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ProSiebenSat.1 Media SE
Half-Yearly Financial Report 2020

KEY FIGURES OF PROSIEBENSAT.1 GROUP

in EUR m

	H1 2020	H1 2019	Q2 2020	Q2 2019
Revenues	1,634	1,860	709	947
Revenue margin before income taxes (in %)	-1.6	16.6	-9.6	13.8
Total costs	1,604	1,605	751	812
Operating costs[1]	1,469	1,475	693	743
Consumption of programming assets	447	449	221	217
Adjusted EBITDA[2]	180	403	23	213
Adjusted EBITDA margin (in %)	11.0	21.7	3.3	22.5
EBITDA	166	384	21	204
Reconciling items[3]	-14	-19	-2	-9
Operating result (EBIT)	45	273	-35	144
Adjusted EBIT	88	319	-21	168
Financial result	-70	36	-33	-13
Result before income taxes	-26	309	-68	131
Adjusted net income[4]	7	179	-52	85
Net income	-30	215	-61	94
Net income attributable to shareholders of ProSiebenSat.1 Media SE	-17	215	-54	93
Net income attributable to non-controlling interests	-13	-1	-7	1
Adjusted earnings per share (in EUR)	0.03	0.79	-0.23	0.37
Payments for the acquisition of programming assets	482	586[5]	216	239[5]
Free cash flow	-91	-79	-41	-25
Cash flow from investing activities	-605	-762[5]	-269	-394[5]
Free cash flow before M&A	-55	15	-26	76
Audience share (in %)[6]	27.4	28.1	28.2	28.4
Total Video Viewtime (in billion minutes)[7]	558	540	275	257
Total daily TV consumption (AGF) (in minutes)[8]	218	207	210	192

	06/30/2020	12/31/2019	06/30/2019
HD subscribers (in m)[9]	10.4[9]	10.0	9.8[9]
Employees[10]	6,477	7,253	7,318
Programming assets	1,226	1,204	1,212
Equity	1,270	1,288	1,080
Equity ratio (in %)	18.7	19.5	17.2
Cash and cash equivalents	1,190	950	685
Financial debt	3,542	3,195	3,200
Leverage ratio[11]	3.6	2.6	2.6
Net financial debt	2,353	2,245	2,514

1 Total costs excl. expense adjustments, depreciation, amortization, and impairments.
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, as well as valuation effects from interest rate hedging transactions. Moreover, the tax effects resulting from such adjustments are also adjusted. Annual Report 2019, page 88.
5 Adjustment previous year see Notes to Consolidated Financial Statements, Note 1 "General information".
6 ProSiebenSat.1 Group; AGF in cooperation with GfK; market standard: TV; VideoScope 1,3; January 1, 2019-June 30, 2020 / Target group: 14-49.
7 Total video view time represents the total number of minutes viewed across ProSiebenSat.1 Group's linear and non-linear platforms (TV-Websites, mobile apps, SmartTV, HbbTV), inclusive Studio71 Germany (TV Content) and Joyn of ProSiebenSat.1 Group.
8 Total TV Market; Target group: 14-69.
9 HD FTA subscribers, Germany, as of May 31.
10 Full-time equivalent positions as of reporting date.
11 Ratio net financial debt to adjusted EBITDA in the last twelve months.

GROUP INTERIM MANAGEMENT REPORT

AT A GLANCE

- **COVID-19 pandemic makes a significant impact on ProSiebenSat.1 Group's Q2 and H1 figures**
- **Group revenues decreased by 12% in the first half of 2020 to EUR 1,634 million**
- **COVID-19 has a considerable impact on the revenues of SevenOne Entertainment Group and Red Arrow Studios, while NuCom Group grows by 10% in the first half of the year**
- **Adjusted EBITDA declines from EUR 403 million to EUR 180 million; adjusted net income decreases from EUR 179 million to EUR 7 million**
- **Liquidity position remains good: EUR 1,190 million in cash as of June 30, 2020**
- **Entertainment offerings' Total Video Viewtime grows by 3.4% from the start of the year**

ProSiebenSat.1 Group is driving the digital transformation forward emphatically and uniting leading entertainment brands with a globally successful production and distribution business and a highly growing commerce business under one roof. The Group is increasingly taking advantage of synergies within the Group by systematically connecting the business areas with one another. For example, local programs for SevenOne Entertainment Group's business are increasingly being produced by Red Arrow Studios, while SevenOne Entertainment Group and NuCom Group each benefit from the reach, the attractive programming and advertising environment and the data portfolio of the other business area. The Group's revenue base is therefore widely diversified. In the mid-term, ProSiebenSat.1 Group intends to further increase the digital business' share in Group revenues to over 50% (H1 2020: 38%; H1 2019: 31%).

At the same time, ProSiebenSat.1 Group is returning the primary focus of its operating business to the entertainment sector in the DACH region (Germany, Austria and Switzerland). Here, the main emphasis is on local and live formats, also in close cooperation with Red Arrow Studios and Studio71. The Group's digital reach is to be further extended, including via the streaming platform Joyn. NuCom remains an important pillar of the Group in synergistic terms. ProSiebenSat.1 Group regularly analyzes its portfolio and assesses possible growth and synergy potential. This strategy includes media-for-equity and media-for-revenue deals in order to continue generating the best possible synergies with the core entertainment business. Thereby, the acquired companies, which benefit from advertising on our entertainment platforms, continue to be developed to generate value and sold in due course under an active portfolio policy.

The global COVID-19 pandemic and the resulting restrictions in public and economic life had a considerable impact on ProSiebenSat.1 Group's business performance in the second quarter of 2020, which is also reflected in the financial figures for the first half of 2020. The Group closed the first six months of 2020 with revenues of EUR 1,634 million (previous year: EUR 1,860 million), down 12% year-on-year. In this period, external revenues in the SevenOne Entertainment Group and Red Arrow Studios segments decreased by 19% and 17%, respectively, as a result of COVID-19. This development was mainly due to the announced decline in advertising revenues in an environment affected by COVID-19. In contrast, the NuCom Group segment recorded an increase of 10%. In the first half of 2020, adjusted EBITDA decreased by 55% year-on-year to EUR 180 million (previous year: EUR 403 million). Adjusted net income reflected this development and therefore was down to EUR 7 million in the first six months of the year (previous year: EUR 179 million).

At the core of its business activities, the Group will continue to provide entertainment across all platforms and regardless of time and place. This success is decisively shaped by the Group's employees. As of June 30, 2020, ProSiebenSat.1 Group had 6,477 employees (previous year: 7,318), calculated on the basis of full-time equivalents. The decline is primarily the result of changes in the US production business, which has been particularly affected by order postponements and cancellations in connection with the COVID-19 pandemic.

SIGNIFICANT EVENTS

ProSiebenSat.1 Group regularly analyzes its portfolio and assesses possible growth and synergy potential. This strategy includes portfolio expansions, company disposals and investments in promising growth areas. On March 5, 2020, ProSiebenSat.1 Group and General Atlantic PD GmbH ("General Atlantic") have signed an agreement for the complete takeover of the US online dating and social entertainment enterprise The Meet Group, Inc., New Hope, Pennsylvania, USA ("The Meet Group") via their common entity NUCOM GROUP SE ("NuComGroup"). The acquisition agreement stipulates a purchase price of 6.30 USD per share in The Meet Group, which equates to a value of the company of around USD 500 million. The general meeting of The Meet Group has approved the acquisition on June 4, 2020. The portfolio entities of Parship Group will be joined with those of The Meet Group in order to create a leading global player in the online dating market. ProSiebenSat.1 Group will hold a stake of 55% in the newly created combined entity whereas General Atlantic's share will amount to 45%. The acquisition is still subject to approval by a regulatory body in the US and is expected to be closed in the second half of 2020.

On March 13, 2020, the company announced that Conrad Albert, Deputy CEO of ProSiebenSat.1 Media SE, would resign his Executive Board post by mutual agreement at the end of April 30, 2020, and leave the company on this date.

In addition, the Supervisory Board of ProSiebenSat.1 Media SE resolved on March 26, 2020, that CFO Rainer Beaujean would also take on the role of Chairman of the Executive Board and CEO Max Conze would leave the company with immediate effect. Additionally, Wolfgang Link and Christine Scheffler were newly appointed to the Executive Board. In the reorganized Executive Board, Rainer Beaujean is responsible for Strategy & M&A and all financial functions, as well as the holding divisions IT, Communications, Investor Relations, Legal and Media Policy and the operating segments Red Arrow Studios and NuCom Group. Christine Scheffler heads the Human Resources, Compliance, Sustainability and Organizational Development & Operational Excellence departments. Wolfgang Link is fully responsible for the core entertainment business, which includes all areas from content and digital to sales and the streaming business with the platform Joyn. ➡ https://www.prosiebensat1.com/en/about-prosiebensat-1/who-we-are/executive-board

The new lineup of the Executive Board is accompanied by an altered strategic focus. ProSiebenSat.1 Group has returned the primary focus of its operating business to the entertainment sector in the DACH region (Germany, Austria and Switzerland). Here, the main emphasis is on local and live formats, also in close cooperation with Red Arrow Studios and Studio71. The Group's digital reach is to be further extended, including via the streaming platform Joyn. NuCom remains an important pillar of the Group in synergistic terms. Existing companies that benefit from advertising on the entertainment platforms will continue to be developed to generate value and sold in due course under an active portfolio policy.

i ProSiebenSat.1 Group renamed its segments in the first quarter of 2020 and has since reported in the segments SevenOne Entertainment Group (formerly Entertainment), Red Arrow Studios (formerly Content Production & Global Sales) and NuCom Group (formerly Commerce). The holding is reported in the reconciliation column (Holding & Other). The previous year's figures have been adjusted accordingly. ➡ 2019 Annual Report, Organization and Group Structure, from page 83

In line with its increased focus on entertainment, ProSiebenSat.1 Group also acquired broadcasting rights for Bundesliga soccer from the 2021/22 season for its station SAT.1 in June 2020. The exclusive live free TV package comprises nine live matches per season, including the Supercup, the opening Bundesliga game, the matches before and after the winter break, the opening game of Bundesliga 2, and the Bundesliga and Bundesliga 2 play-offs. The rights package is valid for four seasons in total. The live matches will be broadcast on SAT.1 and in parallel on the platforms ran.de and sat1.de, on the ran and SAT.1 apps, and in the SAT.1 live stream on Joyn.

In March 2020, ProSiebenSat.1 Group also concluded the strategic review process for Red Arrow Studios' international production business, and decided that it would remain part of the group, as various options that were being examined are no longer feasible in the context of the COVID-19 crisis.

The health and safety of employees are ProSiebenSat.1 Group's top priority. In light of the COVID-19 crisis, most of the employees at the Unterföhring site have been working mobile from home since mid-March. Only employees who are mandatory in order to continue broadcasting remain on site. At the same time, the Group has taken all necessary measures to protect the company as a whole and to position it for a potentially lengthy period of challenging economic conditions. This includes both vigorous cost management and stable financing. Accordingly, in April 2020 the Group has drawn down a portion of EUR 350 million of its revolving credit facility (RCF) in response to an environment characterized by COVID-19 and aims at ensuring continuous access to the Group's liquidity reserves. ➡ Borrowings and Financing Structure ➡ Analysis of Liquidity and Capital Expenditure ➡ Outlook

As another significant event, Dr. Antonella Mei-Pochtler was appointed as a member of the Supervisory Board of ProSiebenSat.1 Media SE by court order with effect from April 13, 2020. A clear majority of the shareholders then elected her as a new Supervisory Board member at the Annual General Meeting on June 10, 2020. She is taking over from Angelika Gifford, who had resigned with effect from January 13, 2020. Dr. Antonella Mei-Pochtler is an independent entrepreneur as well as senior advisor at the Boston Consulting Group and special advisor to the Austrian Chancellor. She has extensive expertise as well as a global network in the areas of strategy, media and digital transformation.

i Due to rounding, it is possible that individual figures in these interim consolidated financial statements do not add exactly to the totals shown.

BUSINESS PERFORMANCE OF PROSIEBENSAT.1 GROUP

GROUP ENVIRONMENT

Economic Development

After the first cases of the new coronavirus (SARS-CoV-2) and the coronavirus disease it causes (COVID-19) arose in Wuhan (China) at the end of December 2019, the pathogen spread worldwide in the subsequent months. In this environment, all the published market forecasts for 2020 and beyond initially had to be withdrawn. Some of them are now partly back again, significantly adjusted.

At the beginning of July 2020, there were nearly 200,000 confirmed COVID-19 infections and around 9,000 deaths in Germany. After a phase of stringent lockdown measures in the first months of the second quarter, the situation in Germany is currently under control. However, local outbreaks show how unstable the situation remains. In particular, the continuing easing of social restrictions and the growth in travel are increasing the risk of relapses and renewed restrictions.

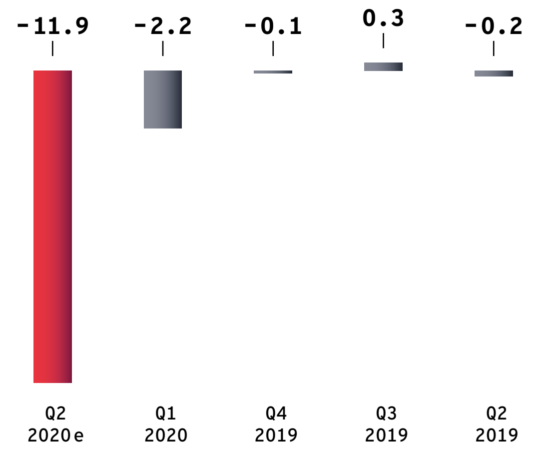
Other European countries, particularly large and important trading partners such as Italy, France and Spain, were and are much more seriously affected by the COVID-19 pandemic than Germany and its neighbors Austria and Switzerland, which are ProSiebenSat.1 Group's core markets. The relapse risks are high, especially in countries with inadequate crisis management. The latter also applies to the world's largest national economy, the US, which is still battling a rapidly rising infection rate.

In June, the International Monetary Fund (IMF) therefore forecast a decline in global economic output in 2020 of 4.9% in real terms. Such a decline would be much greater than during the 2009 financial crisis (–0.1%) and the deepest recession since the Great Depression in the 1930s.

The grave global crisis is also affecting the German economy, which is particularly vulnerable to global economic crises due to its high export focus and strong international links. In addition, the strict protection measures are hitting private consumption in particular, which has been a key pillar of the German economy in previous years. During the strict lockdown in April, important indicators such as incoming orders, industrial production and exports as well as sentiment barometers such as the ifo Business Climate Index and GfK Consumer Climate Index virtually nosedived. At the same time, there was an increase in the number of short-time work registrations. Gross domestic product will be impacted accordingly in the second quarter of 2020: On the basis of various forecasts, it is expected to tumble by a high single-digit or even double-digits compared to the previous quarter.

The German Council of Economic Experts currently expects German economic output to decline by 6.5% in real terms for 2020. The good management of the direct, health-related consequences of the COVID-19 pandemic is currently having a positive impact on economic performance. The German government's comfortable starting situation in terms of fiscal policy, which allowed it to launch a stimulus package of EUR 130 billion, is another supporting factor. This package ranges from the temporary reduction of the VAT rate and interim assistance for small and medium-sized enterprises to the promotion of environmentally friendly drive technologies. However, the forecast entails considerable risk. The decisive factors are mainly the progression and management of the COVID-19 pandemic in Germany and abroad. → Future Business and Industry Environment

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



Adjusted for price, seasonal and calendar effects.
Source: Destatis, ifo Economic Forecast, summer 2020.
e: estimate.

Sector-Specific Development

ProSiebenSat.1 Group is continually enhancing its linear and non-linear offerings and is thus increasing its total reach. The company is thus taking account of altered media usage: The lines between different media are increasingly blurring and identical content is more often being consumed via various channels on different devices. In the future, the resulting overlaps between the various forms of usage can be presented in a cross-media reach metric. As the next step, this reach is to be made addressable so that advertising can be tailored to the respective viewers in an optimum manner.

In order to reach advertising customers easily and via standardized technology, ProSiebenSat.1 Group founded the joint venture d-force GmbH ("d-force") together with Mediengruppe RTL Deutschland GmbH ("Mediengruppe RTL Deutschland") in 2019. As a cross-marketer booking interface for placing Addressable TV and online video campaigns as well as through technical standardization, d-force is intended to create additional growth opportunities in this area. The joint venture commenced operations in Germany in December 2019 and launched its first campaigns. In February 2020, d-force expanded its operations to Austria. This means that Austrian advertising customers can also book Addressable TV spots and online video inventory simply via one platform and address their target groups with high reach thanks to smart configuration options.

Development of the Advertising Market

According to Nielsen Media Research, gross TV advertising investment in Germany fell by 8.4% to EUR 6.68 billion in the first half of 2020 (previous year: EUR 7.29 billion). The effects of the COVID-19 pandemic were particularly noticeable in the second quarter. Between April and June 2020, gross TV advertising investment decreased by 18.1% to EUR 3.03 billion (previous year: EUR 3.70 billion). However, TV still has the greatest relevance in comparison to other media, accounting for 43.7% of gross advertising investment in the first six months of the year (previous year: 43.4%) and 42.7% in the months from April to June (previous year: 43.1%). Online advertising accounted for 11.4% in the first half of the year (previous year: 10.5%) and 11.9% in the second quarter (previous year: 10.8%).

Data from Nielsen Media Research are important indicators for assessing the advertising market's development. However, they are collected on a gross revenue basis, meaning that they do not take account of discounts, self-promotion or agency commission. In addition, the figures also include TV spots from media-for-revenue-share and media-for-equity transactions. Furthermore, the advertising revenues of major digital players from the US such as Google LLC ("Google") and Facebook Inc. ("Facebook") are not reflected in the Nielsen figures and therefore do not represent the entire gross market. This also results in the deviations to the net development of the TV advertising market.

Uncertainty over macroeconomic developments was already prevalent in Germany in 2019 and has been intensified by the outbreak of the COVID-19 pandemic. This is not only affecting investments in the German TV advertising market, but also tends to affect the entire advertising industry worldwide. The German Advertising Federation (ZAW) therefore reported declines in revenues of between 30% and 80%, depending on the advertising medium and segment, for March 2020. In April, advertising across all media declined by at least around 40% compared to the equivalent month in the previous year. → Future Business and Industry Environment

From ProSiebenSat.1 Group's perspective, the TV advertising market developed below the previous year's level on a net basis in the first half and the second quarter of 2020. The environment created by COVID-19 had a negative effect on the advertising industry's investment behavior from April to June 2020. Because of the ongoing macroeconomic uncertainty, it is currently not possible to estimate the further development for the full-year 2020, despite first signs of recovery in the TV advertising market has been recorded by the ProSiebenSat.1 Group since July 2020.

ProSiebenSat.1 Group is the market leader in the German TV advertising market and generated, according to Nielsen Media Research, TV advertising revenues of EUR 2.45 billion in the first half of 2020 (previous year: EUR 2.77 billion). This resulted in a market share of 36.7% for the first six months of the year (previous year: 38.1%). In the second quarter, TV advertising revenues amounted to EUR 1.11 billion (previous year: EUR 1.42 billion). The Group therefore achieved a market share of 36.7% in the months from April to June 2020 (previous year: 38.4%).

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 105.2 million in the first half of 2020 (previous year: EUR 129.8 million). This corresponds to year-on-year decline of 18.9%. In the second quarter, the Group's gross revenues fell by 36.7% to EUR 47.2 million (previous year: EUR 74.5 million), resulting in a market share of 36.2% (previous year: 42.3%). The gross market volume for advertising budgets for in-stream video ads in Germany decreased by 10.5% to EUR 283.6 million in the six-month period (previous year: EUR 316.7 million) and amounted to EUR 130.4 million in the second quarter (previous year: EUR 176.1 million). Overall, investments in online advertising forms fell by 1% to EUR 1.74 billion in the first half of 2020 (previous year: EUR 1.76 billion). With these investments, the Group generated revenues of EUR 135.9 million in the first six months of 2020 (–17.2%). In the months from April to June 2020, investments amounted to EUR 844.3 million (previous year: EUR 922.9 million). In the second quarter, ProSiebenSat.1 Group generated revenues of EUR 60.6 million (–35.2%). In addition to in-stream videos, the online advertising market also includes display ads such as traditional banners and buttons.

From ProSiebenSat.1 Group's perspective, the online advertising market developed below the previous year's level on a net basis in the first half of 2020. After growth in the first quarter of 2020, this is attributable to the negative influence of the environment created by COVID-19. Due to the resulting macroeconomic uncertainty, it is currently not possible to estimate the further development for the online advertising market for 2020, despite first signs of recovery has been recorded by the ProSiebenSat.1 Group since July 2020.

i Nielsen Media Research designates gross figures for the online advertising market in Germany. They do not comprise data from Google/YouTube and Facebook, among others, and therefore they do not represent the entire market. For the overall online video market, it can be assumed that it has grown.

MEDIA MIX GERMAN GROSS ADVERTISING MARKET

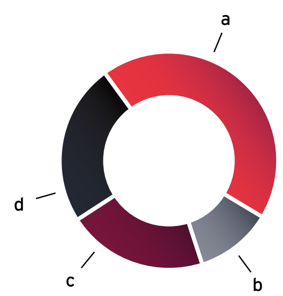
in %, H1 2019 figures in parentheses

a — TV
43.7 (43.4)

b — Online
11.4 (10.5)

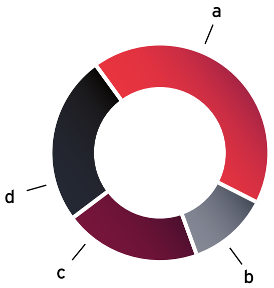
c — Others
20.9 (21.9)

d — Print
24.0 (24.3)



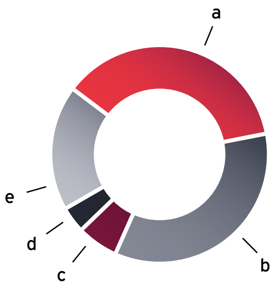
Source: Nielsen Media Research; accessed on July 16, 2020.

MEDIA MIX GERMAN GROSS ADVERTISING MARKET
in %, Q2 2019 figures in parentheses



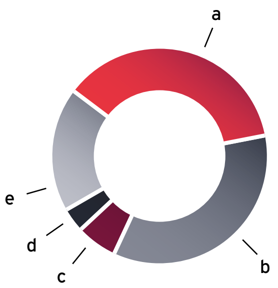
Source: Nielsen Media Research; accessed on July 16, 2020.

MARKET SHARES GERMAN GROSS TV ADVERTISING MARKET
in %, H1 2019 figures in parentheses



Source: Nielsen Media Research; accessed on July 16, 2020.

MARKET SHARES GERMAN GROSS TV ADVERTISING MARKET
in %, Q2 2019 figures in parentheses



Source: Nielsen Media Research; accessed on July 16, 2020.

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

	Development of the TV advertising market H1 2020 (Change against previous year)
Germany	-8.4
Austria	-10.8
Switzerland	-14.4

	Market shares of ProSiebenSat.1 Group H1 2020	Market shares of ProSiebenSat.1 Group H1 2019
Germany	36.7	38.1
Austria	43.6	45.0
Switzerland	29.0	27.8

Germany: Nielsen Media Research, gross, January-June; accessed on July 16, 2020.
Austria: Media Focus, gross, January-May.
Switzerland: Media Focus, gross, January-June / the market shares relate to the German-speaking part of Switzerland.

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

	Development of the TV advertising market Q2 2020 (Change against previous year)
Germany	-18.1
Austria	-23.6
Switzerland	-25.8

	Market shares of ProSiebenSat.1 Group Q2 2020	Market shares of ProSiebenSat.1 Group Q2 2019
Germany	36.7	38.1
Austria	44.0	44.7
Switzerland	30.1	29.0

Germany: Nielsen Media Research, gross, April-June; accessed on July 16, 2020.
Austria: Media Focus, gross, April-May.
Switzerland: Media Focus, gross, April-June / the market shares relate to the German-speaking part of Switzerland.

Development of Audience Shares and User Numbers

In the first half of 2020, ProSiebenSat.1 Group's stations achieved a combined audience share among 14- to 49-year-olds of 27.4% (previous year: 28.1%). In the second quarter, their share came to 28.2% (previous year: 28.4%). The Group fulfills its duty to society as a system critical media company with formats such as "ProSieben Spezial: Corona Update Live" and "Frühstücksfernsehen Spezial." In "ProSieben Spezial: Black Lives Matter - Die Welt gegen Rassismus," the Group also examined the protest movement against racism, illuminating global societal developments for the viewers. At the same time, the broadcasting group uses entertainment shows such as "The Masked Singer" and "Joko und Klaas vs. ProSieben" to fulfill the public's need for diversion and light relief. Since the start of the year, ProSiebenSat.1 Group has thus increased its audience shares in prime time, which is important for advertising customers, by 1.1 percentage points compared to the first half of 2019. The stations marketed by IP Deutschland (RTL, VOX, n-tv, Super RTL, NITRO, RTLplus and VOXup) had a combined audience share of 25.9% in the six-month period (previous year: 25.8%). This figure was 25.2% in the second quarter of 2020 (previous year: 25.2%).

The COVID-19 crisis means that society has a greater need for information and a growing desire for entertainment. Accordingly, the view time of the Group's entertainment offerings increased in both the first half of the year and the second quarter. In the first six months of the year, the Group achieved Total Video Viewtime of 558,072 million minutes (previous year: 539,976 million minutes). In the second quarter of 2020, the Group counted 275,240 million minutes (previous year: 257,154 million minutes). This means growth of 3.4% in the first half of the year and 7.0% in the second quarter of 2020. Total Video Viewtime represents the total number of minutes viewed across ProSiebenSat.1 Group's linear and non-linear platforms.

Television remains the number one medium. In the first half of 2020, people aged between 14 and 69 spent 218 minutes of their daily media usage on TV (previous year: 207 minutes). In the second quarter, TV usage amounted to 210 minutes a day (previous year: 192 minutes). In the months of March and April 2020 in particular, daily TV consumption increased considerably from 217 minutes in the previous year to 234 minutes, or from 200 minutes to 228 minutes, respectively, due to the increased demand for entertainment and information in the environment created by COVID-19.

AUDIENCE SHARES OF PROSIEBENSAT.1 GROUP

in %

	H1 2020	H1 2019	Q2 2020	Q2 2019
Germany	27.4	28.1	28.2	28.4
Austria	28.0	27.5	28.6	28.2
Switzerland	16.1	17.9	16.4	17.7

Germany: ProSiebenSat.1 Group: SAT.1, ProSieben, Kabel Eins, sixx, SAT.1 GOLD, ProSieben MAXX, Kabel Eins Doku/AGF in cooperation with GfK/market standard: TV/VideoScope 1.3/January 1, 2019–June 30, 2020/target group: 14–49.
Austria: SAT.1 Österreich, ProSieben Austria, Kabel Eins Austria, PULS 4, sixx Austria, ProSieben MAXX Austria, PULS 24 (since 2020), SAT.1 Gold Österreich, Kabel Eins Doku Österreich, ATV + ATV 2/AGTT/GfK TELETEST/Evogenius Reporting/January 1, 2019–June 30, 2020/weighted for number of people/including VOSDAL/time shift/standard/target group: 12–49.
Switzerland: Figures are based on 24 hours (Mon–Sun). SAT.1 Schweiz, ProSieben Schweiz, Kabel Eins Schweiz, sixx Schweiz, SAT.1 GOLD Schweiz, ProSieben MAXX Schweiz, Puls 8/market shares relate to the German-speaking part of Switzerland/D-CH/total signal/Mediapulse TV Panel/January 1, 2019 – June 30, 2020/target group: 15–49.

The Group has seven channel brands in its principal revenue market, which complement each other and address different viewer groups. In addition, the Group has a complementary profile with various advertising-financed free TV stations in Austria and Switzerland.

In addition to increasingly specific, targeted approaches to viewers, ongoing digitalization is also providing ProSiebenSat.1 Group with new revenue models for the TV business. Examples include the distribution of programs in HD quality via various transmission channels, such as terrestrial, cable, IPTV and OTT/mobile. The 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 10.4 million users in the first five months of the year, over 5% more than in the previous year. In addition, more shows were broadcast in the new ultra-high definition (UHD) standard. The Group also offers its programs in HD quality in Austria and Switzerland.

Partnerships emphasize the Group's strategic objective of offering programs via as many distribution channels as possible and expanding reach across different media types. In line with this entertainment strategy, ProSiebenSat.1 Group founded the streaming platform Joyn GmbH ("Joyn") as a joint venture with Discovery Communications Europe Ltd. ("Discovery") and launched it in June 2019. The streaming service offers viewers livestreams of over 60 channels and an extensive on-demand offering of local series produced in-house, shows, and exclusive previews. The paid Joyn PLUS+ service with exclusive content, originals, pay TV stations, and HD content was added to the offering in November 2019. According to measurements by AGOF (Arbeitsgemeinschaft Onlineforschung e. V.), the free streaming service Joyn reached 3.18 million unique users in Germany in June 2020.

i The standardized reach currency "unique users" is the number of people that had at least one contact with an advertising medium in a defined period. Among other things, the unique user figure is the basis for calculating the reach and structures of online advertising media.

A further essential component of ProSiebenSat.1 Group's portfolio is Studio71. The digital studio distributes the broadcasting group's digital content via social media platforms and collaborates with many of the social influencers with the highest reach in Germany, the US, Canada, the UK, France and Italy. In the first half of 2020, Studio71 achieved about 11 billion video views a month on YouTube alone (previous year: 9.9 billion video views).

GROUP EARNINGS

SELECTED KEY FIGURES OF PROSIEBENSAT.1 GROUP

in EUR m

	H1 2020	H1 2019	Absolute change	Change in %
Revenues	1,634	1,860	-226	-12.1
Total costs	1,604	1,605	-1	0.0
Operating costs	1,469	1,475	-5	-0.4
Operating result (EBIT)	45	273	-228	-83.5
Adjusted EBIT	88	319	-230	-72.3
Adjusted EBITDA	180	403	-223	-55.4
Reconciling items	-14	-19	5	-28.0
EBITDA	166	384	-218	-56.7
Financial result	-70	36	-106	~
Result before income taxes	-26	309	-335	~
Income taxes	-5	-94	90	-95.2
Net income	-30	215	-245	~
Net income attributable to shareholders of ProSiebenSat.1 Media SE	-17	215	-232	~
Adjusted net income	7	179	-172	-96.3

SELECTED KEY FIGURES OF PROSIEBENSAT.1 GROUP

in EUR m

	Q2 2020	Q2 2019	Absolute change	Change in %
Revenues	709	947	-239	-25.2
Total costs	751	812	-61	-7.5
Operating costs	693	743	-50	-6.7
Operating result (EBIT)	-35	144	-180	~
Adjusted EBIT	-21	168	-188	~
Adjusted EBITDA	23	213	-190	-89.1
Reconciling items	-2	-9	7	-78.9
EBITDA	21	204	-182	-89.6
Financial result	-33	-13	-19	~
Result before income taxes	-68	131	-199	~
Income taxes	7	-37	45	~
Net income	-61	94	-154	~
Net income attributable to shareholders of ProSiebenSat.1 Media SE	-54	93	-147	~
Adjusted net income	-52	85	-136	~

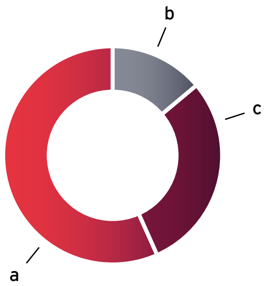
REVENUE SHARE BY SEGMENT

in %, Q2 2019 figures in parentheses

a — SevenOne Entertainment Group
56 (63)

b — Red Arrow Studios
14 (16)

c — NuCom Group
29 (21)



The individual segments' contributions to Group revenues developed as follows in the first half of 2020:

External revenues in the **SevenOne Entertainment Group** segment amounted to EUR 961 million (previous year: EUR 1,180 million), down 19% year-on-year. This is primarily attributable to the decline in advertising revenues due to the lower advertising bookings as a result of COVID-19 and reflects the general market and economic trend. Adjusted for consolidation and currency effects, the decline likewise amounted to 19%. After the first effects of the pandemic on the advertising market were already visible in mid-March, this development intensified in the second quarter and resulted in a 37% decline in advertising revenues. The decline in the first half of the year amounted to 21%. In contrast, the AdTech sector's advertising revenues with the programmatic trading of advertising time developed positively. Other revenues declined by 3% year-on-year in the first half of the year, again strongly influenced by the second quarter, which was 11% down compared to the same quarter of the previous year. Sport and Starwatch Entertainment were affected most, as COVID-19 meant that no events could take place. The growth in distribution revenues due to the increasing number of HD users in the first half of the year was unable to fully compensate this decline. ➡ Group Environment

In the first half of 2020, **external revenues** in the **Red Arrow Studios** segment decreased by 17% to EUR 236 million (previous year: EUR 283 million). Adjusted for consolidation and currency effects, revenues were 18% down compared to the previous year. The effects of the government's COVID-19 restrictions also had a high impact here, with the international production business being especially affected. In the US in particular, content productions mostly had to be shut down or delayed in mid-March already, which resulted in a strong decline in production revenues of 52% in the second quarter. Due to the reduction in advertising bookings, Studio71 was unable to continue the first few months' dynamic growth at the same level in the second quarter, so the growth rate in the first half of the year was in the low single-digits. ➡ Group Environment

In the **NuCom Group** segment, on the other hand, **external revenues** continued to grow in the first half of 2020 and increased by 10% to EUR 437 million (previous year: EUR 397 million). The initial consolidation of be Around in March 2019 had a positive impact on this development. Adjusted for consolidation and currency effects, the increase in revenues amounted to 6%. Despite the COVID-19 restrictions, online-beauty provider Flaconi GmbH ("Flaconi"), the Parship Group's matchmaking business and the OTC provider Windstar Medical GmbH ("Windstar") in particular continued their revenue growth

Revenue Development

ProSiebenSat.1 Group's **revenues** fell by 12% to EUR 1,634 million in the first half of 2020 (previous year: EUR 1,860 million). Adjusted for consolidation and currency effects, there was a decline in revenues of 13%. The revenue share from initial consolidations totaled EUR 14 million in the first half of 2020, which is particularly attributable to be Around Holding GmbH ("be Around"), an online broker for products and services related to the home. The sharp decline in revenues is due to the effects of the COVID-19 pandemic beginning in mid-March and the resulting restrictions in public and economic life. As expected, this particularly affected the development of advertising revenues. This caused a revenue decline by 25% to EUR 709 million in the second quarter of 2020 (previous year: EUR 947 million). The non-advertising business' share in Group revenues increased to 50% in the first six months of 2020 (previous year: 45%), primarily due to the decline in advertising bookings as a result of COVID-19.

Revenues by segment

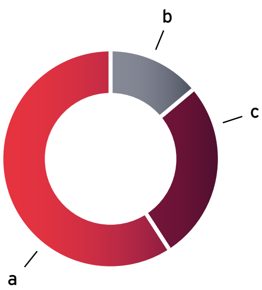
REVENUE SHARE BY SEGMENT

in %, H1 2019 figures in parentheses

a — SevenOne Entertainment Group
59 (63)

b — Red Arrow Studios
14 (15)

c — NuCom Group
27 (21)



with considerable gains. However, the restrictions on public life in response to COVID-19 since March 2020 had negative effects on the travel and transport business and the leisure industry; this has negatively impacted the business of the portfolio companies Silvertours and Jochen Schweizer mydays. The declines there restrained the NuCom Group's growth in the second quarter and the first half of the year accordingly. → Group Environment

GROUP REVENUES BY SEGMENT in EUR m

	H1 2020	H1 2019	Absolute change	Change in %
SevenOne Entertainment Group	961	1,180	-219	-18.5
Red Arrow Studios	236	283	-47	-16.7
NuCom Group	437	397	40	10.1
Revenues	**1,634**	**1,860**	**-226**	**-12.1**

	Q2 2020	Q2 2019	Absolute change	Change in %
SevenOne Entertainment Group	398	601	-203	-33.7
Red Arrow Studios	102	148	-47	-31.4
NuCom Group	209	198	11	5.3
Revenues	**709**	**947**	**-239**	**-25.2**

Cost Development

TOTAL COSTS in EUR m

	H1 2020	In % of revenues	H1 2019	In % of revenues
Total costs	1,604	98.1	1,605	86.3
Cost of Sales	1,051	64.3	1,057	56.8
Selling expenses	299	18.3	292	15.7
Administrative expenses	246	15.1	252	13.5
Other operating expenses	8	0.5	4	0.2

	Q2 2020	In % of revenues	Q2 2019	In % of revenues
Total costs	751	106.0	812	85.7
Cost of Sales	499	70.5	535	56.4
Selling expenses	137	19.3	151	16.0
Administrative expenses	113	15.9	125	13.1
Other operating expenses	2	0.3	2	0.2

In the first half of 2020, the Group's **total costs** were on a par with the previous year at EUR 1,604 million (previous year: EUR 1,605 million). The slight decrease of 1% in the cost of sales to EUR 1,051 million (previous year: EUR 1,057 million) resulted in particular from lower personnel expenses. These fell by EUR 9 million or 6% to EUR 149 million (previous year: EUR 158 million). This mainly reflects the pandemic-related production stops and postponements in Red Arrow Studios' production business as well as short-time work at NuCom Group's portfolio companies particularly affected by COVID-19. In the second quarter, **total costs** declined by EUR 61 million or 7% to EUR 751 million. This was in particular due to the impact of the COVID-19 crisis and the corresponding cost measures across all segments announced in the spring. The cost of sales amounted to EUR 499 million, down EUR 35 million or 7% year-on-year.

The largest share of the cost of sales is attributable to the operating expenses, which increased by 4% or EUR 12 million to EUR 324 million in the first half of the year. This was mainly due to the increase in merchandise used in connection with the revenue growth in the NuCom Group segment. In contrast, production costs in the Red Arrow Studios segment declined due to production stops and postponements in response to COVID-19. The consumption of programming assets was nearly stable at EUR 447 million in the first half of the year (previous year: EUR 449 million).

The Group's selling expenses rose by 3% year-on-year to EUR 299 million (previous year: EUR 292 million). This was in particular due to higher marketing and marketing-related expenses of EUR 159 million (previous year: EUR 141 million). On the one hand this development is attributable to the initial consolidation of be Around in financial year 2019 (effect of EUR 9 million) and on the other hand to a growth-driven increase in marketing activities by the portfolio companies eHarmony and Flaconi. Selling expenses in the second quarter of 2020 amounted to EUR 137 million, down EUR 14 million or 10% year-on-year.

Administrative expenses decreased slightly to EUR 246 million in the six-month period (previous year: EUR 252 million). As announced, the 2% decline resulted partly from lower travel and hospitality expenses as well as lower consulting costs. The personnel expenses also include severance payments for the members of the Executive Board Max Conze and Conrad Albert amounting to around EUR 7 million in total. In the second quarter of 2020, administrative expenses amounted to EUR 113 million, down EUR 12 million or 9% year-on-year. → Significant Events

RECONCILIATION OF OPERATING COSTS in EUR m

	H1 2020	H1 2019	Absolute change	Change in %
Total costs	1,604	1,605	-1	0.0
Expense adjustments	14	20	-6	-29.7
Depreciation, amortization and impairments[1]	121	110	11	9.6
Operating costs	**1,469**	**1,475**	**-5**	**0.4**

	Q2 2020	Q2 2019	Absolute change	Change in %
Total costs	751	812	-61	7.5
Expense adjustments	2	10	-8	79.8
Depreciation, amortization and impairments[1]	57	59	-3	4.6
Operating costs	**693**	**743**	**-50**	**6.7**

[1] Of other intangible assets and property, plant, and equipment.

Operating costs amounted to EUR 1,469 million and were thus nearly on a par with the previous year (previous year: EUR 1,475 million). At the same time, the revenue-driven cost increase due to the growth in the NuCom Group segment largely offset the COVID-19-related decline in production costs in the Red Arrow Studios and SevenOne Entertainment Group segments.

Adjusted EBITDA

Adjusted EBITDA fell by 55% or EUR 223 million to EUR 180 million in the first half of 2020. The **adjusted EBITDA margin** was 11.0% (previous year: 21.7%). As expected, earnings and margin development has been influenced by the impact of COVID-19 on the Group's business in the second quarter – especially in the segment SevenOne Entertainment Group. As announced, this resulted primarily in a decline in the high-margin advertising business and negatively affected the different earnings structures of the individual segments. Accordingly, **adjusted EBITDA** declined by 89% or EUR 190 million to EUR 23 million in the second quarter. The **adjusted EBITDA margin** was 3.3% (previous year: 22.5%).

The **SevenOne Entertainment Group** segment's **adjusted EBITDA** declined by 59% or EUR 221 million to EUR 155 million compared to the first half of the previous year. This is especially attributable to the lower advertising revenues as a result of COVID-19. The **adjusted EBITDA margin** therefore decreased to 15.5% (previous year: 30.9%). The second quarter was particularly affected; here, **adjusted EBITDA** amounted to EUR 13 million, down 93% year-on-year (previous year: EUR 197 million). The **adjusted EBITDA margin** was 3.2% (previous year: 31.9%).

In the **Red Arrow Studios** segment, **adjusted EBITDA** was a considerable 49% lower than in the previous year at EUR 9 million (previous year: EUR 17 million). The **adjusted EBITDA margin** decreased to 3.3% (previous year: 5.4%) and thus reflects the impact of COVID-19, especially on the production business. As a consequence, **adjusted EBITDA** declined by 94% to EUR 1 million in the second quarter. The **adjusted EBITDA margin** was 0.5% (previous year: 5.3%).

In the first half of 2020, the **NuCom Group** segment generated **adjusted EBITDA** of EUR 28 million and was thus 23% lower than the previous year's figure of EUR 36 million. The change is in particular due to Silvertours' and Jochen Schweizer mydays' declining revenues in connection with COVID-19-related cancellations and lower bookings. This was only partially offset by revenue growth in the matchmaking business. The **adjusted EBITDA margin** was 6.4% (previous year: 9.1%). The development of earnings is also influenced by the different margin structures of the individual business models. **Adjusted EBITDA** declined by 26% or EUR 5 million to EUR 13 million in the second quarter (previous year: EUR 17 million). The **adjusted EBITDA margin** was 6.1% (previous year: 8.7%).

ADJUSTED EBITDA BY SEGMENT in EUR m

	H1 2020	H1 2019	Absolute change	Change in %	**Adjusted EBITDA margin H1 2020 (in %)[1]**	Adjusted EBITDA margin H1 2019 (in %)[1]
SevenOne Entertainment Group	155	375	-221	-58.8	15.5	30.9
Red Arrow Studios	9	17	-9	-49.1	3.3	5.4
NuCom Group	28	36	-8	-22.9	6.4	9.1
Reconciliation (Holding & Other)	-11	-26	14	-55.6		
Total adjusted EBITDA	**180**	**403**	**-223**	**-55.4**		

	Q2 2020	Q2 2019	Absolute change	Change in %	**Adjusted EBITDA margin Q2 2020 (in %)[1]**	Adjusted EBITDA margin Q2 2019 (in %)[1]
SevenOne Entertainment Group	13	197	-183	-93.2	3.2	31.9
Red Arrow Studios	1	9	-9	-94.0	0.5	5.3
NuCom Group	13	17	-5	-26.3	6.1	8.7
Reconciliation (Holding & Other)	-3	-10	7	-66.1		
Total adjusted EBITDA	**23**	**213**	**-190**	**-89.1**		

[1] Based on total segment revenues.

The following table shows the reconciliation of adjusted EBITDA to net income:

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME in EUR m

	H1 2020	H1 2019	Absolute change	Change in %
Adjusted EBITDA	**180**	**403**	**-223**	**-55.4**
Reconciling items	-14	-19	5	-28.0
EBITDA	**166**	**384**	**-218**	**-56.7**
Depreciation, amortization and impairment	-121	-110	-11	9.6
thereof from purchase price allocations	-27	-25	-2	8.3
Operating result (EBIT)	**45**	**273**	**-228**	**-83.5**
Financial Result	-70	36	-106	~
Income taxes	-5	-94	90	-95.2
Net income	**-30**	**215**	**-245**	**~**

	Q2 2020	Q2 2019	Absolute change	Change in %
Adjusted EBITDA	**23**	**213**	**-190**	**-89.1**
Reconciling items	-2	-9	7	-78.9
EBITDA	**21**	**204**	**-182**	**-89.6**
Depreciation, amortization and impairment	-57	-59	3	-4.6
thereof from purchase price allocations	-11	-13	1	-10.4
Operating result (EBIT)	**-35**	**144**	**-180**	**~**
Financial Result	-33	-13	-19	~
Income taxes	7	-37	45	~
Net income	**-61**	**94**	**-154**	**~**

In the first half of 2020, the Group's **EBITDA** decreased by 57% or EUR 218 million and amounted to EUR 166 million. In the second quarter of 2020 **EBITDA** declined by 90% to EUR 21 million (previous year: EUR 204 million). EBITDA includes reconciling items of minus EUR 14 million compared to minus EUR 19 million in the previous year, which in the period under review mostly arose in the first quarter of 2020. They break down as follows:

Costs in the amount of EUR 8 million resulted from M&A projects (previous year: EUR 4 million), which were mainly attributable to the NuCom Group segment in connection with the The Meet Group transaction. In the first half of 2020, reorganization expenses amounted to EUR 4 million (previous year: EUR 16 million). Expenses for other one-time items amounted to EUR 4 million (previous year: EUR 2 million) and mainly include the described expenses for changes in the Executive Board as well as earnings from the reversal of a provision for impending losses created in 2017. Fair value adjustments of share-based payments of EUR 3 million (previous year: EUR 3 million) had an opposite effect. → Significant Events

Depreciation, amortization and impairments rose by EUR 11 million to EUR 121 million in the first half of 2020 (previous year: EUR 110 million). This development is mainly based on higher amortisation of intangible assets, in particular due to an increase in internally generated intangible assets compared to the previous year.

Financial Result

In the first half of 2020, the **financial result** amounted to minus EUR 70 million (previous year: EUR 36 million). The **interest result** included in the financial result amounted to minus EUR 32 million (previous year: EUR -24 million). The comparatively low previous year's figure was based on the subsequent recognition of the tax deductibility of one-off fees in connection with the conclusion of the syndicated loan from 2007. The **result from investments accounted for using the equity method**, also recognized in the financial result, amounted to minus EUR 28 million (previous year: EUR -20 million) and primarily includes the Group's share of Joyn's profit or loss.

The **other financial result** amounted to minus EUR 10 million in the first half of 2020 (previous year: EUR 80 million) and mainly includes effects from the valuation of put option liabilities of EUR 19 million (previous year: EUR 39 million), which were particularly attributable to the Red Arrow Studios segment. This was countered predominantly by losses from declining fair values of other equity instruments as a result of COVID-19 and impairments on investments accounted for using the equity method of minus EUR 25 million (previous year: EUR -14 million), which comprise several individual items. The results of currency conversion totaled minus EUR 4 million (previous year: EUR -14 million). Financing costs amounted to minus EUR 4 million (previous year: EUR -7 million). Compared with the reporting period, the other financial result in the first half of 2019 was also influenced by material transactions such as the sale of shares in the global video service Pluto Inc. ("Pluto") in the amount of EUR 22 million, the reassessment of the shares, accounted for using the equity method, in Marketplace GmbH ("Marketplace") in connection with the increase in the share and full consolidation of the newly founded be Around in the amount of EUR 27 million, and valuation effects from earn-out liabilities in the amount of EUR 20 million.

The developments described resulted in a decrease in the **result before income taxes** to minus EUR 26 million in the first half of 2020 (previous year: EUR 309 million) and to minus EUR 68 million in the second quarter of 2020 (previous year: EUR 131 million). In the first half of 2020, **income taxes** amounted to EUR 5 million (previous year: EUR 94 million). There was income from income taxes of EUR 7 million in the second quarter of 2020, whereas an expense of EUR 37 million was incurred in the same quarter of the previous year.

Net Income and Adjusted Net Income

Net income decreased by EUR 245 million to minus EUR 30 million in the first half of 2020 (previous year: EUR 215 million), which is mainly due to the mentioned negative EBITDA developments and the positive valuation adjustments in the previous year's financial result. In the second quarter of 2020 in particular, **net income** was down year-on-year at minus EUR 61 million (previous year: EUR 94 million). This results in a corresponding decrease in the net income attributable to shareholders of ProSiebenSat.1 Media SE of EUR 232 million to minus EUR 17 million in the first half of 2020 (previous year: EUR 215 million) and of EUR 147 million to minus EUR 54 million in the second quarter of 2020 (previous year: EUR 93 million).

RECONCILIATION OF ADJUSTED NET INCOME in EUR m

	H1 2020	H1 2019	Absolute change	Change in %
Net income	**-30**	**215**	**-245**	**~**
Reconciling items	14	19	-5	-28.0
Depreciation, amortization and impairments from purchase price allocations	27	26[1]	1	4.2
Valuation effects in other financial result	24	-41	65	~
Valuation effects of put-options and earn-out liabilities	-17	-56	38	-68.9
Valuation effects from interest rate hedging transactions	-1	-1	1	-52.5
Other effects	1	8	-7	-91.3
Tax effects on adjustments	-12	8	-20	~
Net income (adjusted)	**6**	**178**	**-173**	**-96.8**
Net income attributable to non-controlling interests	13	1	13	~
Adjustments attributable to non-controlling interests	-12	0	-12	~
Net income attributable to adjusted non-controlling interests	1	0	1	~
Adjusted net income	**7**	**179**	**-172**	**-96.3**
Adjusted earnings per share (in EUR)	**0.03**	**0.79**		

[1] Including effects on associates consolidated using the equity method in the amount of EUR 1 million.

RECONCILIATION OF ADJUSTED NET INCOME in EUR m

	Q2 2020	Q2 2019	Absolute change	Change in %
Net income	**-61**	**94**	**-154**	**~**
Reconciling items	2	9	-7	-78.9
Depreciation, amortization and impairments from purchase price allocations	11	13[1]	-1	-11.7
Valuation effects in other financial result	1	2	-1	-56.1
Valuation effects of put-options and earn-out liabilities	-3	-30	27	-89.0
Valuation effects from interest rate hedging transactions	0	-1	1	-100.0
Other effects	-1	8	-9	~
Tax effects on adjustments	-1	-6	5	-76.7
Net income (adjusted)	**-52**	**90**	**-142**	**~**
Net income attributable to non-controlling interests	7	-1	7	~
Adjustments attributable to non-controlling interests	-6	-5	-2	36.6
Net income attributable to adjusted non-controlling interests	0	-5	6	~
Adjusted net income	**-52**	**85**	**-136**	**~**
Adjusted earnings per share (in EUR)	**-0.23**	**0.37**		

[1] Including effects on associates consolidated using the equity method in the amount of EUR 0 million.

Adjusted net income was down 96% year-on-year in the first half of 2020 and amounted to EUR 7 million (previous year: EUR 179 million). In the second quarter of 2020, it was minus EUR 52 million (previous year: EUR 85 million). This primarily reflects the development of adjusted EBITDA. This item is adjusted by the mentioned reconciling items and presented in the reconciliation table. These include the effects recognized in the other financial result as well as the expenses resulting from restructuring and portfolio measures. Basic adjusted earnings per share amounted to EUR 0.03 in the first six months (previous year: EUR 0.79).

RECONCILIATION OF THE INCOME STATEMENT in EUR m

	H1 2020 IFRS	Adjust-ments	H1 2020 adjusted
Revenues	1,634	-/-	1,634
Total costs	-1,604	-43	-1,561
Other operating income	15	-/-	15
Operating result (EBIT)	**45**	**-43**	**88**
Depreciation, amortization and impairment	121	29	92
EBITDA	**166**	**-14**	**180**
Depreciation, amortization and impairment	-121	-29	-92
Financial result	-70	-4	-66
Result before income taxes	**-26**	**-48**	**22**
Income taxes	-5	12	-16
Net income	**-30**	**-36**	**6**
Net income attributable to share-holders of ProSiebenSat.1 Media SE	-17	-23	7
Net income attributable to non-controlling interests	-13	-12	-1

RECONCILIATION OF THE INCOME STATEMENT in EUR m

	Q2 2020 IFRS	Adjust-ments	Q2 2020 adjusted
Revenues	709	-/-	709
Total costs	-751	-15	-737
Other operating income	7	-/-	7
Operating result (EBIT)	**-35**	**-15**	**-21**
Depreciation, amortization and impairment	57	13	44
EBITDA	**21**	**-2**	**23**
Depreciation, amortization and impairment	-57	-13	-44
Financial result	-33	4	-37
Result before income taxes	**-68**	**-10**	**-58**
Income taxes	7	1	6
Net income	**-61**	**-9**	**-52**
Net income attributable to share-holders of ProSiebenSat.1 Media SE	-54	-2	-52
Net income attributable to non-controlling interests	-7	-6	0

GROUP FINANCIAL POSITION AND PERFORMANCE

Analysis of Liquidity and Capital Expenditure

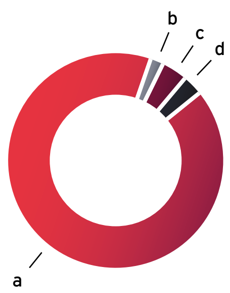
CASH FLOW STATEMENT in EUR m

	H1 2020	H1 2019[1]	**Q2 2020**	Q2 2019[1]
Net income	**-30**	**215**	**-61**	**94**
Cash flow from operating activities	**514**	**683**	**228**	**369**
Cash flow from investing activities	**-605**	**-762**	**-269**	**-394**
Free cash flow	**-91**	**-79**	**-41**	**-25**
Cash flow from financing activities	**335**	**-269**	**346**	**-277**
Effect of foreign exchange rate changes on cash and cash equivalents	-4	3	-12	-2
Change in cash and cash equivalents	240	-346	292	-304
Cash and cash equivalents at beginning of reporting period	950	1,031	898	989
Cash and cash equivalents at end of reporting period	**1,190**	**685**	**1,190**	**685**

[1] Adjustment previous year see Notes to Consolidated Financial Statements, Note 1 "General information".

In the first half of 2020, ProSiebenSat.1 Group generated a **cash flow from operating activities** of EUR 514 million (previous year: EUR 683 million). The decline reflects the decrease in operating earnings. Lower tax payments had an opposite effect.

INVESTMENTS BY SEGMENT[1] in %, H1 2019 figures in parentheses



[1] Investments by segment before M&A activities.

ProSiebenSat.1 Group reports **cash flow from investing activities** of minus EUR 605 million for the first half of 2020 (previous year: EUR -762 million). The decrease in cash outflow amounts to 21% or EUR 157 million and reflects lower payments for the acquisition of programming assets and lower payments for additions to the scope of consolidation. Investments in other intangible assets and tangible assets were on a par with the previous year.

- The cash outflow for the acquisition of programming rights amounted to EUR 482 million. This is a decrease of 18% or EUR 104 million compared to the previous year. As in the previous year, the programming investments were made exclusively in the SevenOne Entertainment Group segment.

i Programming investments are a focal point in investing activities. In addition to the purchasing of licensed formats and commissioned productions, in-house formats secure the Group's programming supply. They are based on the development and implementation of own ideas and, unlike commissioned productions, are produced primarily for broadcasting in the near future. For this reason, they are recognized immediately as an expense in cost of sales and are not considered as an investment.

- In the first half of 2020, the cash outflow for additions to the scope of consolidation amounted to EUR 24 million (previous year: EUR 94 million). This primarily includes deferred purchase price payments for the US production companies Left/Right Holdings, LLC ("Left/Right") and Fabrik Entertainment, LLC ("Fabrik Entertainment"). The previous year's figure includes the purchase price payment for the acquisition of be Around and deferred purchase price payments for Virtual Minds AG ("Virtual Minds"), Studio71 and the US production company Kinetic Content, LLC ("Kinetic Content").

i Assets resulting from initial consolidations are not reported as segment-specific investments. Cash and cash equivalents used for the acquisition of the initially consolidated entities are shown as "cash flow from obtaining control of subsidiaries or other businesses".

- In the first half of 2020, EUR 74 million went on other intangible assets (previous year: EUR 79 million). These primarily include development costs, licenses for marketing digital offerings, software, and industrial property rights. In the second quarter of 2020, payments for other intangible assets amounted to EUR 30 million, after EUR 46 million in the previous year. Investments in tangible assets amounted to EUR 25 million in the six-month period (previous year: EUR 22 million). Besides technical facilities and leasehold improvements, they related to the new campus at the Unterföhring site.

The developments described resulted in a **free cash flow** of minus EUR 91 million for the first half of 2020 (previous year: EUR -79 million).

M&A cash flow amounted to minus EUR 37 million in the first six months of 2020, after minus EUR 94 million in the previous year. This development is due to lower cash outflows for additions to the scope of consolidation compared to the previous year. Increased payments for investments accounted for using the equity method and financial assets, primarily in relation to Joyn, had an opposite effect. The proceeds from disposal of non-current financial assets amounted to EUR 28 million (previous year: EUR 32 million) and include the disposal of the shares in gamigo AG ("Gamigo").

Free cash flow before M&A amounted to minus EUR 55 million in the first half of 2020 (previous year: EUR 15 million). The change reflects the decrease in operating earnings as a result of the impact of COVID-19. Lower payments for programming investments and tax payments had an opposite effect. The moderate decline in free cash flow before M&A compared to the notable decrease in earnings underscores the Group's efforts to secure liquidity for the long term in the uncertain environment created by the pandemic.

i Free cash flow represents the total cash and cash equivalents generated in operating business less the balance of cash used and generated in the context of investing activities. Free cash flow before M&A is defined as free cash flow adjusted for cash used and generated by M&A transactions (excl. transaction costs) related to majority acquisitions that are carried out and planned, the purchase and sale of investments accounted for using the equity method and other material investments with the exception of media-for-equity investments.

Cash flow from financing activities amounted to EUR 335 million in the first half of 2020 (previous year: EUR -269 million). This development reflects the cash inflow from the EUR 350 million drawn part from the revolving credit facility (RCF) at the start of the second quarter of 2020 as well as the withdrawal of the dividend proposal for financial year 2019 (previous year: EUR -269 million).

RECONCILIATION OF FREE CASH FLOW BEFORE M&A MEASURES H1 2020 in EUR m

	Total cash flow	M&A cash flow	Cash flow before M&A
Cash flow from operating activities	**514**	**-/-**	**514**
Proceeds from disposal of non-current assets	29	28	0
Payments for the acquisition of other intangible and tangible assets	-99	-/-	-99
Payments for investments accounted for using the equity method and financial assets	-41	-41	0
Proceeds from disposal of programming assets	12	-/-	12
Payments for the acquisition of programming assets	-482	-/-	-482
Proceeds from the repayment of loan receivables	1	-/-	1
Cash flow from obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	-24	-24	-/-
Cash flow from investing activities	**-605**	**-37**	**-568**
Free cash flow	**-91**	**-37**	**-55**

The Group thus continues to have a comfortable level of liquidity. The cash flows described resulted in an increase in cash and cash equivalents. These amounted to EUR 1,190 million at the end of the six-month period (December 31, 2019: EUR 950 million; June 30, 2019: EUR 685 million).

Analysis of Assets and Capital Structure

Total assets increased by 3%, amounting to EUR 6,805 million as of June 30, 2020 (December 31, 2019: EUR 6,618 million). The most important items in the statement of financial position are described in more detail below:

- **Current and non-current assets:** As of June 30, 2020, goodwill decreased slightly to EUR 2,107 million (December 31, 2019: EUR 2,109 million) as a result of currency effects; its share in total assets was almost unchanged at 31% (December 31, 2019: 32%). Other intangible assets decreased by 2% to EUR 820 million (December 31, 2019: EUR 835 million). Property, plant, and equipment increased by 15% to EUR 402 million (December 31, 2019: EUR 351 million). This is mainly attributable to rented office space in Germany and the US. Investments accounted for using the equity method saw a slight increase to EUR 28 million (December 31, 2019: EUR 27 million).

  Other non-current financial and non-financial assets decreased by 4% to EUR 307 million (December 31, 2019: EUR 320 million). The decline is attributable to impairments of other equity instruments, which are partially offset by the positive development of long-term foreign currency hedges and the increase in non-current trade receivables. Other current financial and non-financial assets increased by 22% to EUR 137 million (December 31, 2019: EUR 113 million) due to the increase in advance payments to copyright collecting societies and short-term foreign currency hedges.

  In addition, current trade receivables decreased by 21% to EUR 417 million (December 31, 2019: EUR 530 million). This decline is due to the seasonal fluctuations in revenues over the course of the financial year, which were amplified by the reduced revenues as a result of the COVID-19 pandemic.

  Programming assets increased slightly by 2% year-on-year and amounted to EUR 1,226 million (December 31, 2019: EUR 1,204 million). Programming assets accounted for 18% of total assets (December 31, 2019: 18%).

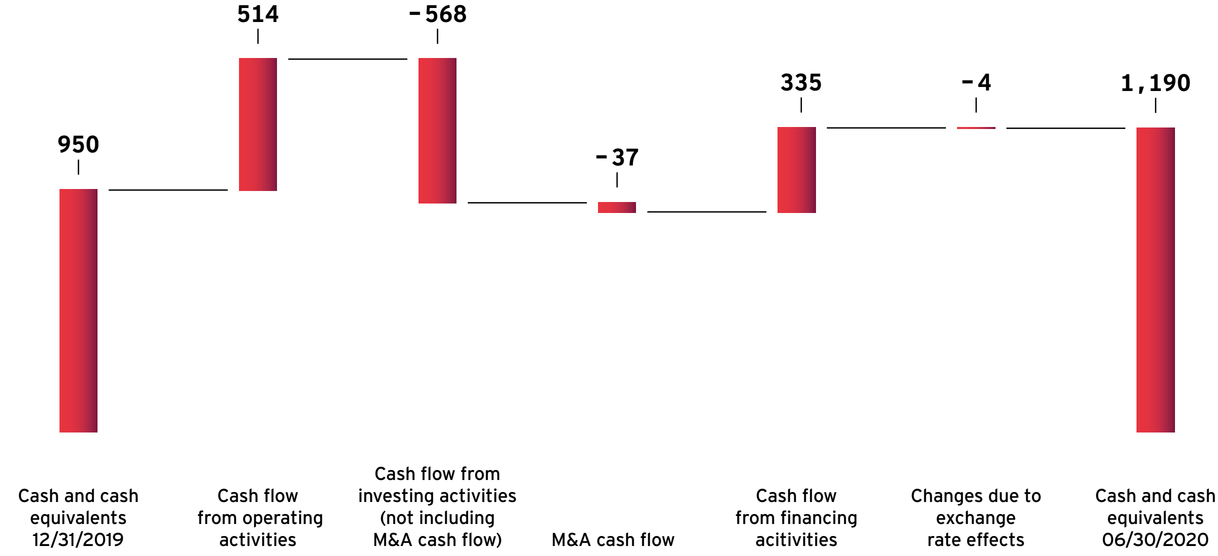
  The table below shows the development of programming assets:

STATEMENT OF CHANGES IN PROGRAMMING ASSETS in EUR m

	H1 2020	H1 2019
Carrying amount 01/01	**1,204**	**1,113**
Additions[1]	494	578
thereof SevenOne Entertainment Group segment	494	578
Disposals	-6	-6
Consumption	-465	-471
thereof SevenOne Entertainment Group segment	-464	-471
thereof Red Arrow Studios segment	-1	-/-
Other change	-1	-2
Carrying amount 06/30	**1,226**	**1,212**
Change in programming assets compared to previous year	+22	+99

[1] EUR 20 million of the additions in financial year 2020 have already been recognized in profit or loss through provisions for onerous contracts recognized in financial year 2018 (previous year: EUR 22 million).

CHANGE IN CASH AND CASH EQUIVALENTS in EUR m



This results in the earnings effects from programming assets shown in the following table, which are primarily attributable to the SevenOne Entertainment Group segment:

EARNINGS EFFECTS OF PROGRAMMING ASSETS in EUR m

	H1 2020	H1 2019
Consumption	465	471
Change in provision for onerous contracts	– 19	– 22
Consumption incl. change in provision for onerous contracts	**447**	**449**

Cash and cash equivalents amounted to EUR 1,190 million. This equates to an increase of 25% or EUR 240 million compared to December 31, 2019, and reflects the development of cash flow. → Analysis of Liquidity and Capital Expenditure

- **Equity:** Equity decreased slightly by 1% or EUR 18 million to EUR 1,270 million. The corresponding equity ratio was almost unchanged at 18.7% (December 31, 2019: 19.5%). The decline is due to the negative net income of minus EUR 30 million, which is partially offset by positive valuation effects from currency hedges.

- **Current and non-current liabilities:** Debt increased by 4% to EUR 5,535 million compared to the closing date in 2019 (December 31, 2019: EUR 5,330 million). Non-current and current financial debt reported in debt totaled EUR 3,542 million (December 31, 2019: EUR 3,195 million). The increase is primarily attributable to the current financial debt and is explained by the drawing of the EUR 350 million part from the revolving credit facility (RCF) at the beginning of the second quarter. The bond maturing in April 2021 with a carrying amount of EUR 600 million was reclassified from non-current to current financial debt. This was countered mainly by the decline in trade payables, other liabilities (primarily VAT liabilities) and other provisions (primarily provisions for onerous contracts).

The **net working capital** of ProSiebenSat.1 Group amounted to minus EUR 196 million as of June 30, 2020 (December 31, 2019: EUR –156 million).

NET WORKING CAPITAL in EUR m

	06/30/2020	12/31/2019
Inventories	71	48
Receivables	436	541
Trade accounts payable	702	746
Net working capital	**– 196**	**– 156**

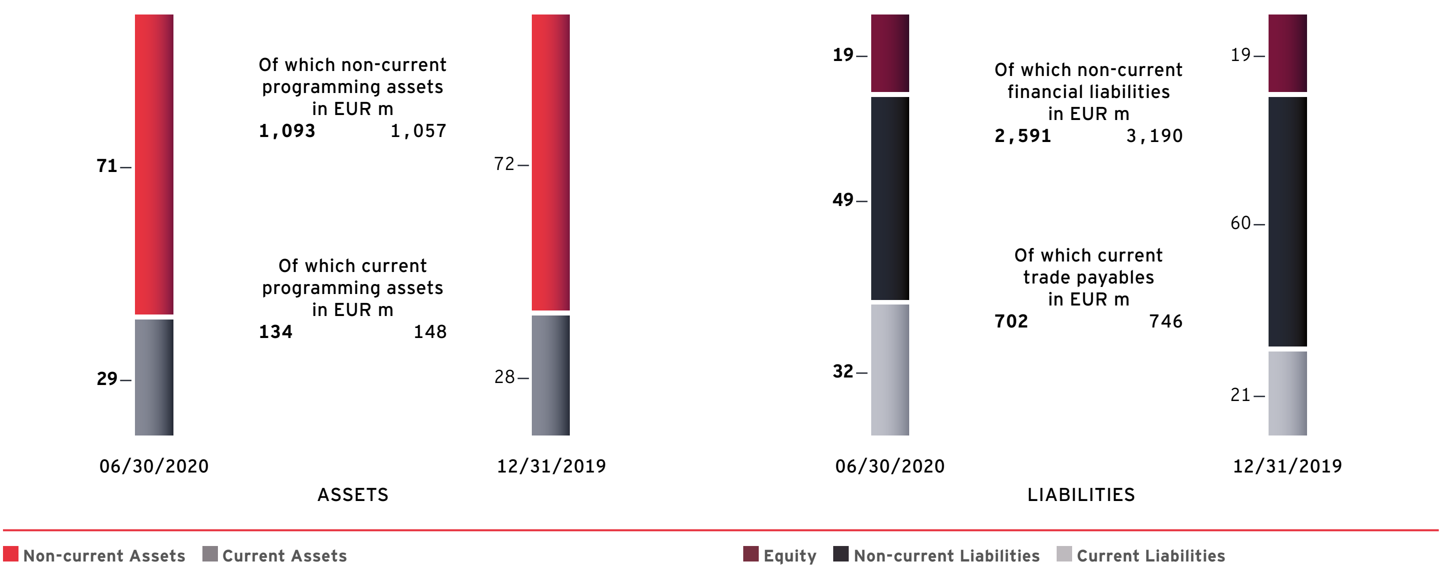
Trade payables are subject to seasonal fluctuations and therefore declined by EUR 43 million compared to December 31, 2019. The ratio of average net working capital to revenues of the past twelve months was minus 5.0% as of June 30, 2020 (December 31, 2019: –3.8%).

Borrowings and Financing Structure

ProSiebenSat.1 Group uses various financing instruments and practices active financial management. As of June 30, 2020, debt accounted for an 81% share of total equity and liabilities (December 31, 2019: 81%; June 30, 2019: 83%). The majority of this, at EUR 3,542 million or 64% (December 31, 2019: 60%; June 30, 2019: 61%), was attributable to current and non-current financial debt. → Analysis of Assets and Capital Structure

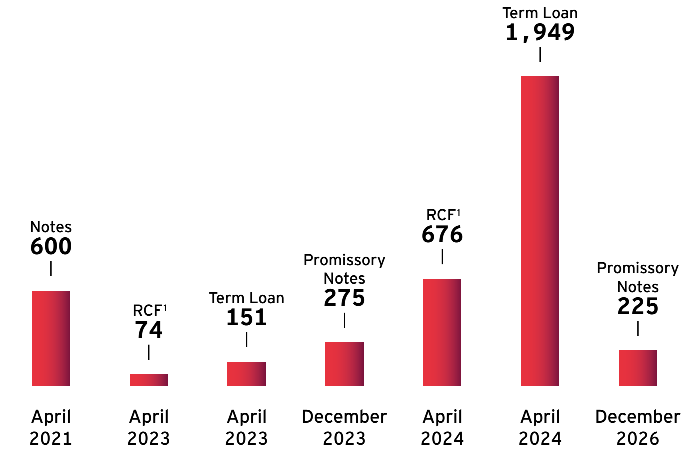
The Group continuously monitors and assesses developments on the money and capital markets. Most of the syndicated term loan and the syndicated revolving credit facility (RCF) matures in April 2024. In addition, ProSiebenSat.1 Group has notes from a seven-year bond issued in April 2014 with a volume of EUR 600 million. The notes are listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7); the coupon of the notes is 2.625% per annum. Since 2016, the Group's portfolio has also included three syndicated

STRUCTURE OF THE STATEMENT OF FINANCIAL POSITION in %



promissory notes totaling EUR 500 million with maturities 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). In April 2020, the Group has drawn down a portion of EUR 350 million of its RCF. The utilization was made in response to an environment characterized by COVID-19 and aims at ensuring continuous access to the Group's liquidity reserves. The Group's financing instruments are not governed by financial covenants. As of June 30, 2020, the Group's cash and cash equivalents amounted to EUR 1,190 million.

DEBT FINANCING INSTRUMENTS AND MATURITIES AS OF JUNE 30, 2020 in EUR m



[1] EUR 350 million was drawn from the RCF.

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. 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 June 30, 2020, the proportion of fixed interest was approximately 95% of the entire long-term financing portfolio (December 31, 2019, and June 30, 2019: approx. 98%). As of June 30, 2020, the average interest cap was 0% per annum for the period up to 2024. → Analysis of Assets and Capital Structure

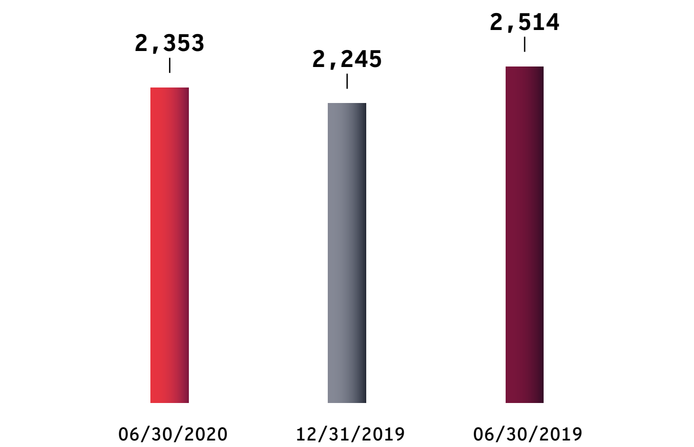
Financing Analysis

The leverage ratio is a key indicator for Group-wide financial and investment planning. It reflects the ratio of net financial debt to adjusted EBITDA over the last twelve months (LTM adjusted EBITDA). The target is a ratio between 1.5 and 2.5 at the end of the relevant year; the target range may be exceeded as a result of fluctuations during the year.

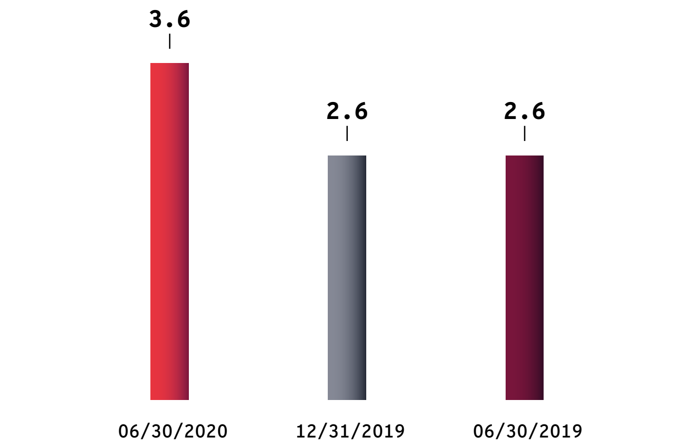
As of June 30, 2020, the leverage ratio was 3.6 (December 31, 2019, and June 30, 2019: 2.6) with net financial debt of EUR 2,353 million (December 31, 2019: EUR 2,245 million; June 30, 2019: EUR 2,514 million). The significant increase is primarily due to the decline in adjusted EBITDA of the last twelve months as a result of COVID-19 and a higher net financial debt, which reflects the development of the cash flows shown in the cash flow statement. → Analysis of Liquidity and Capital Expenditure

i As of June 30, 2020, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities according to IFRS 16 of EUR 218 million (December 31, 2019: EUR 171 million; June 30, 2019: EUR 164 million) and real estate liabilities of EUR 58 million (December 31, 2019: EUR 48 million; June 30, 2019: EUR 42 million).

NET FINANCIAL DEBT[1] in EUR m



LEVERAGE RATIO[1]



[1] Net financial debt is defined as financial debt minus cash and cash equivalents. The leverage ratio is derived by calculating the ratio of net financial debt to adjusted EBITDA of the last twelve months (LTM adjusted EBITDA).

THE PROSIEBENSAT.1 MEDIA SE SHARE

PROSIEBENSAT.1 MEDIA SE ON THE CAPITAL MARKET

In the first half of 2020, the development of the stock markets was shaped primarily by the global uncertainty over the impact of the COVID-19 pandemic. After a relatively stable performance in the first two months of the year, the increase in COVID-19 infections in Germany and the world from March on and the associated restrictions in public and economic life resulted in a low on the German stock market on March 18, 2020. As of this date, the German leading index, the DAX, had lost more than a third of its value versus the end of the previous year. As the year progressed, the stock markets recovered, and when the German economic stimulus package was announced at the beginning of June, the DAX was only three percentage points below the 2019 closing price. The DAX closed the first six months of 2020 down 7.1% compared to the end of the year, while the MDAX was down 8.7%. The relevant sector index for European media stocks, the EURO STOXX Media, which also includes other types of media apart from TV companies, closed the first half of 2020 down 14.7%. This particularly reflected the weak performance of the international TV companies in Spain, Italy and France included in the index – which form the relevant reference group for ProSiebenSat.1 Group.

Although the ProSiebenSat.1 Media SE share performed better than those of the international TV companies, it closed the first half of 2020 down 23.9% year-on-year and thus weaker than the comparative indices. As well as structural challenges in light of altered media usage and growing competition with streaming services, ProSiebenSat.1 Group, as a procyclical company, has also been considerably affected by the COVID-19 crisis as a result of lower advertising revenues since March 2020. This has had a negative effect on share price performance. As the year progressed, however, the share recovered considerably from its low of EUR 5.89 on March 18, 2020, and closed the first half of 2020 at EUR 10.59.

At the end of the half-year period, a total of 19 brokerage houses and financial institutions actively valued the ProSiebenSat.1 Media SE share and published research reports. At the end of the first half of 2020, 47% of analysts recommended the share as a buy, while 42% were in favor of holding it and 11% issued a sell recommendation. The analysts' median price target was EUR 11.00.

ANNUAL GENERAL MEETING FOR FINANCIAL YEAR 2019

The Annual General Meeting of ProSiebenSat.1 Media SE for financial year 2019 took place in Unterföhring on June 10, 2020. Due to the environment shaped by COVID-19, the event was held virtually for the first time in the company's history, without the physical presence of the shareholders or their proxies, in compliance with the COVID-19 Act passed by the German legislator.

The shareholders agreed to the Executive Board's and Supervisory Board's proposal to carry forward the full amount of the balance sheet profits to the new accounting period and thus to not pay out a dividend for financial year 2019. This measure secures additional liquidity of EUR 192 million for the Group in the uncertain environment caused by COVID-19. At the same time, the Group confirmed its current dividend policy with a payout ratio of 50% of the Group's adjusted net income for the year.

In another agenda item, the Annual General Meeting elected Dr. Antonella Mei-Pochtler as a new Supervisory Board member by a clear majority. Mei-Pochtler is an independent entrepreneur as well as senior advisor at the Boston Consulting Group and special advisor to the Austrian Chancellor. She was already appointed as a member of the Supervisory Board by court order with effect from April 13, 2020, taking over from Angelika Gifford, who had resigned with effect from January 13, 2020. In addition, the Annual General Meeting granted discharge to the Executive Board and Supervisory Board for financial year 2019 by a clear majority and adopted all other proposed resolutions requiring their approval, also by a clear majority. The shareholders had submitted a total of 115 questions prior to the Annual General Meeting, some of which comprised several separate questions. The Executive Board and Supervisory Board answered all of them in the discussion, which registered shareholders were able to watch via the shareholder portal. For other interested parties, the Group livestreamed the public part of the Annual General Meeting on the company's website.

SHAREHOLDER STRUCTURE OF PROSIEBENSAT.1 MEDIA SE

ProSiebenSat.1 Media SE's shares are mostly held by institutional investors in the US, Italy, Luxembourg, Germany and Spain.

ProSiebenSat.1 Media SE's largest individual shareholder is Czech Media Invest, a.s., Prague, Czech Republic ("CMI"), which according to the voting rights notification dated June 9, 2020, holds 9.8% of the shares via its investment company RUBY Equity Investment S.à r.l., Luxembourg, Luxembourg ("RUBY"). According to the voting rights notification dated June 15, 2020, Mediaset S.p.A., Milan, Italy ("Mediaset"), a major shareholder of the company since 2019, holds 8.9% of the shares with voting rights and an additional 15.2% of instruments within the meaning of Section 38 (1) No. 1 of the German Securities Trading Act (WpHG) as of June 30, 2020. Mediaset's stake includes 3.1% shares with voting rights and 6.7% instruments of Media España Comunicación, S.A., Madrid, Spain ("Mediaset España"). According to the voting rights notification, another major investor is Kohlberg Kravis Roberts & Co. L.P., New York City, USA ("KKR"), with a voting rights share of 6.6% on June 30, 2020.

At the end of the first half of the year, 28.0% of ProSiebenSat.1 Media SE's shares were held by private shareholders (June 30, 2019: 22.0%). In total, 78.3% were held in free float as of June 30, 2020 (June 30, 2019: 97.0%). 9.8% were held by CMI, 8.9% by Mediaset. The remaining 2.9% were held by the Group (June 30, 2019: 3.0%).

RISK AND OPPORTUNITY REPORT

As the further development of the COVID-19 pandemic is unpredictable, its consequences cannot also be reliably estimated currently. For this reason, the content of this risk report is subject to significant uncertainty: → Group Environment → Future Business and Industry Environment

From ProSiebenSat.1 Group's perspective, the COVID-19 pandemic has increased the risks in the categories reported as of the end of 2019: Risk categories that have come to the fore in light of the deteriorated macroeconomic and sector environment are sales risks in all segments, risks regarding the production and availability of program content, business partner default risks, and, in addition, compared to the end of 2019, impairment risks of asset values. It is not possible to precisely estimate the impacts and probabilities of these risks. However, the Group cannot rule out that one or more risks are very likely to have a very high impact. The uncertainty is due to the fact that the duration and extent of the COVID-19 pandemic and the strength of a subsequent recovery cannot be estimated at present.

The ProSiebenSat.1 Group's assessment of the relevant and significant potentials identified in the Opportunities Report 2019 for the planning period through 2024 has not changed fundamentally compared to the end of 2019.

i ProSiebenSat.1 Media SE has implemented a comprehensive risk management system to systematically identify, assess, manage and monitor risks. Risks reported as part of this system are summarized into categories and clusters. All relevant individual risks are examined in detail and managed as part of regular reporting. We monitor all risks identified as part of the risk management process; however, this Risk Report focuses only on changes in those risks whose impact could be high or very high overall.

The risks with a potentially high or very high impact and significant opportunities are described in the Annual Report 2019 from page 111. The organizational requirements for risk and opportunity management are also explained here. The Annual Report was published on March 5, 2020, and is available at → https://www.prosiebensat1.com/en/investor-relations/publications/annual-reports

OUTLOOK

FUTURE BUSINESS AND INDUSTRY ENVIRONMENT

After the International Monetary Fund (IMF) had already lowered its global growth forecast for 2020 to minus 3.0% in real terms as a result of the COVID-19 pandemic in April 2020, another downward correction followed in June 2020. The experts currently expect the global economy to decline by 4.9% in real terms. For the eurozone, it even forecasts an economic slump of 10.2%. The experts forecast a rapid recovery (global growth of +5.4%) in 2021 due to catch-up effects – starting from the correspondingly low level of the previous year. However, this would require the COVID-19 pandemic to be brought largely under control in the second half of 2020 and economic life to return to normal.

According to the latest report by the German Council of Economic Experts, the German economy is likely to drop by 6.5% in real terms in 2020. Positive contributions to growth are expected only from government spending and construction investments. On the other hand, private consumer spending, which drove the economy in previous years, is set to fall by 5.5%. However, the positive effects, such as the sharp increase in pensions midway through the year or the stimulus package (VAT cut, child bonus), will not be able to compensate for the lockdown-related restrictions, lost income and uncertainty.

Since the period of the year with the sharpest negative effects ought to be the second quarter, the period with the severest lockdown restrictions, the first economic indicators are brightening again following the easing of the lockdown in Germany. Due to the increasing normalization of public life and economic activity compared to the previous quarter, more positive figures are therefore expected again for the third and fourth quarter.

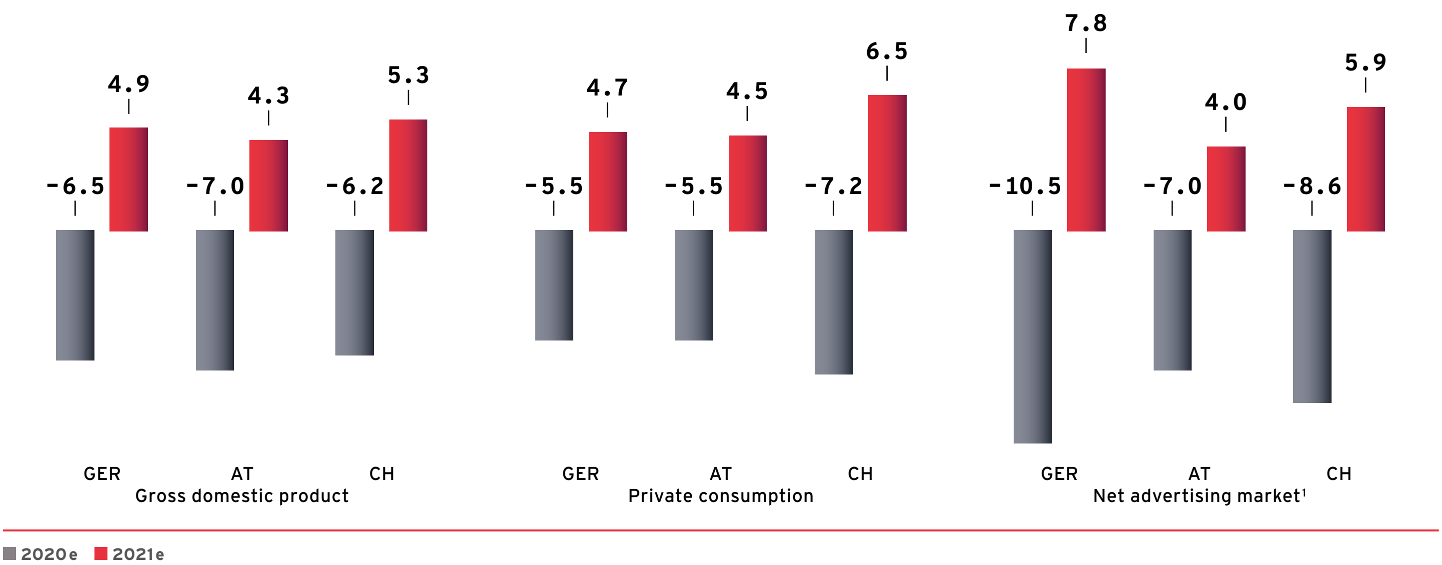
At the same time, other indicators such as the ifo Business Climate Index and GfK Consumer Climate Index are moving upward again. For example, the GfK Consumer Climate Index rose from minus 23.1 points to minus 18.6 points in June and is expected to reach minus 9.6 points in July 2020. Despite this sharp increase, however, this would still be the third-lowest figure ever recorded.

All these forecasts are subject to considerable risks. The decisive factor here will mainly be the further progression of the COVID-19 pandemic nationally and internationally. As a result of increased internationalization, the German economy is strongly networked, which means that unfavorable developments for important trading partners will not be without consequence in Germany.

In light of the economic restrictions due to COVID-19, the German Advertising Federation ("Zentralverband der deutschen Werbewirtschaft – ZAW") currently expects advertising revenues to fall by 10% in full-year 2020 in a more favorable scenario. In a less optimistic scenario, the decline could amount to 20%. The more favorable scenario would require the COVID-19 pandemic to be brought largely under control in the second half of 2020 with no renewed, far-reaching restrictions. The media agency Magna Global expects total net adverting spending to decline by 10.5% in full-year 2020. Investments in TV advertising are expected to fall by 15%.

FORECAST FOR GDP, PRIVATE CONSUMPTION AND NET ADVERTISING MARKET IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1 GROUP

in %, change vs. previous year



Sources: GER: German Council of Economic Experts Economic Outlook 2020 and 2021, June 2020 / **AT:** Austrian Institute for Economic Research (WiFo): Economic Outlook for 2020 and 2021, June 2020 / **CH:** SECO Economic Forecast by Federal Government's Expert Group, June 2020.

[1] **Sources:** Magna Global, Ad Forecasts June 2020, figures adjusted on a net basis, nonetheless methodological differences between different countries and sources.

Due to the lack of macroeconomic visibility, the media agency ZenithOptimedia has suspended the spring 2020 forecast update on the development of the net advertising market. It still remains to be seen which impacts the COVID-19 pandemic will have for the advertising industry and in particular for the TV advertising market.

COMPANY OUTLOOK

Against the backdrop of the global COVID-19 pandemic and the related economic uncertainty, also with regard to the extent of the negative business impact, ProSiebenSat.1 Group withdrew its financial outlook for financial year 2020, which had been published at the beginning of March 2020, on April 22, 2020. Already at this time, it was apparent that the effects of COVID-19 on ProSiebenSat.1 Group's business would make it impossible to achieve any of the targets for Group revenues, adjusted EBITDA, adjusted net income, free cash flow before M&A or the Group's leverage ratio stated in this financial outlook. This expectation was confirmed in the second quarter of 2020 for all targets relevant for the management of the Group.

In this environment, the Group continues to further focus on the active management of costs, cash flow and profitability, and has taken various countermeasures in all business areas to mitigate negative effects on the Group's profitability and to secure its liquidity. Although the uncertainties over the economic impact of the COVID-19 crisis remain significant and no reliable forecasts are possible, first economic indicators are brightening following the easing of the lockdown in Germany, and indications of an economic recovery are growing. ProSiebenSat.1 Group is concentrating on benefiting from this recovery in all business areas which – if sustainable – ought to have a positive impact also on the Group's advertising revenues in the second half of the year. In light of the continuing considerable uncertainty over the extent and duration of the COVID-19 pandemic's economic impact, the related low visibility as well as the dependence of the Group's full-year development on the traditionally important fourth quarter, it is still impossible for the Executive Board to issue a reliable outlook for full-year 2020. In a year with a normal revenue development unaffected by influences such as COVID-19, the Group generates especially in the months September to December about 50% of the adjusted EBITDA for the full-year. This underlines the importance of the year-end business for ProSiebenSat.1 Group.

Irrespectively, ProSiebenSat.1 Group continues to focus on its core strategic projects with the objective of being the leading entertainment and infotainment player in Germany, Austria and Switzerland. Local and digital offerings – also in close cooperation with Red Arrow Studios and Studio71 – play an important role in order to strengthen reach and thus monetization, as well as to reduce dependence on TV advertising revenues thus creating long-term value for its stakeholders. At the same time, NuCom Group continues to be a synergistically important pillar of the Group and strengthens its diversification.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

INCOME STATEMENT OF PROSIEBENSAT.1 GROUP in EUR m

		H1 2020	H1 2019	Q2 2020	Q2 2019
1.	Revenues	1,634	1,860	709	947
2.	Cost of sales	-1,051	-1,057	-499	-535
3.	**Gross profit**	**584**	**803**	**209**	**413**
4.	Selling expenses	-299	-292	-137	-151
5.	Administrative expenses	-246	-252	-113	-125
6.	Other operating expenses	-8	-4	-2	-2
7.	Other operating income	15	18	7	9
8.	**Operating result**	**45**	**273**	**-35**	**144**
9.	Interest and similar income	2	1	1	0
10.	Interest and similar expenses	-34	-25	-17	-15
11.	Interest result	-32	-24	-17	-14
12.	Result from investments accounted for using the equity method	-28	-20	-15	-12
13.	Other financial result	-10	80	-1	13
14.	**Financial result**	**-70**	**36**	**-33**	**-13**
15.	**Result before income taxes**	**-26**	**309**	**-68**	**131**
16.	Income taxes	-5	-94	7	-37
NET INCOME		**-30**	**215**	**-61**	**94**
	Net income attributable to shareholders of ProSiebenSat.1 Media SE	-17	215	-54	93
	Net income attributable to non-controlling interests	-13	-1	-7	1
in EUR					
	Earnings per share				
	Basic earnings per share	-0.07	0.95	-0.24	0.41
	Diluted earnings per share	-0.08	0.94	-0.24	0.41

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME OF PROSIEBENSAT.1 GROUP in EUR m

	H1 2020	H1 2019	Q2 2020	Q2 2019
Net income	**-30**	**215**	**-61**	**94**
Items subsequently reclassified to profit or loss				
Change in foreign currency translation adjustment	0	4	-9	-5
Changes in fair value of cash flow hedges	21	-1	-22	-12
Deferred tax on other comprehensive income	-6	0	6	3
Other comprehensive income	**15**	**4**	**-26**	**-14**
Total comprehensive income	**-15**	**218**	**-86**	**80**
Total comprehensive income attributable to shareholders of ProSiebenSat.1 Media SE	-2	219	-80	79
Total comprehensive income attributable to non-controlling interests	-13	0	-7	1

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION OF PROSIEBENSAT.1 GROUP in EUR m

	06/30/2020	12/31/2019
A. Non-current assets		
I. Goodwill	2,107	2,109
II. Other intangible assets	820	835
III. Property, plant and equipment	402	351
IV. Investments accounted for using the equity method	28	27
V. Non-current financial assets	304	316
VI. Programming assets	1,093	1,057
VII. Other receivables and non-current assets	3	4
VIII. Deferred tax assets	66	66
	4,823	**4,764**
B. Current assets		
I. Programming assets	134	148
II. Inventories	71	48
III. Current financial assets	73	67
IV. Trade receivables	417	530
V. Current tax assets	35	48
VI. Other receivables and current assets	64	46
VII. Cash and cash equivalents	1,190	950
VIII. Assets held for sale	-/-	17
	1,983	**1,853**
Total assets	**6,805**	**6,618**

	06/30/2020	12/31/2019
A. Equity		
I. Subscribed capital	233	233
II. Capital reserves	1,045	1,045
III. Consolidated equity generated	8	25
IV. Treasury shares	-63	-63
V. Accumulated other comprehensive income	70	55
VI. Other equity	-239	-236
Total equity attributable to shareholders of ProSiebenSat.1 Media SE	1,055	1,059
VII. Non-controlling interests	216	229
	1,270	**1,288**
B. Non-current liabilities		
I. Non-current financial debt	2,591	3,190
II. Other non-current financial liabilities	358	329
III. Trade payables	56	79
IV. Other non-current liabilities	8	15
V. Provisions for pensions	31	31
VI. Other non-current provisions	38	55
VII. Deferred tax liabilities	241	236
	3,324	**3,934**
C. Current liabilities		
I. Current financial debt	951	5
II. Other current financial liabilities	108	116
III. Trade payables	646	667
IV. Other current liabilities	294	357
V. Current tax liabilities	88	110
VI. Other current provisions	123	140
	2,211	**1,395**
Total equity and liabilities	**6,805**	**6,618**

CASH FLOW STATEMENT

CASH FLOW STATEMENT OF PROSIEBENSAT.1 GROUP in EUR m

	H1 2020	H1 2019 adjusted[1]	Q2 2020	Q2 2019 adjusted[1]
Net income	**-30**	**215**	**-61**	**94**
Income taxes	5	94	-7	37
Financial result	70	-36	33	13
Depreciation, amortization and impairments of other intangible and tangible assets	121	110	57	59
Consumption of programming assets incl. change in provisions for onerous contracts	447	449	221	217
Change in provisions	-13	-20	-9	-17
Gain/loss on the sale of assets	-3	-1	-1	-1
Other non-cash income/expenses	-2	-3	-1	-2
Change in working capital	-42	-51	10	-5
Dividends received	7	7	1	1
Income tax paid	-13	-52	11	-4
Interest paid	-35	-30	-25	-23
Interest received	2	2	1	0
Cash flow from operating activities	**514**	**683**	**228**	**369**
Proceeds from disposal of non-current assets	29	34	8	2
Payments for the acquisition of other intangible and tangible assets	-99	-101	-44	-59
Payments for investments including investments accounted for using the equity method	-41	-35	-22	-19
Proceeds from disposal of programming assets	12	19	5	5
Payments for the acquisition of programming assets	-482	-586	-216	-239
Payments for the issuance of loan receivables	-/-	-2	-/-	-1
Proceeds from the repayment of loan receivables	1	0	0	0
Cash flow from obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	-24	-94	-1	-85
Cash flow from losing control of subsidiaries or other businesses (net of cash and cash equivalents disposed of)	-/-	2	-/-	2
Cash flow from investing activities	**-605**	**-762**	**-269**	**-394**
Dividend paid	-/-	-269	-/-	-269
Repayment of interest-bearing liabilities	-5	-5	0	-2
Proceeds from issuance of interest-bearing liabilities	361	21	356	6
Repayment of lease liabilities	-18	-20	-9	-11
Payments for shares in other entities without change in control	0	-1	0	-1
Proceeds from non-controlling interests	0	7	-/-	-/-
Dividend payments to non-controlling interests	-3	-2	0	-1
Cash flow from financing activities	**335**	**-269**	**346**	**-277**
Effect of foreign exchange rate changes on cash and cash equivalents	-4	3	-12	-2
Change in cash and cash equivalents	**240**	**-346**	**292**	**-304**
Cash and cash equivalents at beginning of reporting period	950	1,031	898	989
Cash and cash equivalents at end of reporting period	**1,190**	**685**	**1,190**	**685**

[1] Prior year adjusted see Notes to Consolidated Financial Statements, Note 1 "General information".

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY OF PROSIEBENSAT.1 GROUP H1 2019 in EUR m

					Accumulated other comprehensive income							
	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Foreign currency translation adjustment	Fair value changes of cash flow hedges	Valuation of provisions for pensions	Deferred taxes	Other equity	Total equity attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Total equity
December 31, 2018	233	1,043	-119	-64	4	54	-10	-13	-246	883	187	1,070
Net income	-/-	-/-	215	-/-	-/-	-/-	-/-	-/-	-/-	215	-1	215
Other comprehensive income	-/-	-/-	-/-	-/-	4	-1	-/-	0	-/-	3	0	4
Total comprehensive income	**-/-**	**-/-**	**215**	**-/-**	**4**	**-1**	**-/-**	**0**	**-/-**	**219**	**0**	**218**
Dividends	-/-	-/-	-269	-/-	-/-	-/-	-/-	-/-	-/-	-269	-2	-271
Other changes	-/-	1	0	-/-	-/-	-/-	-/-	-/-	13	15	48	63
June 30, 2019	**233**	**1,044**	**-173**	**-64**	**8**	**53**	**-10**	**-12**	**-233**	**848**	**232**	**1,080**

STATEMENT OF CHANGES IN EQUITY OF PROSIEBENSAT.1 GROUP H1 2020 in EUR m

					Accumulated other comprehensive income							
	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Foreign currency translation adjustment	Fair value changes of cash flow hedges	Valuation of provisions for pensions	Deferred taxes	Other equity	Total 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	-/-	-/-	-17	-/-	-/-	-/-	-/-	-/-	-/-	-17	-13	-30
Other comprehensive income	-/-	-/-	-/-	-/-	0	21	-/-	-6	-/-	15	0	15
Total comprehensive income	**-/-**	**-/-**	**-17**	**-/-**	**0**	**21**	**-/-**	**-6**	**-/-**	**-2**	**-13**	**-15**
Dividends	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-3	-3
Other changes	-/-	0	0	-/-	-/-	-/-	-/-	-/-	-3	-2	3	0
June 30, 2020	**233**	**1,045**	**8**	**-63**	**15**	**91**	**-14**	**-22**	**-239**	**1,055**	**216**	**1,270**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 / General information

The interim consolidated financial statements of ProSiebenSat.1 Media SE and its subsidiaries (together "the Group" or "ProSiebenSat.1 Group") as of June 30, 2020, were prepared in accordance with the IFRS applicable to interim financial reporting as issued by the IASB and applicable in the EU and should be read in conjunction with the consolidated financial statements as of December 31, 2019.

The accounting principles applied by the Group to the interim consolidated financial statements as of June 30, 2020, are the same as for the consolidated financial statements for the financial year 2019. Individual prior-year disclosures have been adapted to the current presentation. Due to rounding, it is possible that individual figures in these interim consolidated financial statements do not add exactly to the totals shown. The interim consolidated financial statements have been released for publication by the Executive Board on July 23, 2020.

Between March 2020 and the reporting date of these interim consolidated financial statements, large parts of the commercial and economic environment of ProSiebenSat.1 Group have been affected negatively by the pervasive impact of the global spread of the Corona virus and the associated COVID-19 pandemic. Even though there have been successes in containing the spread of the virus both in Germany and globally, it is still difficult to predict the duration and extent of the resulting effects on assets, liabilities, results, cash flows and key performance indicators of the Group. This low degree of visibility also extends to the fourth quarter, which has traditionally been important for the Group's full-year development. Against this backdrop, ProSiebenSat.1 Group withdrew its financial outlook for the financial year 2020, which had been published at the beginning of March 2020, on April 22, 2020.

Moreover, when compared to previous reporting periods, the assumptions and estimates to be made in preparing the interim consolidated financial statements are subject to increased uncertainty as a result of the pandemic. These may impact the measurement of the assets and liabilities recognized in the financial statements as well as the amounts of expenses and revenues. Particularly when making impairment assessments for assets (especially goodwill, other intangible assets, programming assets, other equity instruments and trade receivables) and in measuring put option liabilities, possible effects of the COVID-19 pandemic have been taken into account. In preparing the interim consolidated financial statements, the effects of the COVID-19 pandemic have been taken into consideration on the basis of the current state of knowledge and the best available information. For purposes of preparing the interim consolidated financial statements, Group management generally assumed that the COVID-19 situation will not persist in the longer term.

To protect liquidity even under a possible longer-term COVID-19 crisis, the Annual General Meeting resolved on June 10, 2020 to carry forward the full amount of the balance sheet profits of ProSiebenSat.1 Media SE of EUR 454 million for the financial year 2019 to the new accounting period and thus to not pay out a dividend for financial year 2019. For the Group, this measure secures additional liquidity of EUR 192 million. At the same time, the Group confirmed its current dividend policy with a payout ratio of 50 percent of the Group's adjusted net income.

The Group's core business is subject to significant seasonal fluctuations as well as being affected by the macroeconomic effects of the COVID-19 pandemic in the current financial year. The months from September to December are of particular importance for the full-year business development. In a year with a normal revenue development, unaffected by influences such as COVID-19, the Group generates about 50% of the full-year adjusted EBITDA in these months. Therefore, the results for the first six months of the financial year 2020 are not necessarily predictive of future business performance.

At the start of the first quarter of 2020, ProSiebenSat.1 Group has renamed its segments and since reports on the segment activities of SevenOne Entertainment Group (formerly Entertainment), Red Arrow Studios (formerly Content Production & Global Sales) and NuCom Group (formerly Commerce). To implement a more independent Entertainment organization, the Group converted the former operating holding company of ProSiebenSat.1 Group, previously presented as part of the Entertainment segment, into a strategic holding. Since January 1, 2020, ProSiebenSat.1 Media SE's holding activities have been presented in the reconciliation column (Holding & other) of the Group's segment reporting. These activities encompass the strategic holding as well as support functions, combined in various Centers of Excellence and a Shared Service Center. Associated costs for services rendered by the Centers are being recharged to the relevant segments. Prior-year figures have been adjusted accordingly.

In the prior-period cash flow statement, EUR 35 million for the second quarter of 2019 and EUR 4 million respectively for the first half of 2019 were reclassified from the cash flow from operating activities to the cash flow from investing activities due to a presentation adjustment of payments made and received in the context of the acquisition and disposal of programming assets. As a consequence of the adjustment, the cash flow from operating activities is lower, while correspondingly, the cash flow from investing activities is less negative than previously reported. As both effects completely offset one another, the free cash flow remains unaffected by the adjustment.

2 / Acquisitions and disposals of investments

ACQUISITION OF THE MEET GROUP, INC.

On March 5, 2020, ProSiebenSat.1 Group and General Atlantic PD GmbH, Munich ("General Atlantic") have signed an agreement for the complete takeover of the US online dating and social entertainment enterprise The Meet Group, Inc., New Hope, Pennsylvania, USA ("The Meet Group") via their common entity NUCOM GROUP SE. The acquisition agreement stipulates a purchase price of 6.30 USD per share in The Meet Group, which equates to a value of the company of around USD 500 million. The general meeting of The Meet Group has approved the acquisition on June 4, 2020. The portfolio entities of Parship Group will be joined with those of The Meet Group in order to create a leading global player in the online dating market. ProSiebenSat.1 Group will hold a stake of 55% in the newly created combined entity whereas General Atlantic's share will amount to 45%. The acquisition is still subject to approval by a regulatory body in the US and is expected to be closed in the second half of 2020.

DISPOSAL OF THE SHARES IN GAMIGO AG

After signing an option agreement on December 20, 2019, the 33% investment in gamigo AG, Hamburg, allocated to the former Entertainment segment, was presented as a non-current asset held for sale as of December 31, 2019. Until December 20, 2019, the investment was included in the consolidated financial statements as an associate accounted for using the equity method. The call option to acquire the shares held by ProSiebenSat.1 Group for a purchase price of EUR 17 million was exercised by the buyer on February 17, 2020 and the transaction was closed on March 5, 2020. The transaction did not lead to a disposal gain or loss.

3 / Revenues

The following tables contain a breakdown of revenues from contracts with customers by categories and segments.

REVENUES H1 in EUR m

	SevenOne Entertainment Group		Red Arrow Studios		NuCom Group		Total	
	H1 2020	H1 2019	**H1 2020**	H1 2019	**H1 2020**	H1 2019	**H1 2020**	H1 2019
Advertising revenues	809	1,024	-/-	-/-	-/-	-/-	809	1,024
Distribution	83	76	-/-	-/-	-/-	-/-	83	76
Production	-/-	-/-	90	140	-/-	-/-	90	140
Global sales and other program sales	20	14	35	34	-/-	-/-	55	48
Studio71	-/-	-/-	110	109	-/-	-/-	110	109
Consumer Advice	-/-	-/-	-/-	-/-	97	105	97	105
Experiences	-/-	-/-	-/-	-/-	25	30	25	30
Matchmaking	-/-	-/-	-/-	-/-	117	104	117	104
Beauty & Lifestyle[1]	-/-	-/-	-/-	-/-	198	158	198	158
Others	49	66	-/-	-/-	-/-	1	49	67
Total	**961**	**1,180**	**236**	**283**	**437**	**397**	**1,634**	**1,860**

[1] This line contains revenues from the sale of goods of EUR 169 million (previous year: EUR 132 million).

REVENUES Q2 in EUR m

	SevenOne Entertainment Group		Red Arrow Studios		NuCom Group		Total	
	Q2 2020	Q2 2019	**Q2 2020**	Q2 2019	**Q2 2020**	Q2 2019	**Q2 2020**	Q2 2019
Advertising revenues	323	516	-/-	-/-	-/-	-/-	323	516
Distribution	42	38	-/-	-/-	-/-	-/-	42	38
Production	-/-	-/-	37	76	-/-	-/-	37	76
Global sales and other program sales	11	10	12	12	-/-	-/-	23	23
Studio71	-/-	-/-	53	60	-/-	-/-	53	60
Consumer Advice	-/-	-/-	-/-	-/-	36	51	36	51
Experiences	-/-	-/-	-/-	-/-	10	15	10	15
Matchmaking	-/-	-/-	-/-	-/-	58	51	58	51
Beauty & Lifestyle[1]	-/-	-/-	-/-	-/-	105	81	105	81
Others	22	36	-/-	-/-	-/-	-/-	22	36
Total	**398**	**601**	**102**	**148**	**209**	**198**	**709**	**947**

[1] This line contains revenues from the sale of goods of EUR 90 million (previous year: EUR 68 million).

4 / Income taxes

The Group's applicable statutory tax rate amounts to 28.0% (previous year: 28.0%). When determining income taxes for the first six months of the financial year 2020, no deferred taxes were recognized for results from investments accounted for using the equity method and current operating losses for which deferred tax assets may not be recognized.

5 / Valuation of goodwill

The economic impact of the COVID-19 pandemic constitutes a triggering event signaling the necessity to perform a situational impairment test for the goodwill allocated to the cash-generating units SevenOne Entertainment Group (formerly Entertainment), Red Arrow Studios (formerly Content Production & Global Sales) and NuCom Group (formerly Commerce) as of June 30, 2020. At SevenOne Entertainment Group, this reflects in particular a decline in advertising revenues due to the COVID-19 pandemic, especially the cancellation or deferral of planned productions as a consequence of governmental travel restrictions and lockdown measures at Red Arrow Studios and governmental travel restrictions and lockdown measures at NuCom Group, leading to declines in demand in some relevant sales markets.

As part of the impairment tests as of June 30, 2020, the recoverable amounts of the cash-generating units were determined as values in use.

Compared to the measurement date December 31, 2019, the values in use were determined using adjusted cash flows, particularly taking account of the negative effects of the COVID-19 pandemic on the cash flows for the year 2020, as well as adjusted discount rates. Due to the current situation, the duration and extent of these negative effects on the cash flows is difficult to forecast. Using the best information currently available, a non-lasting duration of the current COVID-19 situation has been assumed.

The impairment test as of June 30, 2020 for the goodwill allocated to the cash-generating units SevenOne Entertainment Group, Red Arrow Studios and NuCom Group has not led to the need to recognize any impairment.

As outlined in the consolidated financial statements as of December 31, 2019, a possible change of the EBITDA margin after the end of the planning period and the average discount rate used in the model could lead to an impairment of the cash-generating unit Red Arrow Studios (formerly Content Production & Global Sales) in the future. The situation remains substantially unchanged at June 30, 2020.

6 / Other financial obligations

The other financial obligations are comprised as follows:

OTHER FINANCIAL OBLIGATIONS in EUR m

	June 30, 2020	December 31, 2019
Purchase commitments for programming assets	2,342	2,532
Distribution	154	177
Leasing and long-term rental commitments	66	75
Other financial obligations	722	294
Total	**3,285**	**3,078**

The decline in purchase commitments for programming assets predominantly reflects the adjustment of the programming structure due to the strategic focus on local content.

The leasing and rental obligations mainly contain future variable lease payments under existing lease arrangements and new leases for which the use of the leased items has not yet commenced as of the reporting date.

At the reporting date of June 30, 2020, the other financial obligations contain an amount of EUR 105 million (December 31, 2019: EUR 140 million) relating to commitments for the future funding of the equity-accounted joint venture Joyn GmbH, Munich ("Joyn"). The cash-outflows from the capital increases carried out in the first half of the financial year 2020 amounting to EUR 39 million (previous year: EUR 23 million) are presented in the payments for investments including investments accounted for using the equity method and financial assets in the cash flow from investing activities.

The increase of the other financial obligations primarily reflects commitments in the context of the acquisition of The Meet Group. General Atlantic proportionately contributes to the financial obligation arising from the transaction to hold an investment of 45% in the newly created combined entity after the closing of the transaction ➡ see Note 2 "Acquisitions and disposals of investments".

7 / Financial instruments

The fair value measurements of financial instruments as of June 30, 2020 were determined using the same methods as described in detail in note 33 "Further notes on financial risk management and financial instruments in accordance with IFRS 7" in the consolidated financial statements for the financial year 2019.

The following table presents the carrying amounts and fair values as well as the fair value hierarchy level of the input factors primarily used in the fair value measurement.

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS in EUR m

		June 30, 2020					December 31, 2019				
				Fair Value					Fair Value		
	Presented in the Statement of Financial Position as	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets											
Measured at fair value											
Fund units to finance pension obligations	Non-current financial assets	27	27	27	-/-	-/-	26	26	26	-/-	-/-
Other equity instruments	Non-current financial assets	183	183	-/-	-/-	183	206	206	-/-	-/-	206
Other level 3 instruments and derivatives for which hedge accounting is not applied	Current and non-current financial assets	4	4	-/-	1	3	9	9	-/-	3	6
Hedge derivatives	Current and non-current financial assets	103	103	-/-	103	-/-	85	85	-/-	85	-/-
Total		**317**	**317**	**27**	**104**	**186**	**327**	**327**	**26**	**88**	**212**
Financial liabilities											
Measured at fair value											
Liabilities from put options & earn-outs	Other financial liabilities	126	126	-/-	-/-	126	166	166	-/-	-/-	166
Derivatives for which hedge accounting is not applied	Other financial liabilities	1	1	-/-	1	-/-	2	2	-/-	2	-/-
Hedge derivatives	Other financial liabilities	15	15	-/-	15	-/-	15	15	-/-	15	-/-
Measured at amortised cost											
Term Loan and other borrowings	Financial debt	2,444	2,463	-/-	2,463	-/-	2,098	2,179	-/-	2,179	-/-
Notes	Financial debt	599	602	602	-/-	-/-	599	615	615	-/-	-/-
Promissory note	Financial debt	499	512	-/-	512	-/-	499	525	-/-	525	-/-
Real estate financing	Other financial liabilities	58	65	-/-	65	-/-	48	57	-/-	57	-/-
Total		**3,742**	**3,784**	**602**	**3,056**	**126**	**3,426**	**3,559**	**615**	**2,779**	**166**

ProSiebenSat.1 Group holds other financial instruments not presented in the table, which are measured at amortized cost. Their carrying amounts represent appropriate proxies for their fair values.

In April 2020, the Group has drawn down a portion of EUR 350 million of its EUR 750 million revolving credit facility ("RCF"). The remaining undrawn volume of the RCF thus amounts to EUR 400 million. The utilization was made in response to an environment characterized by COVID-19 and aims at ensuring continuous access to the Group's liquidity reserves. The Group's financing instruments are not subject to financial covenants.

The notes due in April 2021 with a volume of EUR 600 million have been reclassified to current financial liabilities in the reporting period.

The following table provides a reconciliation of the financial instruments measured at fair value primarily on the basis of level-3 input factors during the reporting period:

RECONCILIATION OF LEVEL 3 FAIR VALUES in EUR m

	Other equity instruments	Liabilities from put options and earn-outs	Other level 3 instruments and derivatives for which hedge accounting is not applied
January 1, 2020	**206**	**166**	**6**
Gains or losses recognised in the income statement[1]	− 15	− 17	− 3
Additions from acquisitions	3	0	−/−
Disposals/Payments	− 12	− 24	0
June 30, 2020	**183**	**126**	**3**

[1] This line item includes unrealized losses on other equity instruments of EUR 15 million, unrealized gains on Liabilities from put options and earn-outs of EUR 13 million and unrealized losses of EUR 3 million for other level 3 instruments.

Apart from compounding effects which are presented in interest result, any gains or losses on instruments assigned to level 3 are presented in other financial result.

The fair value decreases of minus EUR 15 million recognized on other equity instruments during the reporting period primarily relate to minority investments held by Seven Ventures GmbH, Unterfoehring and largely reflect the impacts of the COVID-19 pandemic.

The gains of EUR 17 million on liabilities from put options and earn-outs recognized in profit or loss during the reporting period substantially derive from the re-measurement of the put-option relating to Studio71 and further put options in the Red Arrow Studios segment. The disposals of EUR 24 million result largely from the payouts for the subsequent acquisition of shares in Left/Right Holdings, LLC, Dover, Delaware, USA and Fabrik Entertainment, LLC, Wilmington, Delaware, USA in the context of business combinations of previous periods.

When measuring liabilities from put options and earn-outs, key inputs that are not observable on the market are the earnings figures on which the respective instruments are based and the risk-adjusted discount rates applied. A 5.0% improvement in the underlying earnings figures would increase the (negative) fair value of the put options by EUR 5 million as of the reporting date, while a 5.0% decrease would reduce it by EUR 5 million. In addition, a change in the interest rate by plus or minus one percentage point would result in the fair value of these financial liabilities being reduced by EUR 2 million or increasing by EUR 2 million.

8 / Segment reporting

As described in → Note 1 "General Information", ProSiebenSat.1 Group has renamed its segments and reports the segments SevenOne Entertainment Group (formerly Entertainment), Red Arrow Studios (formerly Content Production & Global Sales) and NuCom Group (formerly Commerce) since then. The reconciliation column (Holding & other) contains the activities of the strategic holding as well as other effects. Prior period figures have been adjusted accordingly. Other effects result from the elimination and consolidation of intra-Group transactions between the segments.

SEGMENT INFORMATION OF PROSIEBENSAT.1 GROUP H1 2020 in EUR m

	SevenOne Entertainment Group	Red Arrow Studios	NuCom Group	Total Segments	Reconciliation (Holding & other)	**Total Group**
Revenues	994	268	438	1,700	-65	**1,634**
External revenues	961	236	437	1,634	-/-	**1,634**
Internal revenues	32	32	1	65	-65	**-/-**
Adjusted EBITDA	155	9	28	191	-11	**180**
Reconciling items	1	-2	-6	-7	-7	**-14**
Depreciation, amortization and impairment	53	20	35	107	14	**121**
Investments	528	16	22	566	15	**581**

SEGMENT INFORMATION OF PROSIEBENSAT.1 GROUP H1 2019 in EUR m

	SevenOne Entertainment Group	Red Arrow Studios	NuCom Group	Total Segments	Reconciliation (Holding & other)	Total Group
Revenues	1,212	319	397	1,928	-68	1,860
External revenues	1,180	283	397	1,860	-/-	1,860
Internal revenues	32	36	0	68	-68	-/-
Adjusted EBITDA	375	17	36	429	-26	403
Reconciling items	-2	0	-8	-11	-9	-19
Depreciation, amortization and impairment	49	18	31	98	13	110
Investments	653	16	13	682	6	688

Of the amounts presented in the "Reconciliation (Holding & other)" column, minus EUR 11 million adjusted EBITDA (previous year: EUR -26 million) are attributable to the strategic holding, as well as reconciling items of minus EUR 7 million (previous year: EUR -9 million), depreciation, amortization and impairments of EUR 14 million (previous year: EUR 13 million), and investments of EUR 19 million (previous year: EUR 12 million). Eliminations and consolidations are comprised of internal revenues of minus EUR 65 million (previous year: EUR -68 million) and investments of minus EUR 4 million (previous year: EUR -6 million).

SEGMENT INFORMATION OF PROSIEBENSAT.1 GROUP Q2 2020 in EUR m

	SevenOne Entertainment Group	Red Arrow Studios	NuCom Group	Total Segments	Reconciliation (Holding & other)	**Total Group**
Revenues	413	115	209	737	-28	**709**
External revenues	398	102	209	709	-/-	**709**
Internal revenues	15	14	0	28	-28	**-/-**
Adjusted EBITDA	13	1	13	27	-3	**23**
Reconciling items	2	-2	-2	-2	0	**-2**
Depreciation, amortization and impairment	25	9	16	50	7	**57**
Investments	235	3	12	250	9	**259**

SEGMENT INFORMATION OF PROSIEBENSAT.1 GROUP Q2 2019 in EUR m

	SevenOne Entertainment Group	Red Arrow Studios	NuCom Group	Total Segments	Reconciliation (Holding & other)	**Total Group**
Revenues	616	171	198	985	-38	947
External revenues	601	148	198	947	-/-	947
Internal revenues	15	23	0	38	-38	-/-
Adjusted EBITDA	197	9	17	223	-10	213
Reconciling items	-2	0	-4	-5	-4	-9
Depreciation, amortization and impairment	27	9	16	53	6	59
Investments	280	9	7	296	2	298

Of the amounts presented in the "Reconciliation (Holding & other)" column, minus EUR 3 million adjusted EBITDA (previous year: EUR -10 million) are attributable to the strategic holding, as well as reconciling items of EUR 0 million (previous year: EUR -4 million), depreciation, amortization and impairments of EUR 7 million (previous year: EUR 6 million) and investments of EUR 11 million (previous year: EUR 6 million). Eliminations and consolidations are comprised of internal revenues of minus EUR 28 million (previous year: EUR -38 million) and investments of minus EUR 2 million (previous year: EUR -4 million).

The reconciliation of segment values to the corresponding Group values is presented below:

RECONCILIATION OF SEGMENT INFORMATION in EUR m

	H1 2020	H1 2019	**Q2 2020**	Q2 2019
ADJUSTED EBITDA				
Adjusted EBITDA of reportable segments	191	429	27	223
Reconciliation (Holding & other)	-11	-26	-3	-10
Adjusted EBITDA of the Group	**180**	**403**	**23**	**213**
Reconciling items	-14	-19	-2	-9
Financial result	-70	36	-33	-13
Depreciation, amortization and impairment	-121	-110	-57	-59
Income taxes	-5	-94	7	-37
Net income	**-30**	**215**	**-61**	**94**

The reconciling items which are taken into account when determining adjusted EBITDA are distributed among the following categories:

PRESENTATION OF THE RECONCILING ITEMS in EUR m

	H1 2020	H1 2019	Q2 2020	Q2 2019
Income adjustments	**0**	**0**	**0**	**0**
M&A related expenses	-8	-4	-1	-2
Reorganization expenses	-4	-16	-3	-8
Fair value adjustments of share-based payments	3	3	1	1
Expenses for other one-time items	-4	-2	2	-2
Valuation effects relating to strategic realignments of business units	-1	1	0	1
Expense adjustments	**-14**	**-20**	**-2**	**-10**
Reconciling items	**-14**	**-19**	**-2**	**-9**

9 / Related parties

The former CEO Max Conze has left the Executive Board as of February 26, 2020. His employment contract, which had a remaining term until the end of May 2021, was terminated with effect as of May 31, 2020. Max Conze received a severance payment of EUR 3.9 million. As agreed upon in the termination agreement, the remuneration entitlements for the remainder of the employment contract were paid out after the termination date, or, in the case of the contractual post-employment benefits, continued for the remaining term.

Additionally, the former Deputy CEO and General Counsel Conrad Albert has left the Executive Board as of April 30, 2020. His employment contract, which had a remaining term until April 30, 2021 was terminated with effect of April 30, 2020. Conrad Albert received a severance payment of EUR 3.1 million. As agreed upon in the termination agreement, remuneration entitlements for the remainder of the employment contract were fully paid out after the termination date. The contractual post-employment benefits were continued for the remaining term, and in the case of the terms of the Group Share Plan, a provision was recognized.

In March 2020, Wolfgang Link and Christine Scheffler were newly appointed to the Executive Board. Since then CFO Rainer Beaujean has taken on the additional role of Chairman of the Executive Board.

With effect from April 13, 2020, Dr. Antonella Mei-Pochtler became a member of the Supervisory Board of ProSiebenSat.1 Media SE by court order. At the Annual General Meeting on June 10, 2020, she was regularly elected. She succeeds Angelika Gifford, who had resigned on January 13, 2020.

Directors' dealings notifications in accordance with Article 19 of Regulation (EU) No. 596/2014 (Market Abuse- MAR) are published at → www.prosiebensat1.com/en/investor-relations/publications/directors-dealings immediately upon receipt.

During the first six months of the financial year 2020, goods sold and services rendered to associates have amounted to EUR 46 million (previous year: EUR 60 million). At June 30, 2020 receivables from associates amount to EUR 24 million (December 31, 2019: EUR 17 million). The Group received goods and services from its associates and thus recognized expenses of EUR 11 million (previous year: EUR 14 million) during the first six months of the financial year 2020. Liabilities to such entities amount to EUR 1 million as of June 30, 2020 (December 31, 2019: EUR 3 million).

During the first six months of the financial year 2020, goods sold and services rendered to joint ventures have amounted to EUR 17 million (previous year: EUR 19 million). At June 30, 2020 receivables from joint ventures amount to EUR 13 million (December 31, 2019: EUR 21 million). The Group received goods and services from its joint ventures and thus recognized expenses of EUR 4 million (previous year: EUR 1 million) during the first six months of the financial year 2020. Liabilities to such entities amount to EUR 5 million as of June 30, 2020 (December 31, 2019: EUR 12 million).

July 23, 2020
The Executive Board

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Unterfoehring July 23, 2020

Rainer Beaujean
Chairman of the Executive Board & CFO

Wolfgang Link
Member of the Executive Board &
CEO SevenOne Entertainment

Christine Scheffler
Member of the Executive Board &
Chief Human Resources Officer (CHRO)

REVIEW REPORT

TO PROSIEBENSAT.1 MEDIA SE

We have reviewed the interim condensed consolidated financial statements of ProSiebenSat.1 Media SE, Unterföhring, – comprising the income statement, the statement of comprehensive income, the statement of financial position, the cash flow statement, the statement of changes in equity and selected explanatory notes – and the interim group management report for the period from 1 January 2020 to 30 June 2020, which are part of the six-monthly financial report pursuant to Sec. 115 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs [International Financial Reporting Standards] on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Munich, 23 July 2020

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Barth	Mielke
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

FINANCIAL CALENDAR

PRESENTATIONS & EVENTS 2020/2021

Date	Event
07/31/2020	Publication of the Half-Yearly Financial Report of 2020
11/05/2020	Publication of the Quarterly Statement for the Third Quarter of 2020
03/04/2021	Publication of the Annual Report 2020
03/04/2021	Press Conference/IR Conference on figures 2020
05/12/2021	Publication of the Quarterly Statement for the First Quarter of 2021
06/01/2021	Annual General Meeting 2021
08/05/2021	Publication of the Half-Yearly Financial Report of 2021
11/04/2021	Quarterly Statement for the Third Quarter of 2021

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This and other publications are available on the Internet, along with information about ProSiebenSat.1 Group, at
→ www.ProSiebenSat1.com/en

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 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.