on March 4, 2021. ProSiebenSat.1 now expects revenues between EUR 4,250 million and EUR 4,450 million (previously: EUR 4,150 million to EUR 4,350 million) and adjusted EBITDA between EUR 750 million and EUR 800 million (previously: EUR 720 million to EUR 780 million).

ProSiebenSat.1's success is decisively shaped by its employees. As of March 31, 2021, ProSiebenSat.1 Group had 7,619 employees (previous year: 7,323), calculated on the basis of full-time equivalents. In particular, the increase is due to the acquisition of the US-based The Meet Group with more than 200 employees last year.

SIGNIFICANT EVENTS

ProSiebenSat.1 Group has been reporting in the three segments Entertainment, Dating and Commerce & Ventures since January 1, 2021. With this setup, the Company aims to position itself in an even more synergistic, diversified and profitable way and to generate sustainable growth in all business areas, which is also reflected in the management of the Company. In connection with this, Red Arrow Studios' program production and distribution business and the digital studio Studio71 have been integrated into the Entertainment segment. The Dating segment corresponds to the former ParshipMeet Group segment and remains unchanged in its composition compared to the end of 2020. The new Commerce & Ventures segment bundles the entities of NCG - NUCOM GROUP SE ("NuCom Group") as well as the companies Marktguru and wetter.com; the Seven Ventures GmbH ("Seven Ventures") investment arm is also part of this segment. There were no other significant portfolio changes in the first quarter of 2021; however, the Group in particular strengthened the Commerce & Ventures segment through media-for-equity deals. ➜ Group Environment

As part of its active financial management, on January 15, 2021, ProSiebenSat.1 Group repaid the EUR 600 million note originally maturing in April 2021 ahead of time at nominal value (plus interest accrued up to this repayment date), after the Company exercised its three-month termination right under the terms and conditions of the note in December 2020. Until the time of its repayment on January 15, 2021, the bond was listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7); the coupon was 2.625% p.a. ➜ Borrowings and Financial Structure

Due to rounding, it is possible that individual figures do not add up exactly to the totals shown.

BUSINESS PERFORMANCE OF PROSIEBENSAT.1 GROUP

GROUP ENVIRONMENT

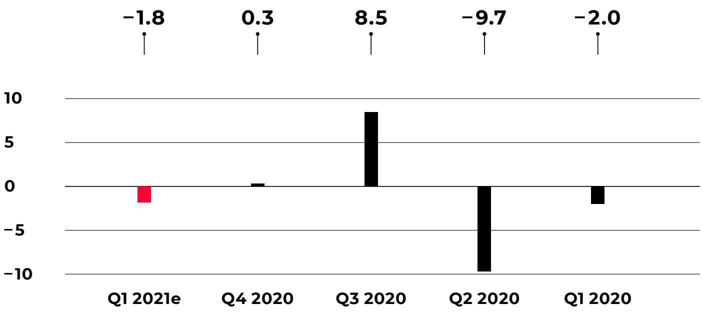
Economic Development

The COVID-19 pandemic posed new challenges for the entire economy and continues to do so: After the economy recovered unexpectedly quickly around the world and in Germany in the third quarter of last year, this development initially seemed to continue at the beginning of fall. Since the end of 2020, however, another wave of COVID-19 has been spreading with a clear rise in infection rates. The associated lockdown measures have again significantly impacted economic development. According to the European Commission, the decline in the eurozone in the first quarter of 2021 is likely to be 0.9% compared to the previous quarter. For Germany, too, the outlook at the beginning of 2021 is still very subdued in light of the adverse development of the pandemic and the initially slow progress with vaccination.

Although industrial production and exports continued to develop positively in the first quarter due to robust international demand, German economic performance is expected to decline. This is due to the development in the consumer-related service areas, which are likely to have suffered losses as a result of the lockdown restrictions. From January to February, for example, retailers in Germany reported 9.1% less revenues in real terms than in 2020. The travel and leisure industry also recorded further declines. In contrast, the online and mail order business was and is the biggest winner (+32.9% in real terms). Against this backdrop, the institutes of the Joint Economic Forecast (Gemeinschaftsdiagnose) predict a real quarter-on-quarter decline in gross domestic product of 1.8% in the first quarter of 2021. Private consumption in Germany is likely to have fallen by as much as 7.0%.

For the global economy, the German Council of Economic Experts (Sachverständigenrat) anticipates substantial growth in the second half of the year after momentum slowed in the first quarter. This is also based on economic development in the United States, one of the largest national economies, which made a buoyant start to 2021: Supported by the second stimulus package of around USD 900 billion approved at the end of last year, disposable incomes increased sharply by over 10% at the beginning of the year. Private consumption expanded considerably, although to a lesser extent than incomes, so the savings rate grew again. The economy is receiving an additional boost from the rapid vaccination progress in the US, which presents the prospect of easing the remaining infection control measures.

DEVELOPMENT OF GROSS DOMESTIC PRODUCT IN GERMANY in %, change vs. previous quarter



Adjusted for price, seasonal and calendar effects.
Sources: Destatis, Joint Economic Forecast Spring 2021 / e: estimate.

Development of ProSiebenSat.1 Group's Relevant Market Environments

ENTERTAINMENT

The economic situation respectively the restrictions on public and private life caused by the COVID-19 pandemic also have an impact on the investment behavior on the advertising market. In Germany, for example, the prospect of vaccines as well as the Christmas business still led to a significant recovery of the advertising business in the fourth quarter of 2020. However, this momentum – as already forecast by ProSiebenSat.1 at the Annual Press Conference in March 2021 – could not be carried over into the first quarter of 2021 in view of continued lockdown measures. This is shown accordingly by the gross data for the German TV and online advertising market:

According to Nielsen Media Research, investments in TV advertising fell by 4.4% to EUR 3.52 billion in the first quarter of 2021 (previous year: EUR 3.68 billion). ProSiebenSat.1 Group is the market leader in the German TV advertising market and, according to Nielsen Media Research, generated gross TV advertising revenues of EUR 1.24 billion in the first three months of the year (previous year: EUR 1.34 billion). This resulted in a market share of 35.3% (previous year: 36.2%).

By selling in-stream video ads, which are shown online before, after or during a video stream, ProSiebenSat.1 Group generated gross revenues of EUR 51.4 million in the first quarter of 2021 (previous year: EUR 58.1 million). This corresponds to a year-on-year decline of 11.5%, which also reflects the general market development. The market volume for advertising budgets in in-stream video ads in Germany recorded a decline of 4.5% to EUR 173.8 million gross (previous year: EUR 181.9 million).

For the full-year, the current forecasts for the net advertising market in Germany are significantly more positive again – especially compared to the sharp decline in advertising investments last year. However, compared to the previous year, a decline is still assumed for the first quarter of 2021 even on a net basis due to the ongoing COVID-19 restrictions. However, planned progress on vaccinations is fueling expectations that consumer spending will return in a timely manner and that advertising spending will also rise again. → Future Business and Industry Environment

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

	Development of the TV advertising market in Q1 2021 (Change against previous year)
Germany	–4.4
Austria	+11.5
Switzerland	+0.8

	Market shares ProSiebenSat.1 Group Q1 2021	Market shares ProSiebenSat.1 Group Q1 2020
Germany	35.3	36.2
Austria	40.1	43.4
Switzerland	22.9	28.1

Germany: January–March, gross, Nielsen Media.
Austria: January–March, gross, Media Focus.
Switzerland: January–March, the advertising market shares relate to the German-speaking part of Switzerland, gross, Media Focus.

In Germany, the ProSiebenSat.1 station family achieved a combined market share of 25.6% among viewers aged between 14 and 49 years in the first quarter of 2021 (previous year: 26.7%). The stations marketed by Ad Alliance RTL, VOX, n-tv, Super RTL, NITRO, RTLplus and VOXup had a combined audience share of 24.7% (previous year: 26.6%) and thus lost significantly in the target group relevant for the advertising market compared to ProSiebenSat.1 Group. The development of audience shares of private broadcasters in essence reflects the impact of the Germany-wide lockdown and the entailed increased provision of information, especially on the public stations.

AUDIENCE SHARES OF PROSIEBENSAT.1 GROUP in %

	Q1 2021	Q1 2020
Germany	25.6	26.7
Austria	27.8	27.7
Switzerland	14.4	15.8

Germany: ProSiebenSat.1 Group: SAT.1, ProSieben, Kabel Eins, sixx, SAT.1 GOLD, ProSieben MAXX, Kabel Eins Doku/AGF Videoforschung in cooperation with GfK; VIDEOSCOPE 1.4, January 1, 2020–March 31, 2021, market standard: TV.
Austria: A 12–49; SAT.1 Österreich, ProSieben Austria, 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, 2020–March 31, 2021; weighted for number of people; including VOSDAL/time shift; standard.
Switzerland: Figures are based on 24 hours (Mon-Sun), all platforms, overnight +7. SAT.1 Schweiz, ProSieben Schweiz, Kabel Eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX 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 prime time from 8:15 p.m. to 11:00 p.m., which is particularly relevant for the advertising industry due to its high reach, the ProSiebenSat.1 station family recorded a slight increase of 0.1 percentage points to 26.1% (viewers aged 14 - 49) in the first quarter of 2021. In the process, ProSieben was the only major private station in Germany to expand its audience share in prime time year-on-year.

AUDIENCE SHARES OF PROSIEBENSAT.1 STATIONS IN PRIME TIME IN GERMANY in %

Target group 14–49 years	Q1 2021	Q1 2020
ProSiebenSat.1 Group	**26.1**	26.0
SAT.1	7.3	7.8
ProSieben	10.7	9.8
Kabel Eins	4.2	4.5
sixx	1.0	1.1
SAT.1 Gold	1.1	1.0
ProSieben MAXX	1.0	1.2
Kabel Eins Doku	0.8	0.6

Figures are based on prime time from 8:15 p.m. to 11:00 p.m. (Mon–Sun).
Source: AGF Videoforschung in cooperation with GfK; VIDEOSCOPE 1.4, January 1, 2020–March 31, 2021, market standard: TV.

As a system relevant media company, ProSiebenSat.1 has a great responsibility: The Group makes an important contribution to the diversity of information as well as opinion especially among the young target group. In this context, ProSiebenSat.1 is increasingly focusing on local, relevant and live content in its programming strategy, also in order to differentiate itself from multinational platform providers. An important component of this are campaigns such as the "SAT.1 Waldrekord-Woche" and in-house productions such as the documentary "Black Lives Matter – Reise in ein gespaltenes Land" or "Joko & Klaas Live: Pflege ist #NichtSelbstverständlich," which handle issues relevant to society in a manner appropriate for the target group. In a seven-hour, ad-free, real-time documentary about the everyday life of a nurse in Germany, broadcast in March, Joko Winterscheidt and Klaas Heufer-Umlauf drew attention to the current situation in nursing occupations. The ProSieben format achieved a net reach of 5.99 million people. In the young target group of 14- to 39-year-olds, "Joko & Klaas Live" reached an average market share of 17.8%.

Net reach is the number of all viewers aged 3 and above who watched the show for at least one minute without interruption.

Locally produced shows – e.g. from our German production subsidiary Redseven Entertainment – set ProSiebenSat.1 apart from its competitors and sharpen the stations' brand profiles. In addition, we adapt format ideas from our international program production network specifically for the German-speaking market. Similarly, Studio71 is developing and producing more new formats for the German market. The digital studio pools ProSiebenSat.1 Group's digital-only content offerings and distributes them via digital platforms. In the first quarter of 2021, for example, Studio71 was active with around 1,400 channels, generating 10.3 billion video views a month (previous year: 9.7 billion video views[1]).

[1] The previous year's figure is adjusted for 500 million views per month for TV content that has no longer been offered by Studio71 since 2021.

In addition, ProSiebenSat.1 acquired the minority interests held in Studio71 Group by the French TF1 Group ("TF1") and the Italian Mediaset S.p.A. ("Mediaset") in February and March 2021. As a result, ProSiebenSat.1 now holds nearly all the shares in the Studio71 Group, except from a stake held by the former management. At the same time, the Studio71 Group has divested its activities in France, as synergies throughout Europe were not being realized as expected. In the future, the Studio71 Group will thus focus on the German business, which is synergistic with ProSiebenSat.1's Entertainment segment, and on the Group's fast-growing activities in North America.

The advancing digitalization creates new opportunities to adress viewers. At the same time, they open up additional ways of generating revenues beyond advertising financing. Examples include the distribution of programs in HD quality via various transmission channels: Under this business model, 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 10.8 million users in the reporting period, 5.5% more than in the previous year. In addition, more shows were broadcast in the new ultra-high definition (UHD) standard.

DATING

Dating and, in particular, interactive live videos have become global megatrends. The online dating and matchmaking markets in the US and Germany have reached a total value of up to EUR 2.3 billion (figures for 2019), with around half of the market volume attributable to social dating. Total market volume looks set to grow by between 7% and 8% each year (CAGR 2019–2022), with social dating even climbing by 11% to 13% (CAGR 2019–2022).

"Social dating" refers to casual chatting and meeting up with people nearby. Unlike matchmaking, where the aim is to form permanent relationships, it allows users to meet and get to know a range of different people in a relaxed environment without any clear intentions.

With a rising number of single people – including more and more digital natives – online dating is becoming an increasingly accepted and normal way to find a partner. The business has also gained relevance during the COVID-19 pandemic and the restrictions on social contact that this entailed. By merging Parship Group and The Meet Group to form ParshipMeet Group, ProSiebenSat.1 has created a global player in the dating segment that covers the entire spectrum of dating and is broadly diversified geographically.

ParshipMeet Group can thus make its customers a more comprehensive offer for their search for a partner: An American user, for example, can first look for casual meet-ups on apps like MeetMe and Tagged, then switch to apps for more substantial dating like Skout, and finally find a partner for life on eHarmony. German users can make the same journey via Lovoo and Parship.

Thanks to extensive expertise on both sides, we want to further optimize our platforms together and benefit from synergies from the integration of both businesses. In particular, ParshipMeet Group's USP (Unique Selling Proposition), its video streaming expertise, strengthens our position in the dating business and opens up new revenue potential. Hence, we not only use ParshipMeet Group's video expertise for the Group's own apps, but also offer our vPaaS (video Platform as a Service) solution to other companies so that they can integrate live video streaming functions into their offerings themselves. In Europe, we have already successfully taken this step with the Lovoo dating app. In doing so, the brand also benefits from synergies within the Group and especially from ProSiebenSat.1 Group's reach and marketing competence. → Group Earnings

Which value operating and technical synergies can create, has been demonstrated by the successful integration of eHarmony. After the acquisition in 2018, we brought the US service together with Parship and ElitePartner onto a shared platform designed for several brands and markets and improved matching, user experience and marketing activities, and thus economic performance. Today, eHarmony is benefiting significantly from these cost savings and the increased attractiveness of its offerings.

Further information on the environment in the dating business can be found in the → 2020 Annual Report from page 88.

COMMERCE & VENTURES

ProSiebenSat.1 Group aims to use media reach to build up the digital companies bundled in the Commerce & Ventures segment into leading consumer brands. Raising brand awareness quickly is a decisive competitive factor, especially for young companies in an early stage of development. Following the principle "reach meets business idea," the ProSiebenSat.1 investment arm Seven Ventures offers media services to promising young enterprises that cannot yet afford their own television advertising budget in exchange for revenue or equity shares via the investment models "media-for-revenue" and "media-for -equity". We thus support growing companies with our advertising know-how as well as the strength of our digital and TV offerings and can acquire knowledge of new market and business models without high business risks, establish brands and accelerate growth of companies. On March 8, 2021, Seven Ventures entered into a media-for-equity agreement with Berlin-based start-up Sanity Group ("Sanity") and will invest here in the mid-single-digit million euro range. Sanity sells cannabinoid-based lifestyle and cosmetic products. With TV advertising, we offer start-ups a special form of start-up financing and can acquire company shares at favorable multiples.

Therefore, media-for-equity and media-for-revenue participations are an important component of our active portfolio management – and create value for the Group: Once the partner company successfully reached the next development stage, we take a joint decision on whether to extend our investment or participate in the growth achieved to date by exiting. This has not only yielded some of the investments in the present-day NuCom Group, but is also generating growth potential for the Group as a whole. This is made possible by synergies with the entertainment business. → At a Glance

However, the various consumer markets in which ProSiebenSat.1 Group operates with NuCom Group all differ in their dynamics and have been affected by the impact of the COVID-19 pandemic differently.

While e-commerce services, which particularly include online bookings for travel, event and flight, bus or rail tickets, posted a significant year-on-year decline of 70% in the first quarter of 2021, the e-commerce sector as a whole grew by 28%. The food, drugstore products, medications and clothing sectors/product groups grew particularly strongly. In this environment – also driven by the use of TV advertising – the online beauty provider Flaconi continued to grow significantly in the first quarter. As official partner and co-sponsor of ProSieben's hit format "Germany's Next Topmodel - by Heidi Klum," which is currently broadcast, Flaconi benefits from synergies with the entertainment business, for example. → Group Earnings

Further information on the environment in the Commerce & Ventures segment can be found in the → 2020 Annual Report from page 88.

GROUP EARNINGS

Revenues

In the first quarter of 2021, ProSiebenSat.1 Group generated **revenues** of EUR 938 million. Group revenues thus slightly increased by 1% or EUR 13 million year-on-year despite the continuing impact of the COVID-19 pandemic. Adjusted for currency effects and portfolio changes, the Group's revenues declined by 3% to EUR 853 million (previous year: EUR 880 million). On a pro-forma[1] basis, revenues in the first quarter were at the previous year's level, reflecting the good organic growth of The Meet Group.

In the period from January to March 2021, the ongoing diversification of the Group compensated for the impact of the COVID-19 pandemic on the Group's revenues, especially since the previous year's quarter had only been marked by the first COVID-19 effects from mid-March 2020. Whereas in the first quarter of 2021 advertising revenues were down year-on-year as expected due to the pandemic, the Group continued its growth in large parts of the further business areas. The Dating segment played a key role here with the integration of the fast-growing The Meet Group, with the live video area in particular becoming an increasingly important growth driver and lever for synergies in this segment. At the same time, the beauty and lifestyle brand Flaconi continued its dynamic revenue growth in the Commerce & Ventures segment, benefiting considerably from the wide reach of the ProSiebenSat.1 stations. → Group Environment

EXTERNAL REVENUES in EUR m

	Entertainment		Dating		Commerce & Ventures		Total Group	
	Q1 2021	Q1 2020	**Q1 2021**	Q1 2020	**Q1 2021**	Q1 2020	**Q1 2021**	Q1 2020
Advertising revenues	**440**	**510**			**31**	**33**	**472**	**542**
DACH[2]	391	464			31	33	422	497
Rest of the world	50	45					50	45
Distribution	**44**	**41**					**44**	**41**
Content	**103**	**85**					**103**	**85**
Europe	35	34					35	34
Rest of the world	68	51					68	51
Matchmaking & Social Entertainment			**141**	**59**			**141**	**59**
Digital Platform & Commerce					**155**	**169**	**155**	**169**
Consumer advice					50	61	50	61
Experiences					11	14	11	14
Beauty & lifestyle					94	93	94	93
Other revenues	**22**	**28**			**1**	**1**	**23**	**28**
Total	**610**	**664**	**141**	**59**	**187**	**203**	**938**	**926**

[1] Based on the Group's portfolio- and currency-adjusted revenues, this figure includes the revenues of The Meet Group and its currency-adjusted revenues in the previous-year quarter.
[2] DACH = German-speaking region (Germany, Austria, Switzerland).

EXTERNAL REVENUES BY SEGMENT[1] in EUR m

	Q1 2021	Q1 2020	Absolute change	Change in %
Entertainment	610	664	–54	–8.1
Dating	141	59	82	> +100.0
Commerce & Ventures	187	203	–16	–7.7
Revenues	**938**	**926**	**13**	**1.4**

[1] The previous year's figures have been adjusted to the segment structure in place since the first quarter of 2021.

External revenues in the **Entertainment** segment amounted to EUR 610 million in the first quarter of 2021 and were thus 8% or EUR 54 million below the previous year's figure. Adjusted for currency effects and portfolio changes, the decline was 6%. As expected, the ongoing pandemic-related restrictions for private households and companies also impacted the advertising industry's investment behavior. Whereas advertising revenues decreased as expected by 14% in total, revenues from program production and sales (content) rose by 20%. After several productions had been postponed or stopped in the context of the pandemic last year, production business now posted an increase in revenues again. Distribution revenues also developed dynamically, rising by 8% year-on-year due to higher numbers of HD users. Other revenues declined by 18%. This decrease was also influenced by the disposal of the hosting and infrastructure provider myLoc managed IT AG ("myLoc", previous year: EUR 3 million). → Group Environment

External revenues in the **Dating** segment increased by EUR 82 million to EUR 141 million in the first quarter of 2021; this increase was influenced by the acquisition of the fast-growing The Meet Group in September of the previous year. Adjusted for currency effects and portfolio changes, revenues from the dating business remained about stable. On a pro-forma basis, i.e. taking into account The Meet Group's revenues for the first quarter of 2020, the segment posted an increase in revenues of 36%, with particularly dynamic growth in the live video business.

In the **Commerce & Ventures** segment, **external revenues** declined by 8% to EUR 187 million in the first quarter of 2021 (previous year: EUR 203 million). This development was attributable to the disposal and deconsolidation of the OTC provider WindStar Medical GmbH ("WindStar"; beauty & lifestyle) in December last year. Adjusted for currency effects and portfolio changes, however, the segment recorded revenue growth of 10%. In the context of the COVID-19 pandemic, the online beauty provider Flaconi in particular (beauty & lifestyle) continued its positive revenue development with significant growth and more than compensated for the negative effects that the lockdown measures are still having on individual portfolio companies. These include the rental car comparison portal Billiger Mietwagen (Silvertours GmbH; consumer advice) and the experience and leisure business of Jochen Schweizer mydays Holding GmbH ("Jochen Schweizer mydays"; experiences).

Revenues by Segment

REVENUE SHARE BY SEGMENT[1]

	Q1 2021	Q1 2020
Entertainment		
Advertising revenues DACH	42%	50%
Other Entertainment revenues	23%	22%
Dating	15%	6%
Commerce & Ventures	20%	22%

[1] The previous year's figures have been adjusted to the segment structure in place since the first quarter of 2021.

Adjusted EBITDA

The Group's **adjusted EBITDA** decreased by 9% or EUR 14 million year-on-year to EUR 143 million in the first quarter of 2021 and thus slightly less than originally expected. The **adjusted EBITDA margin** was 15.2% (previous year: 16.9%). While the decline in revenues in the high-margin advertising business in the Entertainment segment had a negative impact on adjusted EBITDA, the Dating and Commerce & Ventures segments recorded strong growth rates. The Group also initiated targeted cost measures at the beginning of the pandemic and implemented these consistently throughout the Group. In this way, ProSiebenSat.1 Group managed to compensate for the declines in advertising business due to COVID-19 to a large extent.

In the **Entertainment** segment, **adjusted EBITDA** decreased by 32% or EUR 46 million to EUR 97 million and the **adjusted EBITDA margin** amounted to 15.3% (previous year: 20.7%). This

ADJUSTED EBITDA BY SEGMENT[1] in EUR m

	Q1 2021	Q1 2020	Absolute change	Change in %	Adjusted EBITDA margin in Q1 2021 (in %)[2]	Adjusted EBITDA margin in Q1 2020 (in %)[2]
Entertainment	97	143	–46	–31.9	15.3	20.7
Dating	33	16	17	> +100.0	23.5	26.8
Commerce & Ventures	17	6	11	> +100.0	8.9	2.9
Reconciliation (Holding & other)	–4	–8	4	–47.7		
Total adjusted EBITDA	**143**	**157**	**–14**	**–8.9**	**15.2**	**16.9**

[1] The previous year's figures have been adjusted to the segment structure in place since the first quarter of 2021.
[2] Based on segment revenues.

development reflects the decline in revenues in the high-margin advertising business. By contrast, growth in the content and distribution businesses – alongside effective cost management – had a positive impact on the segment's profitability.

The **Dating** segment recorded significant growth in **adjusted EBITDA** in the first quarter of 2021: The figure more than doubled to EUR 33 million (previous year: EUR 16 million). This earnings growth is largely due to the acquisition of The Meet Group and its strong performance in comparison to the previous year. By contrast, the **adjusted EBITDA margin** decreased to 23.5% (previous year: 26.8%). This development reflects the different margin structures and the considerably stronger growth in the social entertainment business compared to the more profitable matchmaking business.

Adjusted EBITDA in the **Commerce & Ventures** segment also improved significantly in the first quarter of 2021. It increased by EUR 11 million to EUR 17 million. At the same time, the **adjusted EBITDA margin** rose to 8.9% (previous year: 2.9%). This was particularly due to cost measures which have been implemented since the beginning of the pandemic. Against this backdrop, all companies with the exception of the rental car comparison portal improved their earnings contributions year-on-year and thus compensated for the loss of the positive earnings contribution from WindStar (previous year: EUR 5 million).

In the context of the pandemic-impacted entertainment business, the Group's **EBITDA** also recorded a decline; it decreased by 5% or EUR 7 million to EUR 138 million. However, **EBIT** stabilized year-on-year, reflecting lower reconciling items and lower depreciation and amortization. A reconciliation of the different earnings figures is as follows:

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME
in EUR m

	Q1 2021	Q1 2020	Absolute change	Change in %
Adjusted EBITDA	**143**	**157**	**–14**	**–8.9**
Reconciling items	–5	–12	7	–60.9
EBITDA	**138**	**145**	**–7**	**–4.7**
Depreciation, amortization and impairments	–58	–64	6	–9.9
thereof from purchase price allocations	–14	–16	2	–10.2
Operating result (EBIT)	**80**	**80**	**0**	**–0.5**
Financial result	–7	–38	31	–80.8
Income taxes	–7	–12	5	–44.7
Net income	**66**	**31**	**35**	**> +100.0**

The **reconciling items** amounted to minus EUR 5 million in the first quarter of 2021 compared to minus EUR 12 million in the previous year. The largest single item was fair value adjustments of share-based payments in the amount of minus EUR 3 million (previous year: EUR 3 million). This was due to the positive share price development of ProSiebenSat.1 Media SE in the first quarter of 2021. Costs in the amount of EUR 1 million resulted from M&A projects (previous year: EUR 7 million), which were mainly attributable to the Commerce & Ventures segment. Expenses from other one-time items also decreased and amounted to EUR 1 million (previous year: EUR 7 million).

PRESENTATION OF RECONCILING ITEMS WITHIN ADJUSTED EBITDA in EUR m

	Q1 2021	Q1 2020
Adjusted EBITDA	**143**	**157**
M&A-related expenses	–1	–7
Reorganization expenses	0	–1
Fair value adjustments of share-based payments	–3	3
Expenses from other one-time items	–1	–7
Reconciling items	**–5**	**–12**
EBITDA	**138**	**145**

In total, **depreciation, amortization and impairments** amounted to EUR 58 million in the first quarter of 2021 (previous year: EUR 64 million). Impairment losses decreased year-on-year to EUR 1 million (previous year: EUR 7 million). Amortization of intangible assets amounted to EUR 39 million (previous year: EUR 38 million), while depreciation of property, plant and equipment came to EUR 18 million (previous year: EUR 20 million).

Financial result

The **financial result** amounted to minus EUR 7 million in the first quarter of 2021 (previous year: EUR –38 million) and was influenced by various, in some cases opposing developments and previous-year comparative effects:

The **interest result** amounted to minus EUR 9 million (previous year: EUR –16 million). This decrease was mainly due to tax interest income of EUR 7 million in connection with the decree on applying taxation under the controlled foreign corporation (CFC) rules. → Income Taxes

The **result from investments accounted for using the equity method**, also recognized in the financial result, was at the previous year's level at minus EUR 13 million (previous year: EUR –13 million). It primarily includes the Group's 50% share of Joyn's profit or loss.

The **other financial result** amounted to EUR 15 million (previous year: EUR –9 million). On the one hand, this includes effects from the valuation of contingent purchase price liabilities of minus EUR 3 million (previous year: EUR 15 million). On the other hand, the other financial result includes valuation effects from other financial instruments of EUR 23 million (previous year: EUR –22 million), which are made up of various individual items and are mainly attributable to the Commerce & Ventures segment.

These were partly offset by currency translation results of minus EUR 4 million (previous year: EUR –1 million).

Income taxes

Income taxes amounted to EUR 7 million in the first quarter of 2021 (previous year: EUR 12 million). As mentioned in the annual financial statements for 2020, this amount includes an adjustment of the provision for uncertain tax positions due to a decree by the tax authorities regarding a trade tax reduction for amounts from taxation under the controlled foreign corporation (CFC) rules of EUR 13 million. This led to a decrease in the effective tax rate to 9.1% in the first quarter of 2021 (previous year: 28.0%). Taking account of the above effect, the adjusted tax rate was 35.8%.

Net Income and Adjusted Net Income

Net income developed positively, increasing by EUR 35 million to EUR 66 million in the first quarter of 2021. This significant growth was mainly based on the positive development of the financial result as described above.

Adjusted net income amounted to EUR 37 million (previous year: EUR 58 million). This decrease largely reflects the development of adjusted EBITDA and the adjusted financial result. The reconciling items relevant in calculating adjusted net income are presented in the statement of reconciliation below. Basic adjusted earnings per share amounted to EUR 0.16 for the first quarter of 2021 (previous year: EUR 0.26).

RECONCILIATION OF ADJUSTED NET INCOME in EUR m

	Q1 2021	Q1 2020	Absolute change	Change in %
Net income	**66**	**31**	**35**	**> +100.0**
Reconciling items within EBITDA	5	12	–7	–60.9
Depreciation, amortization and impairments from purchase price allocations	14	16	–2	–10.2
Valuation effects in other financial result	–23	22	–45	> –100.0
Valuation effects of put options and earn-out liabilities[1]	4	–14	18	> –100.0
Valuation effects from interest rate hedging transactions	0	–1	1	–100.0
Other effects	–6	3	–9	> –100.0
Tax effects on adjustments	–17	–10	–7	63.8
Subtotal	**43**	**58**	**–15**	**–26.0**
Net income attributable to non-controlling interests	0	7	–7	> –100.0
Adjustments attributable to non-controlling interests	–6	–6	0	–6.2
Net income attributable to adjusted non-controlling interests	–6	1	–6	> –100.0
Adjusted net income	**37**	**58**	**–21**	**–36.7**
Adjusted earnings per share (in EUR)	**0.16**	**0.26**		

[1] Including compounding and foreign currency effects of EUR 1 million (previous year: EUR 1 million).

Key Income Statement Items

INCOME STATEMENT in EUR m

	Q1 2021	Q1 2020
Revenues	938	926
Cost of sales	–584	–551
Selling expenses	–157	–163
Administrative expenses	–122	–134
Other operating income/expenses	5	2
Operating result (EBIT)	**80**	**80**
Financial result	–7	–38
Income taxes	–7	–12
Net income	**66**	**31**
Attributable to shareholders of ProSiebenSat.1 Media SE	66	37
Non-controlling interests	0	–7

Functional Costs

The **cost of sales** rose by 6% to EUR 584 million in the first quarter of 2021 (previous year: EUR 551 million). This change is largely due to the acquisition of The Meet Group (EUR 61 million) and the disposal of WindStar (EUR 23 million). Adjusted for these effects, there was a slight decrease in the cost of sales of EUR 5 million or 1%. There was a revenue-driven rise in costs at Flaconi (EUR 19 million) and in the program production area (EUR 12 million). However, this was offset by cost measures which were implemented throughout the Group at the beginning of the COVID-19 pandemic. In addition, the costs of the rental car comparison portal and of the offers in the experiences area decreased in line with their revenues.

The programming expenses recognized in the cost of sales totaled EUR 227 million (previous year: EUR 240 million). This decrease reflects lower consumption of programming assets in the amount of EUR 213 million taking account of the provisions recognized for onerous contracts (previous year: EUR 226 million), which mainly related to the year 2018. At the same time, expenses for productions recognized immediately remained at the previous year's level (EUR 14 million).

The Group's **selling expenses** declined by 3% year-on-year to EUR 157 million (previous year: EUR 163 million) due to clear cost efficiency within the Group.

Consistent cost management in all segments also had a very clear impact on **administrative expenses,** which decreased by 9% to EUR 122 million in the first quarter of 2021 (previous year: EUR 134 million). This shows the impact of the cost measures due to COVID-19, such as savings in travel and consulting expenses. Amortization of intangible assets also decreased.

The Group's personnel expenses reported in the cost of sales, selling expenses and administrative expenses amounted to EUR 192 million in the first quarter of the year. This corresponds to an increase of 6% or EUR 10 million compared to the previous year. The higher personnel expenses primarily resulted from the acquisition of The Meet Group at EUR 13 million. This was countered by a small effect from the disposal of WindStar. Not including these factors, the Group's personnel expenses remain stable year-on-year.

FINANCIAL PERFORMANCE OF THE GROUP

Total assets amounted to EUR 6,465 million as of March 31, 2021 (December 31, 2020: EUR 7,081 million), representing a decrease of 9%.

FINANCIAL PERFORMANCE in EUR m

	03/31/2021	12/31/2020	Change (absolute)	Change (in %)
Assets				
Goodwill	2,201	2,177	24	1
Programming assets	1,053	1,072	–19	–2
Other intangible assets	944	943	1	0
Property, plant and equipment	466	443	23	5
Other	374	341	33	10
Non-current assets	**5,037**	**4,975**	**62**	**1**
Programming assets	143	141	2	1
Trade receivables	479	569	–90	–16
Other	211	172	40	23
Cash and cash equivalents	594	1,224	–630	–51
Current assets	**1,428**	**2,106**	**–679**	**–32**
Total assets	**6,465**	**7,081**	**–616**	**–9**
Equity and liabilities				
Shareholders' equity	**1,814**	**1,687**	**127**	**8**
Financial debt	2,592	2,591	1	0
Other	821	826	–5	–1
Non-current liabilities	**3,413**	**3,417**	**–4**	**0**
Financial debt	1	601	–600	–100
Other	1,237	1,376	–139	–10
Current liabilities	**1,238**	**1,977**	**–739**	**–37**
Total equity and liabilities	**6,465**	**7,081**	**–616**	**–9**

Programming assets declined year-on-year to EUR 1,196 million (March 31, 2020: EUR 1,239 million). The tables below show the development of programming assets in detail:

STATEMENT OF CHANGES IN PROGRAMMING ASSETS
in EUR m

	Q1 2021	Q1 2020
Carrying amount as of 01/01	**1,213**	**1,204**
Additions[1]	216	274
Disposals	–3	–3
Consumption	–230	–237
Carrying amount as of 03/31	**1,196**	**1,239**

[1] EUR 12 million of the additions in financial year 2021 have already been recognized in profit or loss through provisions for onerous contracts recognized in financial year 2018 (previous year: EUR 12 million).

EARNINGS EFFECTS OF PROGRAMMING ASSETS in EUR m

	Q1 2021	Q1 2020
Consumption	230	237
Change in provision for onerous contracts	–17	–11
Consumption including change in provision for onerous contracts	**213**	**226**

Property, plant, and equipment increased by 5% to EUR 466 million (December 31, 2020: EUR 443 million). This was mainly due to rented office space in Germany and advance payments made in connection with the new campus building in Unterföhring.

Other non-current assets increased by 10% to EUR 374 million (December 31, 2020: EUR 341 million). This was mainly due to positive effects from the valuation of financial investments and to the value performance of long-term foreign currency hedges in US dollars. **Other current assets** also increased, rising by 23% to EUR 211 million (December 31, 2020: EUR 172 million). This increase was particularly due to higher prepaid expenses and inventories. By contrast, **current trade receivables** declined by 16% to EUR 479 million as of the end of the reporting period (December 31, 2020: EUR 569 million).

Cash and cash equivalents decreased to EUR 594 million (December 31, 2020: EUR 1,224 million). This decrease of EUR 630 million as compared to December 31, 2020 mainly resulted from the early repayment of the bond with a volume of EUR 600 million in January this year. → Borrowings and Financing Structure

Equity increased by 8% to EUR 1,814 million (December 31, 2020: EUR 1,687 million). The equity ratio was 28.1% (December 31, 2020: 23.8%). On the one hand, this development was attributable to the currency translation of foreign subsidiaries' financial statements and the value performance of long-term foreign currency hedges in US dollars. On the other hand, the positive net income for the reporting period strengthened the equity base.

Non-current and current financial debt totaled EUR 2,593 million (December 31, 2020: EUR 3,192 million). The decrease in financial debt reflects the early repayment of the bond with a carrying amount of EUR 600 million that was originally due to mature in April 2021.

Net working capital

NET WORKING CAPITAL in EUR m

	03/31/2021	12/31/2020
Inventories	53	44
Receivables	494	588
Trade payables	643	692
Net working capital	**–96**	**–60**

The **net working capital** of ProSiebenSat.1 Group decreased to minus EUR 96 million as of March 31, 2021 (December 31, 2020: EUR –60 million). The ratio of average net working capital to revenues of the past twelve months was minus 2.4% as of March 31, 2021 (December 31, 2020: –1.5%).

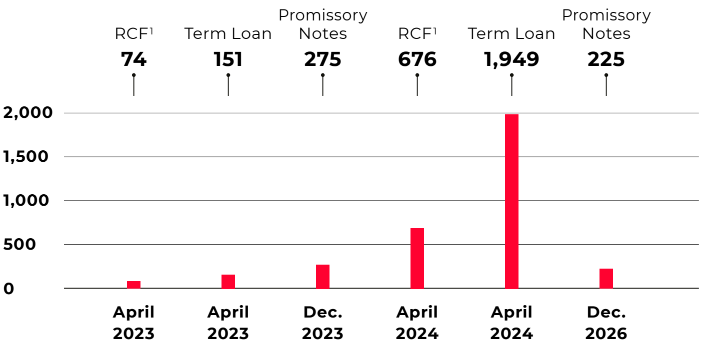
GROUP FINANCIAL POSITION AND LIQUIDITY

Borrowings and Financing Structure

ProSiebenSat.1 Group uses various financing instruments and practices active financial management. The Group's financing instruments are not subject to financial covenants. As of March 31, 2021, debt accounted for 72% of total equity and liabilities (December 31, 2020: 76%). Current and non-current financial debt accounted for a majority (56%) of this at EUR 2,593 million (December 31, 2020: EUR 3,192 million or 59%). → Financial Performance of the Group

The terms and volumes of the debt financing instruments are as follows: Most of the syndicated term loan of EUR 2.1 billion in total and the syndicated revolving credit facility (RCF) of up to EUR 750 million mature in April 2024. Since 2016, the Group's portfolio has also included three syndicated promissory notes totaling EUR 500 million with durations 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). Until January 15, 2021, ProSiebenSat.1 Group also had funds from a bond with a volume of EUR 600 million that was issued in April 2014. ProSiebenSat.1 Group exercised its three-month early termination right in December 2020 and repaid the bond at nominal value on January 15, 2021. Until the time of its early repayment in January this year, this bond, which was originally to mature on April 15, 2021, was listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7); the coupon was 2.625% p.a.

DEBT FINANCING INSTRUMENTS AND MATURITIES AS OF MARCH 31, 2021 in EUR m



[1] Not drawn.

Interest payable on the syndicated term loan and the syndicated revolving credit facility (RCF) 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 March 31, 2021, the proportion of fixed interest was 94% of the entire long-term financing portfolio (March 31, 2020: 95%; December 31, 2020: 95%). As of March 31, 2021, the average interest cap was 0% per annum for the period up to 2024. → Financial Performance of the Group

Financing Analysis

The leverage ratio reflects the ratio of net financial debt to adjusted EBITDA over the last twelve months (LTM adjusted EBITDA). As of the end of the first quarter of 2021, the leverage ratio increased slightly to a factor of 2.9x (December 31, 2020: 2.8x; March 31, 2020: 2.7x). This is due to the development of adjusted EBITDA over the past twelve months, which declined on account of the COVID-19 pandemic.

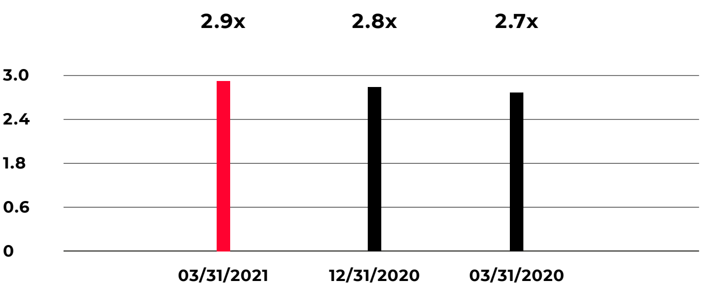
Net financial debt amounted to EUR 1,999 million as of March 31, 2021 (December 31, 2020: EUR 1,968 million; March 31, 2020: EUR 2,294 million). This figure thus improved by almost EUR 300 million compared to the end of the previous year's quarter in spite of the pandemic situation and remained almost stable compared to the end of 2020. This reflects the Group's effective cash flow management. → Analysis of Liquidity and Capital Expenditure

NET FINANCIAL DEBT in EUR m

	03/31/2021	12/31/2020	03/31/2020
Financial debt			
Term loan	2,093	2,092	2,090
Bond	–	600	599
Promissory note	499	499	499
Other loans	1	1	4
Financial debt	**2,593**	**3,192**	**3,192**
Cash and cash equivalents	594	1,224	898
Net financial debt	**1,999**	**1,968**	**2,294**

As of March 31, 2021, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities according to IFRS 16 of EUR 236 million (December 31, 2020: EUR 228 million; March 31, 2020: EUR 180 million) and real estate liabilities of EUR 78 million (December 31, 2020: EUR 71 million; March 31, 2020: EUR 53 million).

LEVERAGE RATIO[1]



[1] The leverage ratio is derived by calculating the ratio of net financial debt to LTM adjusted EBITDA.

Analysis of Liquidity and Capital Expenditure

ADJUSTED OPERATING FREE CASH FLOW in EUR m

	Q1 2021	Q1 2020
Adjusted EBITDA	143	157
Consumption of programming assets incl. change in provisions for onerous contracts	213	225
Change in provisions	7	–3
Change in working capital	–45	–52
Investments	–255	–322
thereof programming assets	–205	–266
thereof other investments	–50	–55
Other[1]	18	15
Adjusted operating free cash flow	**82**	**19**

[1] Mainly includes adjustments from reconciling items within EBITDA and proceeds from the disposal of programming assets.

To further focus on operating cash flow management, the Group introduced the **"adjusted operating free cash flow"** as one of its most important financial performance indicators in financial year 2021. This indicator is also used for internal controlling of the management in the Group. In the first quarter of 2021, adjusted operating free cash flow increased significantly from EUR 19 million to EUR 82 million. This development was significantly influenced by the postponement of investments and the improvement in working capital.

CASH FLOW STATEMENT in EUR m

	Q1 2021	Q1 2020
Cash flow from operating activites	**231**	**286**
Cash flow from investing activites	**–256**	**–335**
Free cash flow	**–25**	**–50**
Cash flow from financing activities	**–615**	**–11**
Effect of foreign exchange rate changes on cash and cash equivalents	10	8
Change in cash and cash equivalents	–630	–53
Cash and cash equivalents at beginning of reporting period	1,224	950
Cash and cash equivalents at end of reporting period	**594**	**898**

Cash flow from operating activities amounted to EUR 231 million in the first quarter of 2021 (previous year: EUR 286 million). On the one hand, the decline resulted from higher tax payments. On the other hand, the figure reflects higher interest payments, which related to the early repayment of the bond.
→ Borrowings and Financing Structure

ProSiebenSat.1 Group reported **cash flow from investing activities** of minus EUR 256 million for the period from January to March 2021 (previous year: EUR –335 million). Specifically, there were the following cash flows:

– The cash outflow for the acquisition of programming assets amounted to EUR 205 million in the first quarter (previous year: EUR 266 million). Programming investments are subject to seasonal fluctuations and related to the Entertainment segment.

– The cash outflow for additions to the scope of consolidation amounted to EUR 4 million in the period from January to March 2021 (previous year: EUR 23 million). In both the current year and the previous year, they particularly include deferred purchase price payments, including for US production companies.

– In the first quarter of the year, EUR 29 million went on other intangible assets (previous year: EUR 44 million). These primarily comprise development costs, licenses for sales of digital offerings, software, and industrial property rights. Investments in tangible assets amounted to EUR 21 million (previous year: EUR 12 million). Besides technical facilities and leasehold improvements, they included the new campus building at the Unterföhring site.

The developments described resulted in a **free cash flow** of minus EUR 25 million for the first quarter of 2021 (previous year: EUR –50 million).

Cash flow from financing activities amounted to minus EUR 615 million (previous year: EUR –11 million). In the reporting period, the development of cash flow from financing activities was influenced by the early repayment of the bond in the amount of EUR 600 million.

The cash flows described resulted in a decrease in **cash and cash equivalents** to EUR 594 million (December 31, 2020: EUR 1,224 million). Taking account of the reduction in the debt previously borrowed, the Group's liquidity position is still good. For example, the previous year's figure still included the funds from the bond with a volume of EUR 600 million, which has now been repaid.

RISK AND OPPORTUNITY REPORT

Digitalization opens up new growth markets for all of our segments. Media usage, for example, is becoming more and more diverse, while video is being consumed increasingly independently of time and place. In order to actively shape this transformation and translate it into growth potential, we have bundled our entire entertainment portfolio into one segment since January 1, 2021. We can thus work even more synergistically and offer programming across all platforms as well as develop cross-media advertising concepts. At the same time, we want to differentiate ourselves more clearly from the global streaming providers with a greater focus on relevant and local, live programming. The trend toward digitalization will continue in the years to come and has gained momentum in many areas in the wake of the COVID-19 pandemic. However, this 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.

ProSiebenSat.1 Group's overall risk situation is unchanged compared to the end of 2020. All risks reported at the end of 2020 are unchanged in terms of both probability of occurrence and possible impact. → Future Business and Industry Environment

Against this backdrop, we estimate that there are currently no risks that, individually or in combination with other risks, could have a material or lasting adverse effect on the earnings, financial position and performance of the Group. The identified risks pose no threat to the Company as a going concern, even looking into the future. The opportunity situation has not changed compared to the end of 2020. → Company Outlook

ProSiebenSat.1 Media SE has implemented a comprehensive risk management system to systematically identify, assess, manage and monitor risks. Risks are defined in this report as potential future developments or events 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 interim consolidated financial statements as of March 31, 2021, therefore do not come under this definition and are consequently not explained in this Risk Report.

In conjunction with the new set-up of ProSiebenSat.1 Media SE's segments as of January 1, 2021, the Group also adapted its risk management system and is thus reporting its risks in line with the Entertainment, Dating and Commerce & Ventures segment structure.

The relevant risks are described in the Annual Report 2020 from page 105. The organizational requirements for risk and opportunity management are also explained here. The Annual Report was published on March 4, 2021, and is available at → www.prosiebensat1.com/en/investor-relations/publications/annual-reports

OUTLOOK

FUTURE BUSINESS AND INDUSTRY ENVIRONMENT

According to the International Monetary Fund (IMF), the global economy declined by 3.3% in real terms in 2020. The IMF is optimistic again for 2021, expecting growth of 6.0%. Due to their effective fight against COVID-19 and extensive stimulus packages, the US and China are the driving forces. Here, forecast growth rates of 6.4% and 8.4% are predicted, respectively. In the eurozone, growth of 4.4% is expected for 2021 after last year's 6.6% decrease.

The German economy is currently caught in the field of tension between invigorating and dampening influences. The recovery of the global economy is strengthening exports and industrial production, while the development of the pandemic and slow progress of vaccination are significantly harming consumer business sectors. Overall, the institutes of the Joint Economic Forecast anticipate real growth of 3.7% in 2021. There is also plenty of growth potential domestically. Government assistance such as short-time work arrangements kept the rise in unemployment in 2020 within limits. Private households' disposable incomes even increased slightly by 0.7%; the savings rate rose considerably to 16.2% (2019: 10.9%).

The development in German retail showed that consumers are certainly willing to spend, given the opportunity. Here, the real revenues increased substantially by 4.4% in 2020, driven mainly by the booming e-commerce business. Following the easing of lockdown restrictions, we can therefore expect to see an increase in the reduction of accumulated savings. For the full-year, the current Joint Economic Forecast projects a real increase in private consumer spending of 0.2%. The main potential is not likely to fully develop until 2022. Here, growth of 8.5% is expected.

FORECAST FOR GDP IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1 in %, real terms, change vs. previous year

Gross domestic product	**2021e**	2022e
GER	3.7	3.9
AT	2.3	4.3
CH	3.2	3.5
USA	6.4	3.5

Sources: GER: Joint Economic Forecast Spring 2021; **AT:** WiFo Economic Outlook March 2021; **CH:** SECO Economic Forecast March 2021; **USA:** IMF World Economic Outlook April 2021.

FORECAST FOR PRIVATE CONSUMPTION IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1

in %, real terms, change vs. previous year

Private consumption	**2021e**	2022e
GER	0.2	8.5
AT	2.4	4.0
CH	3.7	3.7
USA	6.1	3.3

Sources: GER: Joint Economic Forecast Spring 2021; **AT:** WiFo Economic Outlook March 2021; **CH:** SECO Economic Forecast March 2021; **USA:** World Economic Outlook April 2021.

The greatest risk to the forecasts remains an adverse development of the pandemic in Germany and abroad. The same applies to the advertising market as an cyclical sensitive sector. According to forecasts from December 2020, the media agencies Magna Global and ZenithOptimedia anticipate growth in 2021 – both for the general advertising market (Magna Global: +7.9%; ZenithOptimedia: +2.5%) and for the TV advertising market (Magna Global: +5.0%; ZenithOptimedia: +1.0%). In-stream video advertising is likely to continue its dynamic development and drive growth of the online advertising market. → Economic Development

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

in %, real terms, change vs. previous year

Net advertising market	**2021e**	2022e
GER	7.9	2.1
AT	2.5	2.5
CH	4.9	2.8

Source: Magna Global, Global Advertising Forecast December 2020, figures adjusted on a net basis, nonetheless methodological differences between different countries and sources.

ProSiebenSat.1 Group is a broadly diversified company and much more than a pure media company. Nevertheless, the TV advertising market is currently our largest revenue market. At the same time, we are observing two megatrends: Digitalization has rapidly transformed the media sector; television content can be accessed regardless of time, location or device, which means media use and media consumption are also becoming increasingly digital. Furthermore, the digital transformation is also accelerating in many consumer markets in which ProSiebenSat.1 Group operates and is pushing the use of online offerings and videos forward. In 2020, this trend was amplified not least by the COVID-19 pandemic. This also applies to the use of online videos in less entertainment related sectors, such as online dating, which is growing in importance as a result of increasing digitalization and strengthening our independence from the cyclical development of the advertising market. Further information on the industry environment can be found in the → 2020 Annual Report from page 116.

COMPANY OUTLOOK

ProSiebenSat.1 Group anticipates a significantly more positive development in the second quarter than in the previous year's quarter despite the ongoing lockdown measures. The Group continues to expect advertising revenues to recover strongly in the second quarter – also due to the heavy negative impact of the previous year's quarter in the initial phase of the COVID-19 pandemic – as well as also a continued positive development in the Entertainment segment outside the advertising business and in the segments Dating as well as Commerce & Ventures.

As the Group expects this positive trend to continue, ProSiebenSat.1 Group has decided to slightly increase its target ranges for revenues and adjusted EBITDA in full-year 2021 compared to the outlook published in the 2020 Annual Report on March 4, 2021.

In total, the Group is now targeting for full-year 2021 – without further portfolio changes – revenues of EUR 4.250 billion (previously: EUR 4.150 billion) as the lower end of the target range and revenues of EUR 4.450 billion (previously: EUR 4.350 billion) as the upper end of the target range after a previous-year figure of EUR 4.055 billion (adjusted for currency and portfolio effects)[1]. In financial year 2021, Group revenue growth would thus be in a range between 5% and 10% compared to the previous year (previously: 2% to 7%). The range of the revenue target figures continues to depend particularly on the development of advertising revenues in the region of Germany, Austria and Switzerland in the context of the further course of the COVID-19 pandemic. For the lower end of the revenue target range, the Group continues to assume a development of minus 2% in advertising revenues in the region of Germany, Austria and Switzerland compared to the previous year; a year-on-year advertising revenue growth of 4% in the region of Germany, Austria and Switzerland continues to be the basis for the upper end of the revenue target range.

Based on the revenue assumptions above, for the full-year of 2021 ProSiebenSat.1 now anticipates a Group adjusted EBITDA – without further portfolio changes – of EUR 750 million as the lower end of the target range (previously: EUR 720 million) and EUR 800 million as the upper end of the target range (previously: EUR 780 million) after a previous-year figure of EUR 708 million (adjusted for currency and portfolio effects)[2]. For the full-year, program costs are still expected to amount to around EUR 1 billion, with over half of this relating 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 increase of the revenue and adjusted EBITDA target ranges also has a positive effect on all the Group's other most important financial performance indicators:

The adjusted net income of the Group continues to be mainly determined by the development of the adjusted EBITDA. As before, this key figure is furthermore influenced by the financial result, which includes among others the at-equity investment in the streaming platform Joyn, and by income taxes. On this basis and without further portfolio changes, the Group thus continues to expect that the adjusted net income for the full year 2021 should be above the previous year's figure of EUR 221 million.

The adjusted operating free cash flow is based on the development of the adjusted EBITDA. Reaching a midpoint of the adjusted EBITDA target range, the Group still assumes that the adjusted operating free cash flow for the full-year, – for reasons of comparability corrected for the change of investments in relation to the construction of the new campus at the premises in Unterföhring – should develop in a mid-double-digit million euro range around the previous year's figure of EUR 424 million.

ProSiebenSat.1 Group measures the mid-term financial success of the company on the basis of P7S1 ROCE (return on capital employed). The Group introduced this key financial indicator as a key figure for the entire Group in 2020. In financial year 2021, we continue to target a P7S1 ROCE of more than 10% (previous year: 10%). For the Group as a whole, this key figure is expected to exceed 15% in the mid-term.

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 2021, the Group still anticipates – depending on business performance and not including any portfolio changes – a leverage ratio slightly above or at the upper end of the target corridor (previous year: 2.8x).

1 Based on revenues in financial year 2020 translated at the exchange rates used for planning purposes in financial year 2021 (EUR/USD exchange rate of around USD 1.22) less revenues of the companies deconsolidated in 2020 – WindStar Medical at EUR 114 million and myLoc at EUR 10 million – plus pro forma revenues for The Meet Group between January and August 2020 of EUR 173 million, also translated at the exchange rate used for planning purposes in financial year 2021 (EUR/USD exchange rate of around USD 1.22).
2 Based on adjusted EBITDA in financial year 2020 translated at the exchange rates used for planning purposes in financial year 2021 (EUR/USD exchange rate of around USD 1.22) less adjusted EBITDA of the companies deconsolidated in 2020 – WindStar Medical at EUR 23 million and myLoc at EUR 3 million – plus the pro forma adjusted EBITDA contributions for The Meet Group between January and August 2020 of EUR 33 million, also translated at the exchange rate used for planning purposes in financial year 2021 (EUR/USD exchange rate of around USD 1.22).

CONSOLIDATED INCOME STATEMENT

in EUR m	Q1 2021	Q1 2020
Revenues	938	926
Cost of sales	–584	–551
Gross profit	**354**	**374**
Selling expenses	–157	–163
Administrative expenses	–122	–134
Other operating expenses	–1	–5
Other operating income	6	7
Operating result	**80**	**80**
Interest and similar income	6	1
Interest and similar expenses	–15	–17
Interest result	–9	–16
Result from investments accounted for using the equity method	–13	–13
Other financial result	15	–9
Financial result	**–7**	**–38**
Result before income taxes	**73**	**43**
Income taxes	–7	–12
Net income	**66**	**31**
Attributable to shareholders of ProSiebenSat.1 Media SE	66	37
Attributable to non-controlling interests	0	–7
Earnings per share in EUR		
Basic earnings per share	0.29	0.16
Diluted earnings per share	0.29	0.16

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	Q1 2021	Q1 2020
Net income	**66**	**31**
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustment	37	9
Measurement of cash flow hedges	34	43
Income taxes	–9	–12
Other comprehensive income	**62**	**40**
Total comprehensive income	**128**	**71**
Attributable to shareholders of ProSiebenSat.1 Media SE	118	78
Attributable to non-controlling interests	9	–7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in EUR m	03/31/2021	12/31/2020
ASSETS		
Goodwill	2,201	2,177
Programming assets	1,053	1,072
Other intangible assets	944	943
Property, plant and equipment	466	443
Investments accounted for using the equity method	11	14
Other financial assets	309	271
Other receivables and non-current assets	1	2
Deferred tax assets	53	54
Non-current assets	**5,037**	**4,975**
Programming assets	143	141
Inventories	53	44
Other financial assets	55	50
Trade receivables	479	569
Current tax assets	36	31
Other receivables and current assets	67	47
Cash and cash equivalents	594	1,224
Current assets	**1,428**	**2,106**
Total assets	**6,465**	**7,081**

	03/31/2021	12/31/2020
EQUITY AND LIABILITIES		
Subscribed capital	233	233
Capital reserves	1,045	1,045
Consolidated equity generated	356	290
Treasury shares	–62	–62
Accumulated other comprehensive income	8	–44
Other equity	–131	–129
Total equity attributable to shareholders of ProSiebenSat.1 Media SE	1,450	1,333
Non-controlling interests	364	354
Equity	**1,814**	**1,687**
Non-current financial debt	2,592	2,591
Other non-current financial liabilities	420	410
Trade payables	53	74
Other non-current liabilities	3	4
Provisions for pensions	32	32
Other non-current provisions	44	45
Deferred tax liabilities	269	260
Non-current liabilities	**3,413**	**3,417**
Current financial debt	1	601
Other current financial liabilities	85	109
Trade payables	590	618
Other current liabilities	346	374
Current tax liabilities	88	133
Other current provisions	128	142
Current liabilities	**1,238**	**1,977**
Total equity and liabilities	**6,465**	**7,081**

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	**Q1 2021**	Q1 2020
Net income	**66**	**31**
Income taxes	7	12
Financial result	7	38
Depreciation, amortization and impairments of other intangible assets and property, plant and equipment	58	64
Consumption of programming assets incl. change in provisions for onerous contracts	213	225
Change in provisions	7	–3
Gain/loss on the sale of assets	–1	–1
Other non-cash income/expenses	–1	–1
Change in working capital	–45	–52
Dividends received	0	6
Income tax paid	–57	–24
Interest paid	–24	–10
Interest received	0	1
Cash flow from operating activities	**231**	**286**
Proceeds from disposal of non-current assets	5	21
Payments for the acquisition of other intangible assets and property, plant and equipment	–50	–55
Payments for investments including investments accounted for using the equity method	–10	–19
Proceeds from disposal of programming assets	8	7
Payments for the acquisition of programming assets	–205	–266
Payments for the issuance of loan receivables	–1	—
Payments for obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	–4	–23
Cash flow from investing activities	**–256**	**–335**
Repayment of financial liabilities	–780	–5
Proceeds from issuance of financial liabilities	187	5
Repayment of lease liabilities	–10	–10
Payments for transactions with non-controlling interests	–9	0
Dividend payments to non-controlling interests	–2	–2
Cash flow from financing activities	**–615**	**–11**
Effect of foreign exchange rate changes on cash and cash equivalents	10	8
Change in cash and cash equivalents	**–630**	**–53**
Cash and cash equivalents at beginning of reporting period	1,224	950
Cash and cash equivalents at end of reporting period	**594**	**898**

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	Accumulated other comprehensive income: Measurement of cash flow hedges	Accumulated other comprehensive income: Remeasurement of defined benefit obligations	Accumulated other comprehensive income: Deferred taxes	Other equity	Attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Total equity
December 31, 2019	233	1,045	25	-63	15	70	-14	-16	-236	1,059	229	1,288
Net income	—	—	37	—	—	—	—	—	—	37	-7	31
Other comprehensive income	—	—	—	—	9	43	—	-12	—	40	0	40
Total comprehensive income	**—**	**—**	**37**	**—**	**9**	**43**	**—**	**-12**	**—**	**78**	**-7**	**71**
Dividends	—	—	—	—	—	—	—	—	—	—	-2	-2
Other changes	—	0	0	—	—	—	—	—	-2	-2	2	0
March 31, 2020	**233**	**1,045**	**62**	**-63**	**24**	**113**	**-14**	**-28**	**-238**	**1,135**	**222**	**1,357**

in EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Accumulated other comprehensive income: Measurement of cash flow hedges	Accumulated other comprehensive income: Remeasurement of defined benefit obligations	Accumulated other comprehensive income: Deferred taxes	Other equity	Attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Total equity
December 31, 2020	233	1,045	290	-62	-33	0	-15	4	-129	1,333	354	1,687
Net income	—	—	66	—	—	—	—	—	—	66	0	66
Other comprehensive income	—	—	—	—	28	34	—	-9	—	52	9	62
Total comprehensive income	**—**	**—**	**66**	**—**	**28**	**34**	**—**	**-9**	**—**	**118**	**9**	**128**
Dividends	—	—	—	—	—	—	—	—	—	—	-2	-2
Other changes	—	0	0	—	—	—	—	—	-2	-2	3	1
March 31, 2021	**233**	**1,045**	**356**	**-62**	**-5**	**33**	**-15**	**-5**	**-131**	**1,450**	**364**	**1,814**

FINANCIAL CALENDAR

PRESENTATIONS & EVENTS 2021

Date	Event
12/05/2021	Publication of the Quarterly Statement for the First Quarter of 2021
01/06/2021	Annual General Meeting 2021
05/08/2021	Publication of the Half-Yearly Financial Report of 2021
04/11/2021	Publication of the Quarterly Statement for the Third Quarter of 2021

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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,” “pursues the goal,” 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.