ProSiebenSat.1 Media SE

HALF-YEARLY FINANCIAL REPORT 2021

SPEEDING UP

SHARPENING FOCUS
CREATING VALUE
TAKING RESPONSIBILITY

KEY FIGURES OF PROSIEBENSAT.1 GROUP

in EUR m

	Q2 2021	Q2 2020	**H1 2021**	H1 2020
Revenues	**1,048**	709	**1,986**	1,634
Revenue margin before income taxes (in %)	**13.1**	–9.6	**10.5**	–1.6
Total costs[1]	**970**	751	**1,834**	1,604
Consumption of programming assets	**249**	221	**462**	447
Adjusted EBITDA[2]	**166**	23	**308**	180
Adjusted EBITDA-margin (in %)	**15.8**	3.3	**15.5**	11.0
EBITDA	**151**	21	**289**	166
Reconciling items[3]	**–15**	–2	**–19**	–14
Operating result (EBIT)	**83**	–35	**163**	45
Adjusted EBIT	**119**	–21	**218**	88
Financial result	**54**	–33	**46**	–70
Result before income taxes	**137**	–68	**209**	–26
Adjusted net income[4]	**63**	–52	**100**	7
Net income	**114**	–61	**180**	–30
Attributable to shareholders of ProSiebenSat.1 Media SE	**123**	–54	**189**	–17
Attributable to non-controlling interests	**–9**	–7	**–9**	–13
Adjusted earnings per share (in EUR)	**0.28**	–0.23	**0.44**	0.03
Payments for the acquisition of programming assets	**244**	216	**449**	482
Free cash flow	**–11**	–41	**–36**	–91
Cash flow from investing activities	**–280**	–269	**–536**	–605
Adjusted operating free cash flow[5]	**87**	14	**169**	33
Audience share (in %)[6]	**24.9**	28.2	**25.3**	27.4

	06/30/2021	12/31/2020	06/30/2020
HD subscribers (in m)[7]	**10.9**	10.6	10.4
Employees[8]	**8,271**	7,307	6,477
Programming assets	**1,154**	1,213	1,226
Equity	**1,776**	1,687	1,270
Equity ratio (in %)	**27.9**	23.8	18.7
Cash and cash equivalents	**438**	1,224	1,190
Financial debt	**2,594**	3,192	3,542
Leverage ratio[9]	**2.6**	2.8	3.6
Net financial debt	**2,156**	1,968	2,353

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

AT A GLANCE

- **ProSiebenSat.1 Group recorded a very strong recovery in the second quarter of 2021 compared to the previous year's quarter, which was dominated by COVID-19: Revenues grew considerably by 48% to EUR 1,048 million, while adjusted EBITDA increased more than sevenfold to EUR 166 million.**
- **This results in a 22% plus in revenues to EUR 1,986 million and a 71% increase in adjusted EBITDA to EUR 308 million in the first half of 2021.**
- **The main driver is the dynamic recovery of the Group's advertising revenues. At the same time, the Group's diversification strategy with three strong segments is continuing to pay off.**
- **The important key figures for cash flow, profitability, and debt are improving significantly and sustainably – also thanks to our consistent management on the basis of these figures.**
- **Following this strong development, the Group has again increased its outlook for the full-year and now anticipates – without further portfolio changes – revenues of between EUR 4.400 billion (previously: EUR 4.250 billion) and EUR 4.500 billion (previously: EUR 4.450 billion) and adjusted EBITDA of around EUR 820 million with a variance of plus/minus EUR 20 million (previously: target range of EUR 750 million to EUR 800 million) in 2021.**

ProSiebenSat.1 Group is continuing to drive forward its sustainable strategy and is increasingly evolving into a digital group. This operational progress is also reflected in the Group's financial performance, which was characterized by clear growth: ProSiebenSat.1 Group recorded a dynamic recovery in its portfolio in the second quarter compared to the previous year's quarter, which was dominated by the pandemic. The Group significantly increased its revenues by 48% to EUR 1,048 million (previous year: EUR 709 million) – the highest revenues generated by the Group in a second quarter to date. The main driver was the very strong growth in advertising business, which recovered considerably better from the effects of the COVID-19 pandemic than expected. At the same time, the significant increase in revenues was carried by other areas that had also still been impacted by the COVID-19 pandemic in the previous quarters. Hence, in the Entertainment segment the program production business also recorded a strong increase in revenues again, and in the Commerce & Ventures segment there were likewise clear signs of recovery. In the Dating segment, the area of live video remains an important growth driver with the integration of The Meet Group.

On this basis, the Group increased its revenues by 22% to EUR 1,986 million in the first half of 2021 (previous year: EUR 1,634 million). The Group's diversification strategy, which we are driving forward by our own power across the whole Group, is thus paying off and creating value for ProSiebenSat.1 Group as a whole.

Accordingly, adjusted EBITDA also improved significantly: On a quarterly basis, it increased more than sevenfold to EUR 166 million (previous year: EUR 23 million). For the first half of the year, earnings growth of 71% to EUR 308 million was recorded (previous year: EUR 180 million). This shows our high profitability.

At the same time, the key figures for cash flow and debt improved significantly and sustainably – also thanks to our systematic management on the basis of these figures. Hence, net financial debt decreased compared to the end of the first half of the year of 2020 to EUR 2,156 million as of June 30, 2021 (previous year: EUR 2,353 million), the leverage ratio decreased to a factor of 2.6x (previous year: 3.6x). Adjusted operating free cash flow increased more than sixfold to EUR 87 million in the second quarter of 2021 (previous year: EUR 14 million). In the first half of 2021, adjusted operating free cash flow also grew significantly to EUR 169 million (previous year: EUR 33 million). This positive cash flow development reflects the Group's high earnings growth in the second quarter.

Following this strong development, the Group has again increased, as communicated on July 19, 2021, its outlook for the full-year and now anticipates – without further portfolio changes – revenues of between EUR 4.400 billion (previously: EUR 4.250 billion) and EUR 4.500 billion (previously: EUR 4.450 billion) and adjusted EBITDA of around EUR 820 million with a variance of plus/minus EUR 20 million in 2021 (previously: target range of EUR 750 million to EUR 800 million).

This development shows that ProSiebenSat.1 Group is on the right path with its strategy: The Group combines leading entertainment brands with a strong Dating and Commerce & Ventures portfolio all under one roof. In doing so, the Company continuously strengthens synergies within the Group and uses the multi-million reach of its TV channels to establish and strengthen its own digital business areas. By that, the Group is driving forward its diversification by its own power and developing better than purely traditional media companies with its increasingly synergistic, focused, and profitable positioning.

ProSiebenSat.1's success is decisively shaped by the employees of the Group. As of June 30, 2021, ProSiebenSat.1 Group had 8,271 employees (previous year: 6,477), calculated on the basis of full-time equivalents. This increase of 1,794 employees was particularly based on the significant recovery of the program production business from the effects of COVID-19 (+ 798 employees), the acquisition of The Meet Group in the previous year (+ 362 employees) and the growth of the online beauty provider Flaconi (+ 243 employees).

SIGNIFICANT EVENTS

ProSiebenSat.1 Group has been reporting in the three segments Entertainment, Dating and Commerce & Ventures since January 1, 2021: In this context, Red Arrow Studios' program production and distribution business, as well as the digital media and entertainment company Studio71, were integrated into the Entertainment segment. The Dating segment corresponds to the former ParshipMeet Group segment and remains unchanged in its composition compared to the end of 2020. The new Commerce & Ventures segment includes the entities of NCG – NUCOM GROUP SE ("NuCom Group") as well as the investment arm Seven Ventures GmbH ("Seven Ventures"). SevenGrowth's portfolio with brands such as marktguru and wetter.com is also pooled here. This segmentation makes the Company more synergistic, diversified, and focused at the same time.

ProSiebenSat.1 aims to grow sustainably in all segments. This growth strategy also reflects the management of the Company with its focus on long-term value enhancement and profitability. The Group conducts active portfolio management with a broad range of investment opportunities. In the first half of 2021, the ventures portfolio was a particular focus.

The IPO of ABOUT YOU Holding AG ("ABOUT YOU") on June 16, 2021 exemplifies how ProSiebenSat.1 Group sustainably develops consumer-oriented growth companies through individually tailored investments in the form of media-services. Already in September 2016, SevenVentures invested in the online fashion retailer as its first external investor with a media-for-equity investment. Since then, ProSiebenSat.1 helped the company to achieve constant growth in brand awareness in the German-speaking region (Germany, Austria, Switzerland) with targeted advertising campaigns on ProSiebenSat.1 Group's high-reach stations and platforms. Even after the IPO of ABOUT YOU, ProSiebenSat.1 remains invested via SevenVentures as a shareholder with 1.4% of total shares issued and will continue its media partnership. → Group Environment → Notes to Consolidated Financial Statements, note 7 "Financial Instruments"

On January 15, 2021, ProSiebenSat.1 Group repaid a EUR 600 million bond ahead of time at nominal value plus interest accrued up to this repayment date. The bond originally matured in April 2021, but the Group had exercised its three-month termination right under the terms and conditions of the bond in December 2020. Until the time of its repayment on January 15, 2021, the bond was listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7); the coupon was 2.625% p.a. The Group is thus continuing its proactive finance management. → Borrowings and Financial Structure

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

BUSINESS PERFORMANCE OF PROSIEBENSAT.1 GROUP

GROUP ENVIRONMENT

Economic Development

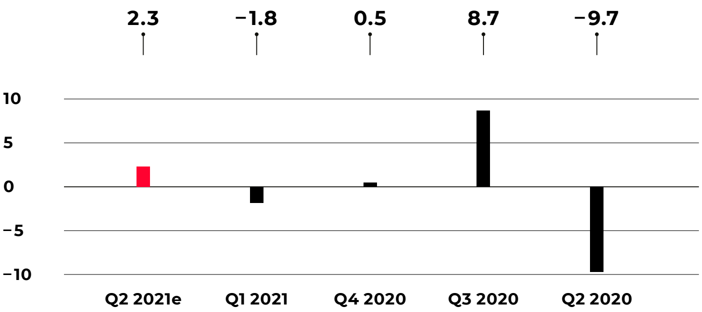
The prospects for the global economy continued to brighten considerably in early summer 2021. This is also based on the economic development in the United States, one of the largest national economies, which made a buoyant start to 2021: Supported by the second stimulus package of around USD 900 billion approved at the end of last year, disposable incomes increased sharply at the beginning of the year. Consumption and private household spending therefore also increased considerably. The economy received an additional boost from the rapid vaccination progress in the US and the associated easing of the pandemic restrictions. According to the OECD (Organisation for Economic Cooperation and Development), US gross domestic product grew by 1.6% year-on-year in real terms in the first quarter. Growth of 6.9% is expected for the full-year 2021.

Economic performance in the eurozone was still very subdued at the start of the year (+0.3% in real terms vs. previous quarter) as a result of the pandemic and the initially slow progress with vaccination. At first, this also applied to Germany (–1.8% in real terms vs. previous quarter). However, a clear trend reversal emerged at the beginning of the second quarter: Economic experts expect a real increase in private consumption in Germany by between 3.4% (IWH, Halle Institute for Economic Research) and 5.0% (German Institute for Economic Research, DIW / Kiel Institute for the World Economy, IfW) in the second quarter of 2021 compared to the previous quarter. Total gross domestic product is expected to grow by between 1.3% (ifo Institute) and 2.4% (IfW).

With declining infection rates and increasing vaccinations, consumer spending is possible again in many areas, such as in-store retail, tourism, restaurants, and the services sector. At the same time, the German labor market developed robustly in winter 2020/2021, and household incomes continued to increase in the pandemic environment. The resulting holdup in consumption led to a record-breaking savings rate of 20.1% in the first quarter of 2021. Since the second quarter, consumers have thus been making greater use of their freedoms again:

In May, revenues in German retail increased by 4.2% compared to April. In the fashion segment, which had been badly affected for a long time, they even rose by 72.1%. Online retail, one of the biggest beneficiaries of 2020, also continued growing despite in-store retail being open (+5.7%). The GfK Consumer Climate Index, barometer of consumer sentiment, likewise moved upward and is expected to reach minus 0.3 points in July – the highest figure since August 2020. In expectation of a swift revival in consumption, the business climate has likewise been developing positively since May, even in the previously badly affected retail and services sectors. In June, when the "federal emergency brake" ended, the overall index reached a substantially increased value of 101.8 points.

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



Adjusted for price, seasonal and calendar effects.
Sources: DIW Sommergrundlinien 2021 / e: estimate.

Development of ProSiebenSat.1 Group's Relevant Market Environments

ENTERTAINMENT

The German economy recovered in the second quarter of 2021, benefiting in particular from increased consumer spending: Faced with lower COVID-19 infections and the associated easing of restrictions in private and public life, consumers made greater use of their freedoms again. Against this backdrop, the advertising market is now also growing significantly, with demand for both TV and digital advertising gaining momentum in the second quarter of 2021. On a gross revenue basis, the picture is as follows according to Nielsen Media Research:

44.2% of gross advertising investment went to TV advertising in the second quarter of 2021, in the same quarter of the previous year it was 41.1%. With this, television has the highest relevance in an intermedia comparison. ProSiebenSat.1 Group is the market leader in the German TV advertising market with a share of 36.4% (previous year: 36.5%) and generated gross TV advertising revenues of EUR 1.41 billion in the second quarter of 2021 (previous year: EUR 1.11 billion). This equates – despite the broadcast of the UEFA European Football Championship on the public TV stations – to a significant rise of 26.4% on the same quarter of the previous year. Overall, investments in TV advertising increased by 26.7% to EUR 3.87 billion in the second quarter of 2021 (previous year: EUR 3.05 billion). In the first half of the year, ProSiebenSat.1 Group generated gross advertising revenues of EUR 2.65 billion (previous year: EUR 2.45 billion), resulting in a market share of 35.8% (previous year: 36.3%).

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 82.8 million in the second quarter of 2021 (previous year: EUR 47.3 million). This corresponds to a considerable increase of 75.1% on the same quarter of the previous year, which even exceeds the general market development. The market volume for advertising budgets in in-stream video ads in Germany recorded growth of 55.7% to EUR 243.0 million gross over the quarter (previous year: EUR 156.1 million). In the first half of 2021 the gross revenues of in-stream video ads likewise developed positively, increasing by 24.1% to EUR 419.6 million (previous year: EUR 338.1 million), of which EUR 135.2 million was attributable to ProSiebenSat.1 Group (previous year: EUR 105.4 million). This is a growth of 28.2%.

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

	Development of the TV advertising market in Q2 2021 (Change against previous year)
Germany	+26.7
Austria	+37.9
Switzerland	+60.4

	Market shares ProSiebenSat.1 Group Q2 2021	Market shares ProSiebenSat.1 Group Q2 2020
Germany	36.4	36.5
Austria	39.9	43.3
Switzerland	23.6	30.1

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

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

	Development of the TV advertising market in H1 2021 (Change against previous year)
Germany	+9.8
Austria	+24.5
Switzerland	+26.6

	Market shares ProSiebenSat.1 Group H1 2021	Market shares ProSiebenSat.1 Group H1 2020
Germany	35.8	36.3
Austria	40.0	43.3
Switzerland	23.2	29.0

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

As expected, the UEFA European Football Championship dominated the development of market shares in the second quarter of 2021. This major sporting event was broadcast live on the public TV stations. However, in Germany the ProSiebenSat.1 station family remained the leader in the audience market (viewers aged between 14 and 49 years) and achieved a combined market share of 24.9% in the second quarter of 2021 (previous year: 28.2%). In the first half of the year, it amounted to 25.3% (previous year: 27.4%). The stations marketed by Ad Alliance (RTL, VOX, n-tv, Super RTL, NITRO, RTLplus and VOXup) had a combined audience share of 23.2% in the second quarter of 2021 (previous year: 25.2%) and 24.0% in the first half of the year (previous year: 25.9%).

AUDIENCE SHARES OF PROSIEBENSAT.1 GROUP in %

	Q2 2021	Q2 2020	**H1 2021**	H1 2020
Germany	24.9	28.2	25.3	27.4
Austria	28.1	28.8	27.9	28.3
Switzerland	14.1	16.4	14.3	16.1

Germany: ProSiebenSat.1 Group: SAT.1, ProSieben, Kabel Eins, sixx, SAT.1 GOLD, ProSieben MAXX, Kabel Eins Doku/AGF Videoforschung in cooperation with GfK; VIDEOSCOPE 1.4, January 1, 2020–June 30, 2021, market standard: TV.
Austria: A 12–49; SAT.1 Österreich, ProSieben Austria, Kabel Eins Austria, PULS 4, sixx Austria, ProSieben MAXX Austria, SAT.1 Gold Österreich, Kabel Eins Doku Österreich, ATV + ATV 2, PULS 24; sources: AGTT/GfK TELETEST; Evogenius Reporting; January 1, 2020–June 30, 2021; weighted for number of people; including VOSDAL/time shift; standard.
Switzerland: Figures are based on 24 hours (Mon-Sun), all platforms, overnight +7. SAT.1 Schweiz, ProSieben Schweiz, Kabel Eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz, Puls 8; advertising-relevant target group: 15- to 49-year-olds; market shares relate to German-speaking Switzerland; D-CH; total signal; source: Mediapulse TV Data.

Because of its high reach, prime time between 8:15 p.m. and 11:00 p.m. is particularly relevant for the advertising industry. In the second quarter, the show “Germany’s Next Topmodel – by Heidi Klum” produced by our subsidiary Redseven Entertainment was particularly successful here: With an average market share of 20.3% among 14- to 49-year-olds, this year’s season was the most successful in 12 years. In June, the high market shares of the UEFA European Football Championship on the public stations influenced our station’s market shares especially in prime time.

In line with our programming strategy to increasingly focus on local, relevant and live content, ProSiebenSat.1 is also increasing its investment in sports and expanding the broadcast of major sporting events: For example, SAT.1 will broadcast nine football matches live from the 2021 / 2022 Bundesliga season, including the opening games of the first and second leagues. The aim is to reach audience groups more adequately and to differentiate ourselves from the competition. In the wake of ongoing digitalization, this is becoming an increasingly important competitive factor for all participants of the dual system of public and private broadcasting, especially with regard to multinational streaming providers.

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

Target group 14–49 years	Q2 2021	Q2 2020	H1 2021	H1 2020
ProSiebenSat.1 Group	**24.5**	29.1	**25.3**	27.5
SAT.1	6.7	8.3	7.0	8.0
ProSieben	9.6	11.3	10.2	10.5
Kabel Eins	4.0	5.3	4.1	4.9
sixx	1.1	1.1	1.1	1.1
SAT.1 Gold	1.0	1.2	1.0	1.1
ProSieben MAXX	1.1	1.2	1.1	1.2
Kabel Eins Doku	0.9	0.8	0.8	0.7

Figures are based on prime time from 8:15 p.m. to 11:00 p.m. (Mon–Sun).
Source: AGF Videoforschung in cooperation with GfK; VIDEOSCOPE 1.4, January 1, 2020–June 30, 2021, market standard: TV.

As a system relevant media company, ProSiebenSat.1 has a great social responsibility: The Group makes an important contribution to the diversity of information as well as opinion – especially among the young target group. In the election year of 2021, political reporting around the German federal election in September will be a particular priority on our platforms. This was kicked off by the TV interviews with the three candidates for chancellor, which were broadcast live in prime time on ProSieben in the second quarter and reached up to 2.7 million viewers. With the launch of new magazine shows and the establishment of its own newsroom, ProSiebenSat.1 Group will produce news itself from 2023, and continue to significantly expand the topics of actuality, information and relevance for the young target group.

At the same time, the digital studio Studio71 pools ProSiebenSat.1 Group's digital-only content offerings and distributes them via digital platforms. In the second quarter of 2021, for example, Studio71 was active with around 1.400 channels, generating 10.2 billion video views a month (previous year: 11.5 billion video views[1]). In February and March 2021, ProSiebenSat.1 acquired the non-controlling interests held in Studio71 Group by the French TF1 Group ("TF1") and the Italian Mediaset S.p.A. ("Mediaset"). As a result, ProSiebenSat.1 now holds nearly all the shares in Studio71 Group, except from a stake held by the former management. At the same time, Studio71 Group has divested its activities in France and Italy, as pan-European synergies had not been realized as expected. In the future, Studio71 Group will thus focus on the German business, which is synergistic with ProSiebenSat.1's Entertainment segment, and on the Group's fast-growing activities in North America.

As a digital group, we are benefiting from ongoing digitalization and the accompanying opportunities to address viewers. We are already reaching 61 million television sets in Germany via our linear TV offering and 11 million unique users via our own online channels. We are successively building on this technical reach and systematically monetizing it with data-driven business models such as addressable TV.

Another example of generating revenues beyond advertising financing is the distribution of programs in HD quality via various transmission channels: Here, ProSiebenSat.1 Group participates in the technical service fees that end customers pay to the respective providers for programs in HD quality. In Germany, ProSiebenSat.1 Group's HD stations had 10.9 million users in the reporting period, 5.0% more than in the previous year.

DATING

Online dating and the useage of interactive live video offerings have become global megatrends and are thus growing dynamically: The online dating and matchmaking market in the US and Germany has reached a value of approximately EUR 2.3 billion (figures for 2019), with around half attributable to social dating. Total market volume looks set to continue growing by between 7% and 8% each year (CAGR 2019–2022), with social dating even climbing by 11% to 13% (CAGR 2019–2022). Potential effects of the COVID-19 pandemic on general market development are not yet included in these forecasts.

"Social dating" refers to chats and meet-ups with people nearby. Unlike matchmaking, where the aim is to form long-term relationships, it allows users to meet and get to know a range of different people with similar interests but with open intentions.

By merging Parship Group and the US-American The Meet Group to form ParshipMeet Group, ProSiebenSat.1 now covers the entire spectrum of dating with complementary target groups and is also broadly diversified geographically: In North America, users can look for casual meet-ups on apps like MeetMe and Tagged, choose apps such as Skout for more concrete dating, and use our matchmaking platform eharmony to find a long-term relationship. There is a similar picture in Europe, where Lovoo covers social dating and Parship and ElitePartner cover the matchmaking market. In this way, ParshipMeet Group can make various customer groups a comprehensive offer for their search for friendships, flirting or love. At the same time, there is potential for further cross-selling initiatives.

The core of our strategy is the best possible use of synergies. Thanks to extensive expertise on both sides, we aim to further optimize our platforms together and to benefit from the closer integration of the businesses. In particular, ParshipMeet Group's USP (unique selling proposition), its video streaming expertise, strengthens our position in the Dating business and opens up additional potential. For example, we not only use our video-Platform-as-a-Service ("vPaaS") solution for our own offerings, but also make it available to third-party companies. These include some of the largest dating apps in the world.

[1] The previous year's figure is adjusted for 414 million views per month for TV content that has no longer been offered by Studio71 since 2021.

The successful integration of eharmony has already demonstrated the value that operating and technical synergies within ParshipMeet Group can create: After the acquisition in 2018, we migrated the platform available in North America, the United Kingdom, and Australia to a shared technology infrastructure with Parship and ElitePartner. Synergies in the areas of platform development, marketing, and purchasing have helped to significantly improve the economic performance. The company has since been benefiting significantly from these efficiency measures and the increased attractiveness of its offerings. → Group Earnings

We see synergies in various areas, which we will exploit both within the Dating segment and in the Group as a whole. These include the use of TV reach in order to raise awareness of the dating brands in the German-speaking markets. In the second quarter of 2021, for example, TV spots on ProSiebenSat.1 Group stations were an important part of the adverting campaign for the dating app Lovoo, which has complemented the portfolio since the acquisition of The Meet Group.

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

COMMERCE & VENTURES

Since January 2021, ProSiebenSat.1 has pooled its digital investments in the newly established Commerce & Ventures segment. Here, the Group now offers all investment opportunities along the lifecycle of promising, consumer-oriented companies, which include seed and early stage financing from SevenAccelerator, media-for-revenue and media-for-equity investments at SevenVentures, and strategic investments at SevenGrowth. In addition, ProSiebenSat.1 concentrates the entire NuCom Group with its majority investments in this segment. With this focused lineup, ProSiebenSat.1 intends to further promote direct cooperation between shareholders and investees and make greater use of the synergy potential within the Group. The focus is on consumer-oriented business models, which the Group supports with media-services and/or as capital provider and which benefit from the reach, marketing expertise and operating know-how of ProSiebenSat.1 Group. At the same time, we can use our consumer-oriented platforms to build up extensive knowledge about consumption data and thus offer advertising customers added value.

ProSiebenSat.1 Group aims to build up digital companies into leading consumer brands using media reach: Following the principle "reach meets business idea," ProSiebenSat.1 offers media-services to young enterprises in exchange for revenue or equity shares. With these "media-for-revenue" and "media-for-equity" investment models, we can accelerate companies' growth without high business risks. This approach also offers us the advantage of gaining knowledge about new markets and digital business models and thus advancing our diversification strategy. Media-for-equity and media-for-revenue participations are therefore an important component of our portfolio management – we are expanding our portfolio by our own power and creating value for the Group. This is made possible by synergies with the Entertainment business.

The rapid rise of brand awareness is a decisive competitive factor, especially for digital enterprises in an early stage of development. TV advertising plays a key role here thanks to its high reach. Against this backdrop, SevenVentures entered into a media-for-equity agreement with the Berlin start-up Sanity Group ("Sanity") on March 8, 2021, investing in a mid-single-digit million euro range. Sanity sells cannabinoid-based lifestyle and cosmetic products.

With TV advertising, we offer firms a special form of start-up financing and can acquire company shares at favorable multiples. Once a partner company has successfully reached the next development stage, we take a joint decision on whether to extend our investment or participate in the growth achieved to date by exiting. One example of this is the media partnership with the fashion platform ABOUT YOU which we have thus supported in its constant growth in brand awareness in the German-speaking region (Germany, Austria, Switzerland). Even after the IPO of ABOUT YOU in June 2021, ProSiebenSat.1 remains invested in the Hamburg fashion and technology enterprise via SevenVentures and will continue its media partnership. → Significant Events

On June 25, 2021, ProSiebenSat.1 Group also invested in Urban Sports GmbH ("Urban Sports Club") and now holds a share of around 16% in the sports and fitness platform. The aim is to increase awareness of Urban Sports Club in the German-speaking region via advertising on the Group's TV and online platforms and thus promote the fitness aggregator's growth. The closing of the transaction took place on July 20/23, 2021. → Notes to Consolidated Financial Statements, note 2 "Acquisitions and disposals of investments"

The various consumer markets in which ProSiebenSat.1 Group operates differ in their dynamics and since the COVID-19 pandemic began have been affected differently by the impacts. However, it is obvious, that as infection rates fall and restrictions are lifted, the consumer markets of relevance to ProSiebenSat.1 are growing, although they have not yet reached the pre-crisis level of 2019.

After online sales of services, especially travel bookings and event tickets, declined sharply in previous quarters as a result of the pandemic, the area has recently recovered slightly, reflecting the slow return of public life. In the second quarter of 2021, revenues from services rose by 61.3% compared to the same quarter of the previous year. In contrast, comparing the first half of 2021 with the same period of the previous year yields a minus of 36.6%.

In total, e-commerce revenues increased by 19.4% year-on-year in the second quarter of 2021. Looking at the first half of 2021, there was consolidated growth of 23.2%. Therefore, online retail is growing even in comparison with the disproportionately strong previous-year figures inflated by the COVID-19 pandemic. A lot more purchases are also being made online in product segments such as fashion, although in-store purchases have also been growing sharply since May 2021. This shows that people have integrated online shopping as a more intrinsic part of their everyday lives than before the pandemic.

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

GROUP EARNINGS

Revenues

ProSiebenSat.1 Group recorded a dynamic recovery in its portfolio in the second quarter of 2021 compared to the previous year's quarter, which was dominated by the pandemic: The Group significantly increased its revenues by 48% to EUR 1,048 million (previous year: EUR 709 million), driven in particular by a very strong growth in the advertising business. At the same time, the significant increase in revenues was also carried by other areas that had also still been impacted by the COVID-19 pandemic in the previous quarters. This once again underlines the strength of the Group's diversification strategy.

For example, there were clear signs of recovery in the Commerce & Ventures segment, which already almost completely compensated for the deconsolidation of Windstar Medical GmbH ("WindStar"; Beauty & Lifestyle). At the same time, program production business in the Entertainment segment also recorded strong growth in revenues again. In the Dating segment with the integration of The Meet Group, the live video area remains an important growth driver.

Adjusted for currency effects and portfolio changes, Group revenues also showed a significant increase in the second quarter of 2021. The figure rose by 44% to EUR 964 million (previous year: EUR 668 million).

After the effects of the COVID-19 pandemic had still been noticeable in the first quarter of 2021, the half-year period was now dominated by the strong second quarter: In the period from January to June 2021, the Group increased its revenues by a total of 22% or EUR 352 million to EUR 1,986 million. → Group Environment

EXTERNAL REVENUES in EUR m

	Entertainment		Dating		Commerce & Ventures		Total Group	
	Q2 2021	Q2 2020	**Q2 2021**	Q2 2020	**Q2 2021**	Q2 2020	**Q2 2021**	Q2 2020
Advertising revenues	**542**	**350**	**—**	**—**	**34**	**24**	**576**	**374**
DACH[1]	483	308	—	—	34	24	517	332
Rest of the world	59	42	—	—	—	—	59	42
Distribution	**46**	**42**	**—**	**—**	**—**	**—**	**46**	**42**
Content	**124**	**60**	**—**	**—**	**—**	**—**	**124**	**60**
Europe	43	28	—	—	—	—	43	28
Rest of the world	81	31	—	—	—	—	81	31
Matchmaking & Social Entertainment	**—**	**—**	**139**	**58**	**—**	**—**	**139**	**58**
Digital Platform & Commerce	**—**	**—**	**—**	**—**	**138**	**151**	**138**	**151**
Consumer advice	—	—	—	—	41	36	41	36
Experiences	—	—	—	—	9	10	9	10
Beauty & lifestyle	—	—	—	—	88	105	88	105
Other revenues	**24**	**24**			**1**	**1**	**25**	**25**
Total	**736**	**476**	**139**	**58**	**172**	**176**	**1,048**	**709**
	H1 2021	H1 2020	**H1 2021**	H1 2020	**H1 2021**	H1 2020	**H1 2021**	H1 2020
Advertising revenues	**983**	**860**	**—**	**—**	**65**	**56**	**1,047**	**916**
DACH[1]	874	773	—	—	65	56	939	829
Rest of the world	108	87	—	—	—	—	108	87
Distribution	**90**	**83**	**—**	**—**	**—**	**—**	**90**	**83**
Content	**227**	**145**	**—**	**—**	**—**	**—**	**227**	**145**
Europe	78	62	—	—	—	—	78	62
Rest of the world	149	83	—	—	—	—	149	83
Matchmaking & Social Entertainment	**—**	**—**	**280**	**117**	**—**	**—**	**280**	**117**
Digital Platform & Commerce	**—**	**—**	**—**	**—**	**294**	**320**	**294**	**320**
Consumer advice	—	—	—	—	92	97	92	97
Experiences	—	—	—	—	20	25	20	25
Beauty & lifestyle	—	—	—	—	182	198	182	198
Other revenues	**47**	**51**	**—**	**—**	**1**	**2**	**48**	**53**
Total	**1,346**	**1,139**	**280**	**117**	**360**	**378**	**1,986**	**1,634**

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

EXTERNAL REVENUES BY SEGMENT[1] in EUR m

	Q2 2021	Q2 2020	Absolute change	Change in %
Entertainment	736	476	261	54.8
Dating	139	58	81	> +100.0
Commerce & Ventures	172	176	–3	–1.8
Revenues	**1,048**	**709**	**339**	**47.8**

	H1 2021	H1 2020	Absolute change	Change in %
Entertainment	1,346	1,139	207	18.2
Dating	280	117	163	> +100.0
Commerce & Ventures	360	378	–19	–4.9
Revenues	**1,986**	**1,634**	**352**	**21.5**

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

In the second quarter of 2021, **external revenues** in the **Entertainment** segment rose dynamically by 55% to EUR 736 million and were thus EUR 261 million above the previous year's level. Adjusted for currency effects and portfolio changes, growth amounted to 58%. As a result of lower COVID-19 infections and the associated easing of restrictions in private and public life, the advertising market is picking up significantly again. Against this background, advertising revenues in the Entertainment segment marked a clear recovery, rising by 55% year-on-year. In the second quarter, the program production business also recovered from the effects of COVID-19: The revenues from program production and program sales (content) more than doubled compared to the previous year. Production revenues were already above their pre-COVID level again (up 22% compared to Q2 2019). At the same time, distribution revenues continued to develop dynamically, rising by 9% compared to the second quarter of 2020 due to higher numbers of HD users. Other revenues increased by 2% despite the deconsolidation of the hosting provider myLoc managed IT AG ("myLoc") in September 2020.

On a half-year basis, the segment's external revenues grew to EUR 1,346 million (previous year: EUR 1,139 million) due to the strong development in the second quarter. This represents a year-on-year increase of 18% or EUR 207 million, although the first quarter was still dominated by the economic effects of the COVID-19 pandemic. Advertising revenues increased accordingly by 14% in the first half of 2021, while revenues from program production and program sales grew by 56%, and the distribution revenues rose by 9%. Adjusted for currency effects and portfolio changes, external revenues of the Entertainment segment grew by 21%. → Group Environment

In the second quarter of 2021, **external revenues** in the **Dating** segment increased by EUR 81 million to EUR 139 million. This increase was characterized by the acquisition of The Meet Group, which has been complementing the Dating portfolio synergistically since September 2020 and is developing very dynamically in the live video area. Adjusted for currency effects and portfolio changes, revenues in the Dating segment in the second quarter of 2021 were almost stable year-on-year. This was mainly due to the fact that revenues benefited from strong demand for matchmaking offerings at the beginning of the pandemic in spring 2020. This applies to both the European and the North American market. On a pro-forma basis, i.e. including the revenues of The Meet Group for the second quarter of 2020, revenues grew by 5% – with The Meet Group also recording particularly high user numbers at the beginning of the pandemic.

These revenue developments described above accordingly characterized the first half of 2021: On a half-year basis, segment revenues more than doubled to EUR 280 million (previous year: EUR 117 million). On a pro-forma basis, revenues grew by 19% or EUR 44 million, with the live video area in particular increasing very dynamically and strengthening growth.

In the **Commerce & Ventures** segment, **external revenues** were at the previous year's level due to consolidation effects and amounted to EUR 172 million on a quarterly basis (previous year: EUR 176 million). This was attributable to the disposal of the OTC provider WindStar in December 2020, which had contributed EUR 29 million to segment revenues in the second quarter of the previous year (H1 2020: EUR 61 million). Adjusted for currency effects and portfolio changes, however, segment revenues were up significantly by 18%. This was particularly due to the online beauty provider Flaconi (beauty & lifestyle), which continued its revenue growth in the second quarter of 2021. In addition, the Commerce & Ventures portfolio is now showing signs of recovery following the COVID-19-related impact. Significant growth rates were posted by the rental car comparison portal Billiger Mietwagen (Silvertours GmbH; consumer advice), for example, although it did not yet match the revenue level from before the pandemic. Media-for-equity and media-for-revenue business also developed very positively in this segment. With media-for-equity and media-for-revenue, the Group has established attractive investment models to participate in companies in the growth phase even without high cash investments, and at the same time to drive forward the diversification of its portfolio from its own strength.

These developments had a corresponding impact on segment revenues in the first half of 2021, after the first quarter of 2021 had still been dominated by the effects of the COVID-19 pandemic. Therefore, segment revenues were 5% below the previous-year level at EUR 360 million (previous year: EUR 378 million). Adjusted for currency effects and portfolio changes, however, external segment revenues also increased on a half-year basis and clearly exceeded the previous year's level by EUR 42 million or 13%. → Group Environment

Revenues by Segment

REVENUE SHARE BY SEGMENT[1]

	Q2 2021	Q2 2020	H1 2021	H1 2020
Entertainment				
Advertising revenues DACH	46%	43%	44%	47%
Other Entertainment revenues	24%	24%	24%	22%
Dating	13%	8%	14%	7%
Commerce & Ventures	16%	25%	18%	23%

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

Adjusted EBITDA

The Group's **adjusted EBITDA** improved significantly as a result of the revenue momentum: On a quarterly basis, it increased more than sevenfold to EUR 166 million (previous year: EUR 23 million). The **adjusted EBITDA margin** consequently rose to 15.8% (previous year: 3.3%). Looking at the entire first half of the year 2021, there was earnings growth of EUR 128 million to EUR 308 million, and the adjusted EBITDA margin also improved considerably to 15.5% (previous year: 11.0%). In particular, revenue growth in the high-margin advertising business in the second quarter had a very positive impact on the Group's profitability in the first half of the year as well. Specifically, the earnings contributions of the segments developed as follows:

The **Entertainment** segment significantly increased its **adjusted EBITDA** by EUR 140 million to EUR 142 million in the second quarter of 2021, while the **adjusted EBITDA margin** was at 18.7% (previous year: 0.5%). In the first half of the year, adjusted EBITDA improved by EUR 94 million to EUR 239 million, with an adjusted EBITDA margin of 17.2% (previous year: 12.2%). This dynamic growth was driven primarily by the high-margin advertising business, which clearly recovered from the effects of the pandemic in the second quarter of 2021. In addition, revenue growth in the areas of content and distribution increased profitability. This was countered by rising costs in the segment, as the Group was increasingly investing in its programming.

The **Dating** segment also recorded a significant increase in earnings, with **adjusted EBITDA** growing by EUR 13 million to EUR 28 million on a quarterly basis. This earnings growth is largely due to the acquisition of The Meet Group and its full consolidation since September 2020. By contrast, the **adjusted EBITDA margin** fell to 20.3% (previous year: 27.1%), reflecting the different margin structures within the Dating portfolio. In this context, adjusted EBITDA increased by EUR 30 million to EUR 61 million in the first half of the year, with an adjusted EBITDA margin of 21.9% (previous year: 26.9%).

The **adjusted EBITDA** of the **Commerce & Ventures** segment declined to EUR 2 million in the second quarter of 2021 (previous year: EUR 9 million). This was mainly due to the absence of the positive earnings contribution from WindStar of EUR 5 million. The **adjusted EBITDA margin** consequently decreased year-on-year to 1.4% (previous year: 4.8%). In the first half of the year, the segment's adjusted EBITDA improved by 31% to EUR 19 million, despite the absence of the positive earnings contribution from WindStar of EUR 10 million, the adjusted EBITDA margin amounted to 5.3% (previous year: 3.8%). Here, cost measures in particular showed their effect in the first quarter of 2021.

The Group's **EBITDA** and **EBIT** also developed very positively for the reasons mentioned: In the second quarter of 2021, EBITDA increased by EUR 129 million to EUR 151 million. At the same time, EBIT more than tripled to EUR 83 million (previous year: EUR –35 million). On a half-year basis, EBITDA increased to EUR 289 million (previous year: EUR 166 million), while EBIT improved to EUR 163 million (previous year: EUR 45 million). The following table shows a reconciliation of the different earnings figures to net income, with both reconciling items and depreciation, amortization, and impairment having increased in the second quarter of 2021.

ADJUSTED EBITDA BY SEGMENT[1] in EUR m

	Q2 2021	Q2 2020	Absolute change	Change in %	Adjusted EBITDA margin in Q2 2021 (in %)[2]	Adjusted EBITDA margin in Q2 2020 (in %)[2]
Entertainment	142	3	140	> +100.0	18.7	0.5
Dating	28	16	13	80.6	20.3	27.1
Commerce & Ventures	2	9	–6	–71.1	1.4	4.8
Reconciliation (Holding & other)	–7	–3	–4	> +100.0	—	—
Total adjusted EBITDA	**166**	**23**	**142**	**> +100.0**	**15.8**	**3.3**

	H1 2021	H1 2020	Absolute change	Change in %	Adjusted EBITDA margin in H1 2021 (in %)[2]	Adjusted EBITDA margin in H1 2020 (in %)[2]
Entertainment	239	145	94	64.7	17.2	12.2
Dating	61	31	30	95.2	21.9	26.9
Commerce & Ventures	19	15	4	30.6	5.3	3.8
Reconciliation (Holding & other)	–11	–12	0	–0.7	—	—
Total adjusted EBITDA	**308**	**180**	**128**	**71.4**	**15.5**	**11.0**

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

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME in EUR m

	Q2 2021	Q2 2020	Absolute change	Change in %
Adjusted EBITDA	**166**	**23**	**142**	**>+100.0**
Reconciling items	–15	–2	–13	>+100.0
EBITDA	**151**	**21**	**129**	**>+100.0**
Depreciation, amortization and impairments	–68	–57	–11	19.5
thereof from purchase price allocations	–14	–11	–3	25.4
Operating result (EBIT)	**83**	**–35**	**118**	**~**
Financial result	54	–33	86	~
Income taxes	–23	7	–30	~
Net income	**114**	**–61**	**175**	**~**

	H1 2021	H1 2020	Absolute change	Change in %
Adjusted EBITDA	**308**	**180**	**128**	**71.4**
Reconciling items	–19	–14	–6	41.5
EBITDA	**289**	**166**	**123**	**73.9**
Depreciation, amortization and impairments	–126	–121	–5	3.8
thereof from purchase price allocations	–28	–27	–1	4.7
Operating result (EBIT)	**163**	**45**	**118**	**>+100.0**
Financial result	46	–70	117	~
Income taxes	–29	–5	–25	>+100.0
Net income	**180**	**–30**	**210**	**~**

The **reconciling items** taken into account in adjusted EBITDA amounted to minus EUR 15 million in the second quarter of 2021 (previous year: EUR –2 million). The largest single item was fair value adjustments of share-based payments in the amount of minus EUR 8 million (previous year: EUR 1 million). These primarily resulted from valuation effects in connection with the potential IPO of the ParshipMeet Group in 2022. In the second quarter of 2021, reorganization expenses amounted to EUR 4 million (previous year: EUR 3 million) and were mainly attributable to the Entertainment segment. In the first half of the year, adjusted expenses amounted to minus EUR 19 million (previous year: EUR –14 million).

PRESENTATION OF RECONCILING ITEMS WITHIN ADJUSTED EBITDA in EUR m

	Q2 2021	Q2 2020	H1 2021	H1 2020
Adjusted EBITDA	**166**	**23**	**308**	**180**
M&A-related expenses	–1	–1	–2	–8
Reorganization expenses	–4	–3	–4	–4
Fair value adjustments of share-based payments	–8	1	–11	3
Expenses from other one-time items	–1	2	–1	–4
Valuation effects relating to strategic realignment of business units	–1	0	–1	–1
Reconciling items	**–15**	**–2**	**–19**	**–14**
EBITDA	**151**	**21**	**289**	**166**

Depreciation, amortization, and impairments amounted to EUR 68 million in the second quarter of 2021 (previous year: EUR 57 million). Amortization of intangible assets amounted to EUR 40 million (previous year: EUR 37 million) and was thus at the previous year's level, as was depreciation of property, plant and equipment (EUR 19 million; previous year: EUR 19 million). Impairments amounted to EUR 8 million (previous year: EUR 0 million) and were recognized on intangible assets in the Entertainment segment. On a half-year basis, depreciation, amortization, and impairments amounted to EUR 126 million (previous year: EUR 121 million).

Financial Result

The **financial result** improved significantly compared to the previous year and amounted to EUR 54 million in the second quarter of 2021 (previous year: EUR –33 million). On a half-year basis, it amounted to EUR 46 million (previous year: EUR –70 million). The financial result was influenced by various, in some cases opposing developments and previous-year comparative effects.

The **interest result** improved to minus EUR 14 million in the second quarter of 2021 (previous year: EUR –17 million) and minus EUR 23 million in the first half of the year (previous year: EUR –32 million). This decrease was primarily due to the early repayment of the bond in January 2021. → Financial Performance of the Group

The **result from investments accounted for using the equity method,** also recognized in financial result, amounted to minus EUR 10 million in the second quarter of 2021 (previous year: EUR –15 million) and minus EUR 23 million in the first half of the year (previous year: EUR –28 million). It primarily includes the Group's 50% share of Joyn's profit or loss.

The **other financial result** amounted to EUR 77 million in the second quarter of 2021 (previous year: EUR –1 million). On the one hand, it included valuation effects from other financial instruments of EUR 82 million (previous year: EUR –2 million), which were made up of various individual items. The biggest individual item here related to the IPO of ABOUT YOU. On the other hand, the other financial result included effects from the valuation of put option liabilities of minus EUR 5 million (previous year: EUR 4 million), which were attributable to the Entertainment and Dating segments. In the first half of 2021, the other financial result amounted to EUR 92 million (previous year: EUR –10 million) and was also characterized by the effects described for the second quarter. In the first half of the year, the other financial result includes valuation effects from other financial instruments of EUR 105 million (previous year: EUR –24 million) and the effects of the valuation of contingent purchase price liabilities of minus EUR 8 million (previous year: EUR 19 million). → Group Environment

The result from currency translation increased by EUR 6 million, amounting to EUR 3 million on a quarterly basis (previous year: EUR –4 million) and minus EUR 1 million in the first half of 2021 (previous year: EUR –4 million).

Income Taxes

In the second quarter of 2021, ProSiebenSat.1 Group recorded expenses from **income taxes** of EUR 23 million, whereas in the same quarter of 2020 there had been income of EUR 7 million.

On a half-year basis, income taxes amounted to EUR 29 million (previous year: EUR 5 million). The figures for 2021 include an adjustment of the provision for uncertain tax positions due to a decree by the tax authorities regarding a trade tax reduction for amounts from taxation under the controlled foreign corporation (CFC) rules of EUR 13 million. In addition, the effective tax rate was influenced by tax-free valuation effects and by results from investments accounted for using the equity method. It amounted to 13.9% for the first half of 2021. In the previous year, the effective tax rate had been influenced by the effects of the COVID-19 pandemic on the business development. The adjusted tax rate amounted to 35.1%, mainly due to the adjustment of the valuation effects and the above-mentioned adjustment of the tax provision. → Notes to Consolidated Statements, note 4 "Income taxes"

Net Income and Adjusted Net Income

Net income increased by EUR 175 million to EUR 114 million in the second quarter of 2021. This significant growth was mainly based on the positive development of EBITDA and of the financial result as described above. As a result, net income also developed very dynamically on a half-year basis, rising to EUR 180 million (previous year: EUR –30 million).

Adjusted net income also increased significantly to EUR 63 million in the second quarter of 2021 (previous year: EUR –52 million); in the first half of the year, it rose by EUR 93 million to EUR 100 million. The increase largely reflects the very positive development of adjusted EBITDA and the adjusted financial result. The reconciling items relevant in calculating adjusted net income are presented in the statement of reconciliation below. In the second quarter of 2021, in addition to valuation effects recognized in the other financial result, this also includes impairment losses on intangible assets of EUR 7 million in connection with a digital audio platform. These are reported under other effects and relate to the Entertainment segment. Basic adjusted earnings per share amounted to EUR 0.28 in the second quarter of 2021 (previous year: EUR –0.23) and EUR 0.44 in the first half of the year (previous year: EUR 0.03).

RECONCILIATION OF ADJUSTED NET INCOME in EUR m

	Q2 2021	Q2 2020	Absolute change	Change in %
Net income	**114**	**–61**	**175**	**~**
Reconciling items within EBITDA	15	2	13	> +100.0
Depreciation, amortization and impairments from purchase price allocations	14	11	3	25.4
Valuation effects in other financial result	–82	0	–82	~
Valuation effects of put options and earn-out liabilities	6	–3	9	~
Other effects	7	0	7	> +100.0
Tax effects on adjustments	–11	–1	–10	> +100.0
Subtotal	**63**	**–52**	**115**	**~**
Net income attributable to non-controlling interests	9	7	2	33.1
Adjustments attributable to non-controlling interests	–10	–6	–3	52.5
Net income attributable to adjusted non-controlling interests	–1	0	–1	~
Adjusted net income	**63**	**–52**	**114**	**~**
Adjusted earnings per share (in EUR)	**0.28**	**–0.23**		

RECONCILIATION OF ADJUSTED NET INCOME in EUR m

	H1 2021	H1 2020	Absolute change	Change in %
Net income	**180**	**–30**	**210**	**~**
Reconciling items within EBITDA	19	14	6	41.5
Depreciation, amortization and impairments from purchase price allocations	28	27	1	4.7
Valuation effects in other financial result	–105	22	–127	~
Valuation effects of put options and earn-out liabilities	10	–17	28	~
Valuation effects from interest rate hedg-ing transactions	0	–1	1	–100.0
Other effects	1	3	–2	–64.4
Tax effects on adjustments	–28	–12	–16	> +100.0
Subtotal	**106**	**6**	**100**	**> +100.0**
Net income attributable to non-controlling interests	9	13	–5	–33.6
Adjustments attributable to non-controlling interests	–15	–12	–3	24.0
Net income attributable to adjusted non-controlling interests	–6	1	–7	~
Adjusted net income	**100**	**7**	**93**	**> +100.0**
Adjusted earnings per share (in EUR)	**0.44**	**0.03**		

Key Income Statement Items

INCOME STATEMENT in EUR m

	Q2 2021	Q2 2020	H1 2021	H1 2020
Revenues	1,048	709	1,986	1,634
Cost of sales	–676	–499	–1,260	–1,051
Selling expenses	–163	–137	–320	–299
Administrative expenses	–129	–113	–250	–246
Other operating income/expenses	3	5	7	7
Operating result (EBIT)	**83**	**–35**	**163**	**45**
Financial result	54	–33	46	–70
Income taxes	–23	7	–29	–5
Net income	**114**	**–61**	**180**	**–30**
Attributable to shareholders of ProSiebenSat.1 Media SE	123	–54	189	–17
Non-controlling interests	–9	–7	–9	–13

Functional Costs

The **cost of sales** rose by 35% to EUR 676 million in the second quarter of 2021 (previous year: EUR 499 million). This increase was firstly due to strong revenue growth and secondly to the acquisition of The Meet Group (EUR 65 million) and the sale of WindStar (EUR 20 million). Adjusted for these portfolio effects, the increase in the cost of sales amounted to EUR 132 million or 27%. Higher costs arose as a result of a revenue-driven increase in the program production area (EUR 46 million), higher consumption of programming assets (EUR 28 million) and growth-driven increases at Studio71 (EUR 14 million) and Flaconi (EUR 5 million). In the first half of the year, the cost of sales increased by 20% to EUR 1,260 million (previous year: EUR 1,051 million) while revenues were up 22%.

Programming costs increased by a total of 12% to EUR 262 million in the second quarter of 2021 (previous year: EUR 233 million). In addition to higher consumption of programming assets, this increase also reflects higher expenses for productions recognized immediately, which rose by EUR 2 million to EUR 14 million. In the first half of the year, programming expenses totaled EUR 489 million (previous year: EUR 473 million), representing an increase of 3%. Main reason for the higher programming costs in the first half of the year were impairments on programming assets for US licensed formats. Here, the Group's strategy is to increasingly focus programming budgets on local live content in order to strengthen the reach and market share of our offerings in the long term.

In the second quarter of 2021, the Group's **selling expenses** rose by 19% year-on-year to EUR 163 million (previous year: EUR 137 million) as a result of growth and the acquisition of The Meet Group. The largest revenue-driven increase was posted by the Entertainment segment and Flaconi in the areas of marketing, agency costs, and distribution costs. As a result, selling expenses increased by 7% to a total of EUR 320 million in the first half of the year (previous year: EUR 299 million).

The Group's **administrative expenses** rose by 14% to EUR 129 million in the second quarter of 2021 (previous year: EUR 113 million). Personnel expenses accounted for the largest share here (EUR 24 million). The lower figure in the previous year was influenced by short-time work, which the Group had utilized in some areas in 2020 due to the pandemic. In the current year, higher personnel expenses arose as a result of provisions for variable compensation, among other factors. In addition, the Group paid its employees a so-called Corona bonus in June 2021. For these reasons, personnel costs rose by EUR 9 million in the Entertainment segment and by EUR 7 million at the holding company. In the Dating segment, there was also additional expense of EUR 14 million that arose primarily from a valuation effect on share-based payments in connection with the potential IPO of the ParshipMeet Group in 2022. By contrast, there was a decrease in depreciation of property, plant and equipment and amortization of intangible assets (EUR 4 million) and allowances for receivables (EUR 4 million).

In the first half of the year, administrative expenses were almost at the previous year's level at EUR 250 million. This particularly reflects the Group's effective cost management. In particular due to the developments described in the second quarter of 2021, personnel costs increased to EUR 26 million in the first half of the year. This was offset by lower depreciation of property, plant and equipment and amortization of intangible assets (EUR 8 million) as well as lower costs, particularly in the areas of consulting, allowances for receivables, and reduced premises and travel expenses.

Overall, the Group's **personnel expenses** reported in the cost of sales, selling expenses, and administrative expenses amounted to EUR 225 million on a quarterly basis. This corresponds to an increase of 45% or EUR 70 million compared to the previous year. On a half-year basis, personnel expenses rose by 24% or EUR 80 million to EUR 417 million. The increase was mainly based on the dynamic development in all segments, with the acquisition of The Meet Group (Q2 2021: + EUR 12 million, H1 2021: + EUR 25 million) and the higher business volume in the program production area (Q2 2021: + EUR 21 million, H1 2021: + EUR 23 million) having a particular effect. In addition, the above-mentioned reasons such as higher provisions for variable compensation and the payment of a COVID bonus had an impact. The lower figures in the previous year were influenced by short-time work, which the Group had utilized in some areas in 2020.

FINANCIAL PERFORMANCE OF THE GROUP

Total assets amounted to EUR 6,365 million as of June 30, 2021 (December 31, 2020: EUR 7,081 million), thus decreasing by 10% compared to the end of the previous year. Key developments since December 31, 2020 are described below:

FINANCIAL PERFORMANCE in EUR m

	06/30/2021	12/31/2020	Change (absolute)	Change (in %)
Assets				
Goodwill	2,193	2,177	16	1
Programming assets	1,023	1,072	–49	–5
Other intangible assets	925	943	–18	–2
Property, plant and equipment	468	443	25	6
Other	351	341	10	3
Non-current assets	**4,959**	**4,975**	**–16**	**0**
Programming assets	131	141	–10	–7
Trade receivables	502	569	–67	–12
Other	334	172	163	95
Cash and cash equivalents	438	1,224	–786	–64
Current assets	**1,406**	**2,106**	**–700**	**–33**
Total assets	**6,365**	**7,081**	**–716**	**–10**
Equity and liabilities				
Equity	**1,776**	**1,687**	**89**	**5**
Non-current financial debt	2,593	2,591	1	0
Other	793	826	–33	–4
Non-current liabilities	**3,385**	**3,417**	**–32**	**–1**
Current financial debt	1	601	–600	–100
Other	1,203	1,376	–173	–13
Current liabilities	**1,204**	**1,977**	**–773**	**–39**
Total equity and liabilities	**6,365**	**7,081**	**–716**	**–10**

Programming assets amounted to EUR 1,154 million (December 31, 2020: EUR 1,213 million). The development of programming assets is characterized by different effects: Despite significantly higher impairments, the consumption increased only slightly to EUR 476 million in the first half of the year 2021 (previous year: EUR 465 million). At the same time, additions to programming assets were characterized by timing effects, among other things. The individual carrying amounts as of June 30 were as follows:

STATEMENT OF CHANGES IN PROGRAMMING ASSETS in EUR m

	H1 2021	H1 2020
Carrying amount as of 01/01	**1,213**	**1,204**
Additions	426	494
Disposals	–9	–6
Consumption	–476	–465
Other	0	–1
Carrying amount as of 06/30	**1,154**	**1,226**

EARNINGS EFFECTS OF PROGRAMMING ASSETS in EUR m

	H1 2021	H1 2020
Consumption	476	465
Change in provision for onerous contracts	–14	–19
Consumption including change in provision for onerous contracts	**462**	**447**

Property, plant, and equipment increased by 6% to EUR 468 million (December 31, 2020: EUR 443 million). This was mainly due to rented office space in Germany and advance payments made in connection with the new campus building in Unterföhring.

A very significant increase was recorded in **other current assets,** which almost doubled to EUR 334 million (December 31, 2020: EUR 172 million). One reason for this were positive valuation effects from the IPO of ABOUT YOU. Another reason were advance income tax payments in conjunction with the positive earnings development. By contrast, **current trade receivables** declined by 12% to EUR 502 million as of the end of the reporting period (December 31, 2020: EUR 569 million).

Cash and cash equivalents amounted to EUR 438 million (December 31, 2020: EUR 1,224 million). This decrease as compared to the end of the year firstly reflects the Group's proactive financial management. In January 2021, for example, ProSiebenSat.1 repaid a bond with a volume of EUR 600 million early. Secondly, the Group is continuing its general dividend policy and distributed EUR 111 million to its shareholders as a dividend in June 2021. In the environment of the pandemic, ProSiebenSat.1 had suspended the dividend payment in the previous year. → Borrowings and Financing Structure

Equity increased by 5% to EUR 1,776 million (December 31, 2020: EUR 1,687 million). This development was attributable firstly to the positive net income for the reporting period, and secondly to the currency translation of foreign subsidiaries' financial statements and the value performance of long-term foreign currency hedges in US dollars. In line with this growth, the equity ratio rose to 27.9% (December 31, 2020: 23.8%). The early repayment of the bond originally maturing in April 2021 with a carrying amount of EUR 600 million had a substantial positive effect on total capital.

As a result of the repayment of the bond, financial debt decreased significantly. In addition, income tax liabilities and trade payables in particular were reduced in **other current liabilities**. In total, **non-current and current financial debt** decreased to EUR 2,594 million (December 31, 2020: EUR 3,192 million).

Net Working Capital

NET WORKING CAPITAL in EUR m

	06/30/2021	12/31/2020
Inventories	59	44
Receivables	517	588
Trade payables	613	692
Net working capital	**–38**	**–60**

The **net working capital** of ProSiebenSat.1 Group amounted to minus EUR 38 million as of June 30, 2021 (December 31, 2020: EUR –60 million). The ratio of average net working capital to revenues of the past twelve months was minus 0.9% as of June 30, 2021 (December 31, 2020: –1.5%). Here, the decrease in receivables and liabilities as compared to December 31, 2020, was due to seasonal factors and related to the fact that the fourth quarter of the year is usually the period with the strongest revenues for ProSiebenSat.1.

GROUP FINANCIAL POSITION AND LIQUIDITY

Borrowings and Financing Structure

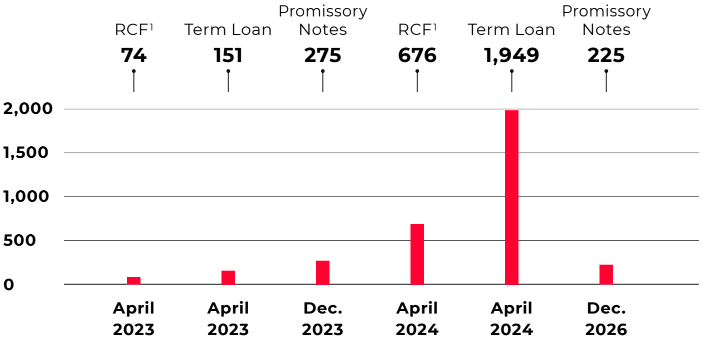
ProSiebenSat.1 Group uses various financing instruments and practices active financial management. The Group's financing instruments are not subject to financial covenants. As of June 30, 2021, debt accounted for 72% of total equity and liabilities (December 31, 2020: 76%). → Financial Performance of the Group

Current and non-current financial debt accounted for the majority (57%) of debt at EUR 2,594 million (December 31, 2020: EUR 3,192 million or 59%). The terms and volumes of the financing instruments are as follows:

– Most of the syndicated term loan of EUR 2.1 billion in total and the syndicated revolving credit facility (RCF) of up to EUR 750 million mature in April 2024. Since 2016, the Group's portfolio has also included three syndicated promissory notes totaling EUR 500 million with terms of seven years (EUR 225 million at a fixed interest rate and EUR 50 million at a variable interest rate) and ten years (EUR 225 million at a fixed interest rate).

– Until January 15, 2021, ProSiebenSat.1 Group also had a bond with a volume of EUR 600 million. ProSiebenSat.1 Group exercised its three-month early termination right in December 2020 and repaid the bond issued in April 2014 at nominal value at the beginning of the year. Until the time of its early repayment in January this year, this bond, which was originally to mature on April 15, 2021, was listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7); the coupon was 2.625% p.a.

DEBT FINANCING INSTRUMENTS AND MATURITIES AS OF JUNE 30, 2021 in EUR m



[1] Not drawn.

Interest payable on the syndicated term loan and the syndicated revolving credit facility (RCF) is variable and based on Euribor money market rates plus an additional credit margin, whereby the contract provides for a floor of 0% for the base rate. The Group uses derivative financial instruments in the form of interest rate swaps and interest rate options to hedge against market-related interest rate changes caused by the market. As of June 30, 2021, the proportion of fixed interest was 94% of the entire long-term financing portfolio (December 31, 2020: 95%). As of June 30, 2021, the average interest cap was 0% per annum for the period up to 2024. → Financial Performance of the Group

Financing Analysis

Compared to the end of the previous year's quarter, net financial debt improved to EUR 2,156 million as of June 30, 2021 (June 30, 2020: EUR 2,353 million). The increase in comparison to the end of 2020 (December 31, 2020: EUR 1,968 million) was due to the payment of the dividend of EUR 111 million in June 2021. At the same time, the fourth quarter is usually the quarter of the year with the strongest cash flow for the Group.

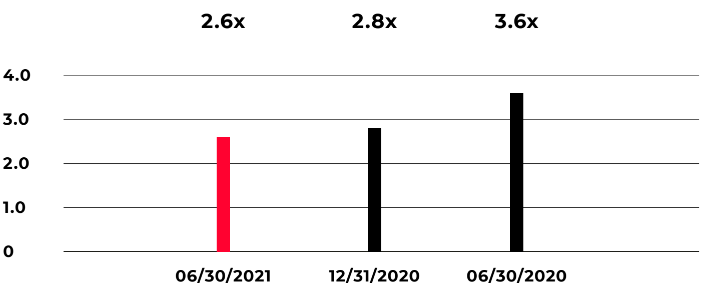
The leverage ratio also improved, decreasing to a factor of 2.6x as of the end of the reporting period (December 31, 2020: 2.8x; June 30, 2020: 3.6x). The large decrease in the leverage ratio compared to June 30, 2020, reflects the considerably lower net financial debt. In addition, the growth in adjusted EBITDA in the past twelve months had a positive impact. ProSiebenSat.1 Group's advertising business gained momentum in the second quarter of 2021 in particular, strengthening the Group's profitability as expected.

NET FINANCIAL DEBT in EUR m

	06/30/2021	12/31/2020	06/30/2020
Financial debt			
Term loan	2,093	2,092	2,091
RCF	-	-	350
Bond	-	600	599
Promissory note	499	499	499
Other loans	1	1	3
Financial debt	**2,594**	**3,192**	**3,542**
Cash and cash equivalents	438	1,224	1,190
Net financial debt	**2,156**	**1,968**	**2,353**

The leverage ratio reflects the ratio of net financial debt to adjusted EBITDA over the last twelve months (LTM adjusted EBITDA). As of June 30, 2021, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities according to IFRS 16 of EUR 228 million (December 31, 2020: EUR 228 million; June 30, 2020: EUR 218 million) and real estate liabilities of EUR 77 million (December 31, 2020: EUR 71 million; June 30, 2020: EUR 58 million).

LEVERAGE RATIO[1]



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

Analysis of Liquidity and Capital Expenditure

ADJUSTED OPERATING FREE CASH FLOW in EUR m

	Q2 2021	Q2 2020	H1 2021	H1 2020
Adjusted EBITDA	166	23	308	180
Consumption of programming assets incl. change in provisions for onerous contracts	249	221	462	447
Change in provisions	23	–9	30	–13
Change in working capital	–54	10	–99	–42
Investments	–297	–259	–551	–581
thereof programming assets	–244	–216	–449	–482
thereof other investments	–53	–44	–102	–99
Other[1]	0	27	19	42
Adjusted operating free cash flow	**87**	**14**	**169**	**33**

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

In the second quarter of 2021, the **adjusted operating free cash flow** of ProSiebenSat.1 Group increased more than sixfold to EUR 87 million (previous year: EUR 14 million). This high increase followed the growth in adjusted EBITDA, but was reduced to some extent by a contrasting revenue-driven development in working capital as compared to the previous year's quarter and by the postponement of investments from the first quarter of 2021.

In the first half of 2021, adjusted operating free cash flow also increased significantly to EUR 169 million (previous year: EUR 33 million). This positive development is largely due to the strong growth in the Group's earnings in the second quarter.

To further focus on operating cash flow management, the Group introduced this key figure as one of its most important financial performance indicators in financial year 2021. Adjusted operating free cash flow is also used for internal controlling of the management in the Group.

CASH FLOW STATEMENT in EUR m

	Q2 2021	Q2 2020	H1 2021	H1 2020
Cash flow from operating activites	**269**	**228**	**500**	**514**
Cash flow from investing activites	**–280**	**–269**	**–536**	**–605**
Free cash flow	**–11**	**–41**	**–36**	**–91**
Cash flow from financing activities	**–143**	**346**	**–757**	**335**
Effect of foreign exchange rate changes on cash and cash equivalents	–2	–12	7	–4
Change in cash and cash equivalents	–156	292	–786	240
Cash and cash equivalents at beginning of reporting period	594	898	1,224	950
Cash and cash equivalents at end of reporting period	**438**	**1,190**	**438**	**1,190**

Cash flow from operating activities amounted to EUR 500 million in the first half of 2021 (previous year: EUR 514 million). Higher tax payments, which related both to tax payments from the previous year and to advance payments for 2021, more than offset the good operating performance in the first half of the year and led to a slight decrease in cash flow from operating activities. By contrast, cash flow from operating activities increased significantly to EUR 269 million in the second quarter of 2021 (previous year: EUR 228 million). This reflects the strong growth in operating profitability in the second quarter of 2021.

ProSiebenSat.1 Group reports **cash flow from investing activities** of minus EUR 536 million for the first half of 2021 (previous year: EUR –605 million). Specifically, there were the following cash flows:

- Programming investments are subject to seasonal fluctuations. In the first half of 2021, there was a cash outflow for the acquisition of programming assets of EUR 449 million (previous year: EUR 482 million). The programming investments were made in the Entertainment segment.
- The cash outflow for additions to the scope of consolidation amounted to EUR 25 million in the first six months of 2021 (previous year: EUR 24 million). They particularly included deferred purchase price payments for companies from the Entertainment segment that were made in the second quarter of 2021.
- In the first half of the year, EUR 63 million was spent on other intangible assets (previous year: EUR 74 million). This primarily comprises development costs, licenses for sales of digital offerings, software, and industrial property rights. Investments in tangible assets amounted to EUR 40 million (previous year: EUR 25 million). Besides technical facilities, they include the new campus building at the Unterföhring site.
- Proceeds from the disposal of non-current assets amounted to EUR 51 million in the first six months of the year (previous year: EUR 29 million) and mainly resulted from disposals of shares in ABOUT YOU and FRIDAY Insurance in the second quarter of 2021. → Development of ProSiebenSat.1 Group's Relevant Market Environments

The developments described resulted in a **free cash flow** of minus EUR 36 million in the first half of 2021 (previous year: EUR –91 million).

Cash flow from financing activities amounted to minus EUR 757 million in this half-year period (previous year: EUR 335 million). Cash flow from financing activities in the current year was influenced both by the early repayment of the bond of EUR 600 million and by the dividend payment of EUR 111 million (previous year: EUR 0 million).

The Group's liquidity continues to be good. Although the cash flows described resulted in a decrease in **cash and cash equivalents** to EUR 438 million (December 31, 2020: EUR 1,224 million; June 30, 2020: EUR 1,190 million), the previous year's figure still included the funds from the bond with a volume of EUR 600 million, which has now been repaid.

THE PROSIEBENSAT.1 MEDIA SE SHARE

PROSIEBENSAT.1 MEDIA SE ON THE CAPITAL MARKET

The COVID-19 pandemic and its impact on the global economy and public life are still dominating the development of the capital markets in 2021. The start of the new stock market year was initially very restrained due to high infection rates worldwide and associated lockdown measures. However, as vaccinations progressed and the associated raising prospect of improvement in the pandemic and economic situation, the stock markets in Germany then recorded a largely continuous rise. At the end of March 2021, the German leading index DAX exceeded the 15,000 point mark for the first time, reaching a new high of 15,730 points on June 15, 2021. The MDAX, which lists the ProSiebenSat.1 Media SE share, marked its record level of 34,470 points on June 25, 2021. At the end of the first half of 2021, the two indices were 13.2% and 10.6%, respectively, higher than at the end of 2020. EuroStoxx Media, which includes other media stocks in addition to TV companies, closed the first half of 2021 up 16.6% on the end of 2020. In this stock market environment, the ProSiebenSat.1 share developed very positively: The share significantly outperformed the major benchmark indices DAX, MDAX and EuroStoxx Media in the first half of 2021.

With its new Executive Board team as of the end of March 2020, ProSiebenSat.1 Group positioned itself to be even more focused and synergistic. In addition, the Company is driving its diversification by its own power and is more and more evolving into a digital group. This is an increasingly decisive competitive advantage over traditional media companies with a pan-European focus. Our strategy is sustainable and convinces the capital market. The ProSiebenSat.1 share closed the last trading day of the first half of 2021 at EUR 16.78 – a significant increase of 22.0% compared to the end of 2020 (December 31, 2020: EUR 13.76). On July 28, 2021, and thus on the eve of the date of the audit opinion, the ProSiebenSat.1 share price was at EUR 16.57.

At the end of the half-year period, a total of 16 brokerage houses and financial institutions actively valued the ProSiebenSat.1 share and published research reports. At the end of the first half of 2021, 62% of analysts recommended the ProSiebenSat.1 share as a buy, while 19% were in favor of holding the share and 19% gave a sell recommendation. The analysts' average price target (median) was EUR 21.50.

ProSiebenSat.1 Media SE's shares are largely held by institutional investors from the US and Europe. As of June 30, 2021, the largest individual shareholders are Mediaset S.p.A., Milan, Italy, and Mediaset España Comunicación, S.A., Madrid, Spain, which, together hold 12.4% of the shares with voting rights and 11.2% of the voting rights from instruments within the meaning of Section 38 (1) No. 1 and No. 2 of the German Securities Trading Act (WpHG), according to the voting rights notification dated January 20, 2021.

In total, 84.7% of ProSiebenSat.1 shares were held in free float as of June 30, 2021 (June 30, 2020: 79.3%) including 21.0% held by private shareholders (June 30, 2020: 28.0%). The remaining 2.9% were held in treasury (June 30, 2020: 2.9%).

After the end of the reporting period, Mediaset and Mediaset España Comunicación converted parts of their instruments into voting rights: According to the voting rights notification of July 21, 2021, they now together hold 14.6% of shares with voting rights. Accordingly, the voting rights from instruments within the meaning of Section 38 (1) No. 1 and No. 2 of the German Securities Trading Act (WpHG) have been reduced to 8.9%.

Annual General Meeting for Financial Year 2020

The Annual General Meeting of ProSiebenSat.1 Media SE for financial year 2020 was held as a virtual event on June 1, 2021. The event was held without the physical presence of the shareholders or their proxies in compliance with the COVID-19 Act passed by the German legislator[1]. All proposed resolutions requiring approval were accepted by a clear majority of the shareholders for each individual proposal. We would like to thank all our shareholders for their support.

The Group broadcast the public part of the Annual General Meeting as a live stream on the company's website. As in the past, the Executive Board and Supervisory Board also answered the shareholders' questions. The debate itself took place via the online shareholder portal where all those entitled to vote could register. The shareholders had submitted a total of over 260 questions prior to the Annual General Meeting, some of which consisted of several individual questions. In addition, there was the possibility to ask follow-up questions during the debate. The Executive Board and Supervisory Board answered all of the submitted questions.

[1] German Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic of March 27, 2020.

By a clear majority, the shareholders of ProSiebenSat.1 Media SE resolved to distribute a dividend of 50% of adjusted net income for financial year 2020. This corresponds to EUR 0.49 per entitled share and a total payout of EUR 111 million. Based on the closing price on December 31, 2020, the dividend yield was 3.6%. Based on the closing price on the day of the Annual General Meeting, June 1, 2021, the dividend yield amounts to 3.0%. The dividend was paid on June 7, 2021. ProSiebenSat.1 Media SE is thus continuing its general dividend policy and distributed a dividend despite the decline in advertising revenues and net income in the financial year 2020 as a result of the pandemic. In other agenda items, this year's Annual General Meeting also granted discharge to the Executive Board and Supervisory Board for financial year 2020, approved the remuneration system for Executive Board members, as well as approved the capital resolutions, all by a clear majority. The high level of approval in the voting results underlines our shareholders' confidence in the Executive Board and ProSiebenSat.1 Group's strategy. → Notes to Consolidated Financial Statements, note 5 "Shareholders' equity"

RISK AND OPPORTUNITY REPORT

Against the backdrop of the following developments, ProSiebenSat.1 Group's overall risk situation has decreased compared with both the first quarter of 2021 and the end of 2020.

At the end of the second quarter of 2021, we consider the sales risks in the Entertainment segment to be lower overall. These risks are now rated as medium (previously: high) overall with a very high impact and unlikely likelihood of occurrence (previously: possible). Driven by the lower COVID-19 infections and the associated easing of restrictions in private and public life, the demand for advertising has increased tangibly again. Against this backdrop, forecasts for the near future are also more positive than they were at the start of the year. → Future Business and Industry Environment

We also consider the macroeconomic risks for the Group as a whole to be lower at the end of the second quarter thanks to the German economy's clear upward trend since summer 2021. This risk is now rated as medium (previously: high) overall with a very high impact and unlikely likelihood of occurrence (previously: possible). → Economic Development

At a Group level, the risk of impairment of intangible assets is considered to have decreased in its valuation at the end of the second quarter of 2021 due to the improvement in the pandemic situation. We assess it as very unlikely to occur and rate the risk as low overall. Since the second quarter of 2021, impairments of programming assets have been included in the new risk 'content risks' for the Entertainment segment. This bundles all risks relating to content, including risks of program production (national and international). In line with its low significance, the risk of the potential impairment of intangible assets is no longer described in detail in the Risk Report.

All other risks reported at the end of 2020 and in the first quarter of 2021 are unchanged in terms of both likelihood of occurrence and possible impact. → Future Business and Industry Environment

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

ProSiebenSat.1 Media SE has implemented a comprehensive risk management system to systematically identify, assess, manage and monitor risks. Risks are defined in this report as potential future developments or events that could significantly influence our business situation and result in a negative deviation from targets or forecasts. The risk indicators that we have already taken into account in our financial planning or in the interim consolidated financial statements as of June 30, 2021, therefore do not come under this definition and are consequently not explained in this Risk Report.

In conjunction with the new set-up of ProSiebenSat.1 Media SE's segments as of January 1, 2021, the Group also adapted its risk management system and is thus reporting its risks in line with the Entertainment, Dating and Commerce & Ventures segment structure. The relevant risks are described in the Annual Report from page 105. The organizational requirements for risk and opportunity management are also explained here. The Annual Report was published on March 4, 2021, and is available at → www.prosiebensat1.com/en/investor-relations/publications/annual-reports

OUTLOOK

FUTURE BUSINESS AND INDUSTRY ENVIRONMENT

After the International Monetary Fund (IMF) reported that the global economy had declined by 3.3% in real terms in 2020, expectations for 2021 are much more optimistic (+6.0%). Due to their effective fight against COVID-19 and extensive stimulus packages, the US and China are the driving forces. Here, forecast growth rates of 6.4% and 8.4% are predicted, respectively.

The European economy is also clearly on the upward trend. In its 2021 summer forecast, the European Commission anticipates a growth rate of 4.8% for the eurozone. The robust upturn after the easing of the pandemic restrictions is expected to be driven mainly by consumption and spending by private households.

There is a similar picture for the development in Germany. Midway through the year, the industry has a comfortable backlog of orders due to the global recovery – mainly in the US and Europe, which are particularly relevant. At the same time, the COVID-19 restrictions in retail and the services industry continue to decline as infection rates decrease. The other environmental conditions also suggest a strong revival in consumption. For example, the unemployment rate has increased to only a limited extent since 2020 thanks to government assistance, such as short-time work arrangements, while the savings rate rose sharply during the pandemic.

Because of the COVID-19 restrictions in place at the beginning of the year, the growth forecasts for private consumption in 2021 are still very modest. Deutsche Bundesbank and Leibniz Institute for Economic Research (RWI) currently expect real growth of between 0.6% and 2.8%. However, full momentum is set to be reached in 2022: Here, expectations range between 7.2% (ifo) and 8.9% (Deutsche Bundesbank). Total gross domestic product is expected to grow by between 3.2% (DIW) and 3.9% (IWH, ifW) in 2021 and between 4.3% (ifo, DIW) and 5.1% (Deutsche Bundesbank) in 2022. The greatest forecast risk remains the further course of the pandemic and its potential economic implications.

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

Gross domestic product	**2021e**	2022e
GER	3.3	4.3
AT	4.0	5.0
CH	3.8	3.5
USA	6.4	3.5

Sources: GER: ifo Economic Forecast, summer 2021; **AT:** WIFO Economic Outlook June 2021; **CH:** SECO Economic Forecast June 2021; **USA:** IMF, World Economic Outlook (WEO) April 2021.

FORECAST FOR PRIVATE CONSUMPTION IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1

in %, real terms, change vs. previous year

Private consumption	**2021e**	2022e
GER	1.6	7.2
AT	5.0	5.5
CH	3.9	3.7
USA	6.1	3.3

Sources: GER: ifo Economic Forecast, summer 2021; **AT:** WFO Economic Outlook June 2021; **CH:** SECO Economic Forecast June 2021; **USA:** IMF, World Economic Outlook (WEO) April 2021.

The considerably improved economic prospects are also reflected in the advertising market. According to forecasts from June 2021, the media agencies Magna Global and ZenithOptimedia anticipate significant growth in 2021 – both for the general advertising market (Magna Global: +10.9%; ZenithOptimedia: +5.9%) and for the TV advertising market (Magna Global: +5.5%; ZenithOptimedia: +7.0%). In-stream video advertising is likely to continue its dynamic development and drive growth of the online advertising market. → Economic Development

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

in %, real terms, change vs. previous year

Net advertising market	**2021e**	2022e
GER	10.9	5.0
AT	5.8	2.9
CH	8.1	3.4

Source: Magna, Global Advertising Forecast June 2021.

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

In many countries, online dating is now one of the most popular ways to find long- or short-term relationships. This trend will continue thanks to the growing number of singles all over the world – including more and more digital natives – and increasing availability of digital devices and platforms. Further information on the industry environment can be found in the → 2020 Annual Report from page 116.

COMPANY OUTLOOK

Against the backdrop of the very strong performance in the second quarter of 2021, ProSiebenSat.1 Group has decided, as communicated on July 19, 2021, to further increase its target ranges for revenues and adjusted EBITDA in full-year 2021 compared to the outlook published on May 12, 2021 on the occasion of the Q1 2021 Quarterly Statement.

In total, the Group is now targeting for full-year 2021 – without further portfolio changes – revenues of EUR 4.400 billion (previously: EUR 4.250 billion) as the lower end and revenues of EUR 4.500 billion (previously: EUR 4.450 billion) as the upper end of the target range (previous-year figure adjusted for currency and portfolio effects: EUR 4.055 billion[1]). In financial year 2021, Group revenue growth would thus be in a range between 9% and 11% compared to the previous year (previously: 5% to 10%). The range of the revenue target figures continues to depend particularly on the development of advertising revenues in the region of Germany, Austria and Switzerland in the context of the further course of the COVID-19 pandemic. Following the strong development in the second quarter, the Group now assumes a growth of 3% in advertising revenues in the region of Germany, Austria and Switzerland compared to the previous year for the lower end of the revenue target range (previously: –2%), an increase of 7% (previously: 4%) is now the basis for the upper end.

Based on these revenue assumptions, for the full-year of 2021 ProSiebenSat.1 now anticipates a Group adjusted EBITDA – without further portfolio changes – of around EUR 820 million with a variance of plus/minus EUR 20 million (previously: target range of EUR 750 million to EUR 800 million; previous-year figure adjusted for currency and portfolio effects: EUR 708 million[2]). This corresponds for the mid-point to a year-on-year increase of 16%.

The adjusted operating free cash flow is amongst others based on the development of the adjusted EBITDA. Reaching a mid-point of the now targeted adjusted EBITDA target range as well as after the very positive cash flow development in the first half of the year 2021, the Group now assumes that the adjusted operating free cash flow for the full-year, – for reasons of comparability corrected for the change of investments in relation to the construction of the new campus at the premises in Unterföhring – should improve in an at least mid-double-digit million euro range compared to the previous year (previous year: EUR 424 million; previously: development in a mid-double-digit million euro range around the previous year's figure of EUR 424 million).

In this context, ProSiebenSat.1 Group also assumes a lower than originally expected leverage ratio at the end of the year. Thanks to the consistent management and the associated improvement of relevant key earnings figures, the Group now anticipates already for the year-end 2021 – depending on business performance and not including any portfolio changes – a leverage ratio at the upper end of the corridor between 1.5x and 2.5x which the Group targets in the mid-term. Previously, ProSiebenSat.1 assumed for 2021 a leverage ratio slightly above or at the upper end of the target corridor (previous year: 2.8x).

The increase of the revenue and adjusted EBITDA target ranges also has a positive effect on the Group's other most important financial performance indicators:

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

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

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

CONSOLIDATED INCOME STATEMENT

in EUR m	**Q2 2021**	Q2 2020	**H1 2021**	H1 2020
Revenues	1,048	709	1,986	1,634
Cost of sales	–676	–499	–1,260	–1,051
Gross profit	**372**	**209**	**726**	**584**
Selling expenses	–163	–137	–320	–299
Administrative expenses	–129	–113	–250	–246
Other operating expenses	–2	–2	–4	–8
Other operating income	5	7	11	15
Operating result	**83**	**–35**	**163**	**45**
Interest and similar income	1	1	7	2
Interest and similar expenses	–14	–17	–30	–34
Interest result	–14	–17	–23	–32
Result from investments accounted for using the equity method	–10	–15	–23	–28
Other financial result	77	–1	92	–10
Financial result	**54**	**–33**	**46**	**–70**
Result before income taxes	**137**	**–68**	**209**	**–26**
Income taxes	–23	7	–29	–5
Net income	**114**	**–61**	**180**	**–30**
Attributable to shareholders of ProSiebenSat.1 Media SE	123	–54	189	–17
Attributable to non-controlling interests	–9	–7	–9	–13
Earnings per share in EUR				
Basic earnings per share	0.54	–0.24	0.84	–0.07
Diluted earnings per share	0.54	–0.24	0.84	–0.08

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	Q2 2021	Q2 2020	H1 2021	H1 2020
Net income	**114**	**–61**	**180**	**–30**
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation adjustment	–13	–9	25	0
Measurement of cash flow hedges	–11	–22	22	21
Income taxes	3	6	–6	–6
Other comprehensive income	**–21**	**–26**	**41**	**15**
Total comprehensive income	**93**	**–86**	**221**	**–15**
Attributable to shareholders of ProSiebenSat.1 Media SE	105	–80	224	–2
Attributable to non-controlling interests	–12	–7	–3	–13

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in EUR m	06/30/2021	12/31/2020
ASSETS		
Goodwill	2,193	2,177
Programming assets	1,023	1,072
Other intangible assets	925	943
Property, plant and equipment	468	443
Investments accounted for using the equity method	7	14
Other financial assets	283	271
Other receivables and non-current assets	8	2
Deferred tax assets	52	54
Non-current assets	**4,959**	**4,975**
Programming assets	131	141
Inventories	59	44
Other financial assets	121	50
Trade receivables	502	569
Current tax assets	76	31
Other receivables and current assets	79	47
Cash and cash equivalents	438	1,224
Current assets	**1,406**	**2,106**
Total assets	**6,365**	**7,081**

	06/30/2021	12/31/2020
EQUITY AND LIABILITIES		
Subscribed capital	233	233
Capital reserves	1,046	1,045
Consolidated equity generated	369	290
Treasury shares	–62	–62
Accumulated other comprehensive income	–10	–44
Other equity	–136	–129
Total equity attributable to shareholders of ProSiebenSat.1 Media SE	1,440	1,333
Non-controlling interests	336	354
Equity	**1,776**	**1,687**
Non-current financial debt	2,593	2,591
Other non-current financial liabilities	392	410
Trade payables	48	74
Other non-current liabilities	9	4
Provisions for pensions	32	32
Other non-current provisions	47	45
Deferred tax liabilities	264	260
Non-current liabilities	**3,385**	**3,417**
Current financial debt	1	601
Other current financial liabilities	92	109
Trade payables	564	618
Other current liabilities	335	374
Current tax liabilities	61	133
Other current provisions	151	142
Current liabilities	**1,204**	**1,977**
Total equity and liabilities	**6,365**	**7,081**

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	Q2 2021	Q2 2020	H1 2021	H1 2020
Net income	**114**	**–61**	**180**	**–30**
Income taxes	23	–7	29	5
Financial result	–54	33	–46	70
Depreciation, amortization and impairments of other intangible assets and property, plant and equipment	68	57	126	121
Consumption of programming assets incl. change in provisions for onerous contracts	249	221	462	447
Change in provisions	23	–9	30	–13
Gain/loss on the sale of assets	0	–1	–2	–3
Other non-cash income/expenses	–1	–1	–3	–2
Change in working capital	–54	10	–99	–42
Dividends received	5	1	5	7
Income tax paid	–90	11	–147	–13
Interest paid	–13	–25	–37	–35
Interest received	0	1	1	2
Cash flow from operating activities	**269**	**228**	**500**	**514**
Proceeds from disposal of non-current assets	46	8	51	29
Payments for the acquisition of other intangible assets and property, plant and equipment	–53	–44	–102	–99
Payments for investments including investments accounted for using the equity method	–13	–22	–23	–41
Proceeds from disposal of programming assets	4	5	12	12
Payments for the acquisition of programming assets	–244	–216	–449	–482
Payments for the issuance of loan receivables	0	—	–1	—
Proceeds from the repayment of loan receivables	0	0	1	1
Payments for obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	–21	–1	–25	–24
Cash flow from investing activities	**–280**	**–269**	**–536**	**–605**
Dividend paid	–111	—	–111	—
Repayment of financial liabilities	0	0	–781	–5
Proceeds from issuance of financial liabilities	—	356	187	361
Repayment of lease liabilities	–10	–9	–21	–18
Payments for transactions with non-controlling interests	0	0	–10	0
Dividend payments to non-controlling interests	–21	0	–22	–3
Cash flow from financing activities	**–143**	**346**	**–757**	**335**
Effect of foreign exchange rate changes on cash and cash equivalents	–2	–12	7	–4
Change in cash and cash equivalents	**–156**	**292**	**–786**	**240**
Cash and cash equivalents at beginning of reporting period	594	898	1,224	950
Cash and cash equivalents at end of reporting period	**438**	**1,190**	**438**	**1,190**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Measurement of cash flow hedges	Remeasurement of defined benefit obligations	Deferred taxes	Other equity	Attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	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**

in EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Measurement of cash flow hedges	Remeasurement of defined benefit obligations	Deferred taxes	Other equity	Attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Total equity
December 31, 2020	233	1,045	290	–62	–33	0	–15	4	–129	1,333	354	1,687
Net income	—	—	189	—	—	—	—	—	—	189	–9	180
Other comprehensive income	—	—	—	—	18	22	—	–6	—	34	6	41
Total comprehensive income	**—**	**—**	**189**	**—**	**18**	**22**	**—**	**–6**	**—**	**224**	**–3**	**221**
Dividends	—	—	–111	—	—	—	—	—	—	–111	–22	–133
Other changes	—	0	0	—	—	—	—	—	–6	–7	8	1
June 30, 2021	**233**	**1,046**	**369**	**–62**	**–14**	**22**	**–15**	**–2**	**–136**	**1,440**	**336**	**1,776**

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, 2021, 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, 2020.

The accounting principles applied by the Group to the interim consolidated financial statements as of June 30, 2021, are the same as for the consolidated financial statements for the financial year 2020. On January 1, 2021, the Group's segment structure was realigned (→ see note 8 "Segment reporting"). In this context, certain prior-year disclosures have been adapted to the current presentation. Due to rounding, figures may not add up exactly to the totals shown. The interim consolidated financial statements have been authorized for issue by the Executive Board on July 29, 2021.

The Group's Entertainment business is subject to significant seasonal fluctuations. Therefore, the results for the first six months of the financial year 2021 do not necessarily permit predictions as to future business performance.

For information regarding the effects of the COVID-19 pandemic, please refer to the → Group Interim Management Report.

2 / Acquisitions and disposals of investments

ACQUISITION OF ADDITIONAL SHARES IN STUDIO71 GROUP AND DISPOSAL OF FRENCH AND ITALIAN ACTIVITIES

In February and March 2021, ProSiebenSat.1 Group acquired the non-controlling interests in Studio71 Group held by the French TF1 Group and the Italian Mediaset S.p.A. As a result of the acquisition, ProSiebenSat.1 Group now holds all shares in Studio71 Group, apart from the interests held by the previous management. The purchase price payment of EUR 9 million is presented within payments for transactions with non-controlling interests in the cash flow from financing activities. Along with that, Studio71 Group sold its French entity, which was accounted for using the equity method, and its fully consolidated Italian subsidiary, effective March 31 and July 7, 2021, respectively, as pan-European synergies had not been realized as expected. These transactions did neither result in material cash inflows nor disposal gains or losses.

ACQUISITION OF 15.6% IN URBAN SPORTS CLUB

By agreement of June 25, 2021, and with economic effect from July 20 / 23, 2021 (→ see note 10 "Events after the reporting period"), SevenVentures GmbH, Unterföhring ("SevenVentures"), which is part of the Commerce & Ventures segment, acquired 15.6% of the shares in Urban Sports GmbH, Berlin ("Urban Sports Club") for a purchase price of EUR 53 million. EUR 30 million of the purchase price is payable in cash, the remainder in the form of media services to be rendered over the next 2.5 years. Urban Sports Club offers a flexible sports and wellness portfolio, including extensive online courses, to members in over 80 cities in seven European countries. As ProSiebenSat.1 Group has significant influence on the company due to its advisory board seat, the investment is accounted for as an associate using the equity method.

3 / Revenues

The following tables present a breakdown of revenues by categories in the segment structure applicable since January 1, 2021 (→ see note 8 "Segment reporting"). The prior-year figures have been adapted to the current presentation. In this context, the categories Advertising revenues and Content (until December 31, 2020: Production as well as Global Sales and Other Program Sales) are presented by geographic regions. Revenues are attributed to the country in which the entity that has recognized them is located. The regions presented are either Germany (D), Austria (A) and Switzerland (CH) (together DACH) or Europe and Rest of the world.

REVENUES Q2 in EUR m

	Entertainment		Dating		Commerce & Ventures		Total Group	
	Q2 2021	Q2 2020	**Q2 2021**	Q2 2020	**Q2 2021**	Q22020	**Q2 2021**	Q2 2020
Advertising revenues	**542**	**350**	**—**	**—**	**34**	**24**	**576**	**374**
DACH	483	308	—	—	34	24	517	332
Rest of the world	59	42	—	—	—	—	59	42
Distribution	**46**	**42**	**—**	**—**	**—**	**—**	**46**	**42**
Content	**124**	**60**	**—**	**—**	**—**	**—**	**124**	**60**
Europe	43	28	—	—	—	—	43	28
Rest of the world	81	31	—	—	—	—	81	31
Matchmaking & Social Entertainment	**—**	**—**	**139**	**58**	**—**	**—**	**139**	**58**
Digital Platform & Commerce	**—**	**—**	**—**	**—**	**138**	**151**	**138**	**151**
Consumer Advice	—	—	—	—	41	36	41	36
Experiences	—	—	—	—	9	10	9	10
Beauty & Lifestyle	—	—	—	—	88	105	88	105
Other revenues	**24**	**24**	**—**	**—**	**1**	**1**	**25**	**25**
Total	**736**	**476**	**139**	**58**	**172**	**176**	**1,048**	**709**

REVENUES H1 in EUR m

	Entertainment		Dating		Commerce & Ventures		Total Group	
	H1 2021	H1 2020	**H1 2021**	H1 2020	**H1 2021**	H1 2020	**H1 2021**	H1 2020
Advertising revenues	**983**	**860**	**—**	**—**	**65**	**56**	**1,047**	**916**
DACH	874	773	—	—	65	56	939	829
Rest of the world	108	87	—	—	—	—	108	87
Distribution	**90**	**83**	**—**	**—**	**—**	**—**	**90**	**83**
Content	**227**	**145**	**—**	**—**	**—**	**—**	**227**	**145**
Europe	78	62	—	—	—	—	78	62
Rest of the world	149	83	—	—	—	—	149	83
Matchmaking & Social Entertainment	**—**	**—**	**280**	**117**	**—**	**—**	**280**	**117**
Digital Platform & Commerce	**—**	**—**	**—**	**—**	**294**	**320**	**294**	**320**
Consumer Advice	—	—	—	—	92	97	92	97
Experiences	—	—	—	—	20	25	20	25
Beauty & Lifestyle	—	—	—	—	182	198	182	198
Other revenues	**47**	**51**	**—**	**—**	**1**	**2**	**48**	**53**
Total	**1,346**	**1,139**	**280**	**117**	**360**	**378**	**1,986**	**1,634**

In the category Advertising revenues DACH in the Entertainment segment, revenues from the sale of advertising times are presented, including the advertising revenues of the German Studio71 entity. The same category in the Commerce & Ventures segment contains revenues from media-for-equity and media-for-revenue transactions of EUR 21 million in the second quarter of 2021 (previous year: EUR 17 million) and EUR 46 million in the first half of 2021 (previous year: EUR 44 million). The category Advertising revenues Rest of the world primarily contains revenues of the Studio71 entities in the United States (USA). The category Beauty & Lifestyle contains sales of goods of EUR 69 million in the second quarter of 2021 (previous year: EUR 90 million) and EUR 144 million in the first half of 2021 (previous year: EUR 169 million).

4 / Income taxes

Income taxes for interim periods are recognized using the estimated weighted average income tax rate anticipated for the full financial year. Tax effects relating to singular events are recognized in full in the relevant period.

The income tax expense of EUR 29 million for the first half of 2021 (previous year: EUR 5 million) includes a gain, recognized in profit or loss, of EUR 13 million from the adjustment of the provision for uncertain tax positions, due to a fiscal authorities' decree relating to the deduction of amounts under trade tax controlled foreign corporation (CFC) rules.

Moreover, the effective tax rate of 13.9% for the first half of 2021 also reflects tax-free valuation effects and the result from investments accounted for using the equity method. In the previous year, the effective tax rate was impacted by the effects of the COVID-19 pandemic on the business performance.

5 / Shareholders' equity

On June 1, 2021, the Annual General Meeting of ProSiebenSat.1 Media SE resolved to pay out a dividend of EUR 111 million (EUR 0.49 per dividend-entitled common share) for the financial year 2020. The dividend was paid out on June 7, 2021.

Furthermore, the Annual General Meeting resolved to create a new authorized capital (Authorized Capital 2021). Until and including May 31, 2026, the Executive Board, with the consent of the Supervisory Board, is authorized to increase the share capital by up to EUR 47 million by issuing, on one or more occasions, new registered no-par value shares, in return for contributions in cash and/or in kind. Shareholders' pre-emptive rights may be partially excluded.

The Annual General Meeting also resolved to authorize the Executive Board, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible and/or option bonds in the total nominal amount of up to EUR 800 million, against cash and/or contributions in kind, until May 31, 2026, and to grant the holders or creditors of such bonds respectively conversion or option rights to subscribe for up to 23 million new registered no-par value shares in the pro rata amount of in total up to EUR 23 million of the Company's registered share capital, and/or to stipulate respective conversion rights (Authorization 2021). For this purpose, the share capital was contingently increased by up to EUR 23 million by issuing up to 23 million new registered no-par value shares (Contingent Capital 2021). These resolutions replace the Authorized Capital 2016, the Authorization 2016 and the Contingent Capital 2016, which were created by the Annual General Meeting on June 30, 2016, and expired in June 2021.

On April 16, 2021, the Annual General Meeting of the group entity NCG – NUCOM GROUP SE, Unterföhring ("NuCom Group") resolved the distribution of a dividend totaling EUR 60 million from the distributable profits of the short financial year from August 1 to December 31, 2020, to the common shareholders. Thereof, EUR 17 million are allocated to General Atlantic PD GmbH, Munich, which holds 28.4% in NuCom Group.

6 / Other financial obligations

The following table contains the other financial obligations not recognized in the statement of financial position:

in EUR m

	06/30/2021	12/31/2020
Purchase commitments for programming assets	1,652	2,023
Distribution	141	158
Lease and rental commitments	—	17
Other financial obligations	315	281
Total	**2,107**	**2,479**

The decrease of purchase commitments for programming assets primarily reflects the adjustment of the programming structure in favor of local content and general, seasonal factors.

The decline in lease and rental commitments results from there being no lease contracts for which the use of the underlying leased items has not yet commenced at the reporting date.

As at June 30, 2021, the other financial obligations contain an amount of EUR 38 million (December 31, 2020: EUR 60 million) relating to commitments for the future funding of the joint venture Joyn GmbH, Munich ("Joyn"), which is accounted for using the equity method. The cash outflow of EUR 22 million (previous year: EUR 39 million) resulting from the payments into the capital reserves of Joyn during the first half of 2021 is presented in the cash flow from investing activities under payments for investments including investments accounted for using the equity method. In addition, other financial obligations contain the Group's obligation to pay the cash purchase price component of EUR 30 million resulting from the investment in Urban Sports Club (→ see note 2 "Acquisitions and disposals of investments").

7 / Financial instruments

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 AT JUNE 30, 2021 AND DECEMBER 31, 2020 in EUR m

		06/30/2021					12/31/2020				
				Fair value					Fair value		
	Presented in the statement of financial position as	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets											
Measured at fair value											
Fund units to finance pension obligations	Other financial assets	28	28	28	—	—	28	28	28	—	—
Other equity instruments	Other financial assets	291	291	69	—	222	212	212	—	—	212
Derivatives for which hedge accounting is not applied	Other financial assets	3	3	—	3	—	1	1	—	1	—
Hedge derivatives	Other financial assets	30	30	—	30	—	18	18	—	18	—
Total		**352**	**352**	**97**	**33**	**222**	**259**	**259**	**28**	**19**	**212**
Financial liabilities											
Measured at fair value											
Liabilities from put options and earn-outs	Other financial liabilities	139	139	—	—	139	156	156	—	—	156
Derivatives for which hedge accounting is not applied	Other financial liabilities	0	0	—	0	—	0	0	—	0	—
Hedge derivatives	Other financial liabilities	10	10	—	10	—	19	19	—	19	—
Measured at amortized cost											
Term loan and other borrowings	Financial debt	2,095	2,154	—	2,154	—	2,094	2,180	—	2,180	—
Notes	Financial debt	—	—	—	—	—	600	601	601	—	—
Promissory note	Financial debt	499	517	—	517	—	499	521	—	521	—
Real estate financing	Other financial liabilities	77	83	—	83	—	71	79	—	79	—
Total		**2,821**	**2,904**	**—**	**2,765**	**139**	**3,439**	**3,556**	**601**	**2,799**	**156**

In its statement of financial position, ProSiebenSat.1 Group has recognized other financial instruments not presented in the table above, which are measured at amortized cost. Their carrying amounts represent appropriate proxies for their fair values.

Exercising an early termination right contained in the terms and conditions, the notes amounting to EUR 600 million, with an original maturity in April 2021, were fully repaid early on January 15, 2021. For this early repayment, an amount of EUR 180 million was drawn under the revolving credit facility for a short period of time. The amount was repaid in February 2021.

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
Balance as of January 1, 2021	**212**	**156**
Gains or losses recognized in the income statement[1]	45	15
Additions from acquisitions	19	—
Disposals / payments	–12	–33
Reclassification to level 1 category	–35	—
Other changes	–7	0
Balance as of June 30, 2021	**222**	**139**

[1] This line item includes unrealized gains on other equity instruments of EUR 45 million, and unrealized losses of EUR 13 million relating to liabilities from put options and earn-outs.

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 gains of EUR 45 million on other equity instruments recognized in the reporting period primarily relate to the remeasurement of media-for-equity and venture-capital-fund investments. The additions of EUR 19 million predominantly comprise investments acquired as part of media-for-equity transactions, whereas the disposals of EUR 12 million mainly reflect the sale of a fund investment. The reclassification in the amount of EUR 35 million concerns the shares in ABOUT YOU AG, Hamburg (“ABOUT YOU”) owned by SevenVentures, which are held in the form of listed shares after the company’s initial public offering in June 2021 and were therefore reclassified from the category level 3 to category level 1. In the wake of the initial public offering, a portion of the shares were placed on the market by the issuing banks as so-called “Greenshoe” shares. This placement and the remeasurement of the remaining shares resulted in a gain of EUR 60 million, recognized in other financial result. Other changes contain reclassifications from other classes of financial instruments, cash effects resulting from changes in rights to shares and foreign exchange effects.

The losses of EUR 15 million during the reporting period on liabilities from put options and earn-outs recognized in profit or loss mainly result from the remeasurement of the put options of ParshipMeet Group and of entities in the Entertainment segment. The disposals of EUR 33 million primarily relate to the acquisition of additional shares in Studio71 Group (→ see note 2 “Acquisitions and disposals of investments”) and other entities of the Entertainment segment in the context of previous years’ business combinations as well as to a payout under an earn-out agreement at esome advertising technologies GmbH, Hamburg.

When measuring liabilities from put options, key inputs that are not observable on the market are the earnings figures on which the respective instruments are based and the risk-adjusted debt discount rates applied. A 5.0% improvement in the underlying earnings figures would increase the (negative) fair value of the put options by EUR 8 million as of the reporting date, whereas a 5.0% decrease would reduce it by EUR 8 million. In addition, a change in the debt discount rate by plus or minus one percentage point respectively would result in the fair value of these financial liabilities being reduced by EUR 3 million or increased by EUR 3 million.

8 / Segment reporting

At the end of the last year, ProSiebenSat.1 Group has reviewed its group segment structure and changed the reporting as of January 1, 2021: Since then it reports the segments Entertainment, Dating as well as Commerce & Ventures. The prior-year figures were adjusted to reflect the new segment structure.

- In this context, Red Arrow Studios' program production and distribution business and the digital media and entertainment company Studio71 were integrated into the Entertainment segment. The cross-platform Entertainment segment now unites the Group's station brands with the content, distribution and sales business and thus the complete value chain of the entertainment business in one segment.
- The Dating segment corresponds to the former ParshipMeet Group segment and remains unchanged in its composition compared to the end of 2020.
- The new Commerce & Ventures segment comprises the entities of the previous segment NuCom Group as well as the investment arm SevenVentures. Moreover, the portfolio of SevenGrowth is combined with brands such as marktguru and wetter.com.

The reconciliation column (Holding & other) contains the holding functions as well as effects of the elimination / consolidation of intra-Group transactions between the segments. As in previous periods, the amounts presented in the current financial year thus far relate to the holding functions, with the exception of internal revenues.

SEGMENT INFORMATION Q2 2021 in EUR m

	Entertainment	Dating	Commerce & Ventures	Total segments	Reconciliation (Holding & other)	**Total Group**
Revenues	760	139	173	1,072	–25	**1,048**
External revenues	736	139	172	1,048	—	**1,048**
Internal revenues	24	—	1	25	–25	**—**
Adjusted EBITDA	142	28	2	173	–7	**166**
Reconciling items	–4	–9	–2	–15	0	**–15**
Depreciation, amortization and impairments	38	9	15	63	5	**68**
Investments	267	2	15	284	13	**297**
thereof programming assets	244	—	—	244	—	**244**

SEGMENT INFORMATION Q2 2020 in EUR m

	Entertainment	Dating	Commerce & Ventures	Total segments	Reconciliation (Holding & other)	**Total Group**
Revenues	496	58	179	733	–24	**709**
External revenues	476	58	176	709	—	**709**
Internal revenues	21	—	4	24	–24	**—**
Adjusted EBITDA	3	16	9	27	–3	**23**
Reconciling items	0	–3	2	–2	0	**–2**
Depreciation, amortization and impairments	33	2	15	50	7	**57**
Investments	236	1	12	249	11	**259**
thereof programming assets	216	—	—	216	—	**216**

SEGMENT INFORMATION H1 2021 in EUR m

	Entertainment	Dating	Commerce & Ventures	Total segments	Reconciliation (Holding & other)	**Total Group**
Revenues	1,394	280	361	2,035	–49	**1,986**
External revenues	1,346	280	360	1,986	—	**1,986**
Internal revenues	48	—	1	49	–49	**—**
Adjusted EBITDA	239	61	19	320	–11	**308**
Reconciling items	–4	–9	–2	–15	–4	**–19**
Depreciation, amortization and impairments	69	19	28	116	10	**126**
Investments	497	6	26	529	22	**551**
thereof programming assets	449	—	—	449	—	**449**

SEGMENT INFORMATION H1 2020 in EUR m

	Entertainment	Dating	Commerce & Ventures	Total segments	Reconciliation (Holding & other)	**Total Group**
Revenues	1,186	117	387	1,690	–56	**1,634**
External revenues	1,139	117	378	1,634	—	**1,634**
Internal revenues	47	—	9	56	–56	**—**
Adjusted EBITDA	145	31	15	191	–12	**180**
Reconciling items	–1	–3	–3	–7	–7	**–14**
Depreciation, amortization and impairments	71	4	32	107	14	**121**
Investments	538	2	21	562	19	**581**
thereof programming assets	482	—	—	482	—	**482**

The segments' adjusted EBITDA is reconciled to the Group's net income as follows:

RECONCILIATION OF SEGMENT RESULT in EUR m

	Q2 2021	Q2 2020	**H1 2021**	H1 2020
Adjusted EBITDA				
Adjusted EBITDA of reportable segments	173	27	320	191
Reconciliation (Holding & other)	–7	–3	–11	–12
Adjusted EBITDA of the Group	**166**	**23**	**308**	**180**
Reconciling items	–15	–2	–19	–14
Financial result	54	–33	46	–70
Depreciation, amortization and impairments	–68	–57	–126	–121
Income taxes	–23	7	–29	–5
Net income	**114**	**–61**	**180**	**–30**

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

	Q2 2021	Q2 2020	**H1 2021**	H1 2020
M&A related expenses	–1	–1	–2	–8
Reorganization expenses	–4	–3	–4	–4
Fair value adjustments of share-based payments	–8	1	–11	3
Expenses for other one-time items	–1	2	–1	–4
Valuation effects relating to strategic realignments of business units	–1	0	–1	–1
Reconciling items	**–15**	**–2**	**–19**	**–14**

9 / Related parties

Related parties of ProSiebenSat.1 Group are persons and companies that control ProSiebenSat.1 Group, exercise significant influence over it, or are controlled or significantly influenced by ProSiebenSat.1 Group.

As of June 30, 2021, the members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE, joint ventures and associates of ProSiebenSat.1 Group were defined as related parties.

ProSiebenSat.1 Group maintains relationships in the ordinary course of business with some of its joint ventures and associates. In doing so, the relevant Group entity generally buys and sells products and services on market terms. The following table presents the volume of transactions with joint ventures and associates:

VOLUME OF TRANSACTIONS WITH JOINT VENTURES AND ASSOCIATES in EUR m

	H1 2021 and 06/30/2021			H1 2020 and 12/31/2020		
	Joint ventures	Associates	**Total Group**	Joint ventures	Associates	**Total Group**
Income statement						
Revenues from goods sold and services rendered	19	49	**68**	17	46	**63**
Expenses from goods purchased and services received	9	11	**20**	4	11	**14**
Statement of financial position						
Receivables	8	17	**25**	15	20	**35**
Payables	7	0	**7**	6	5	**11**

10 / Events after the reporting period

With economic effect as of July 20 / 23, 2021, ProSiebenSat.1 Group has acquired 15.6% of the shares in Urban Sports Club (→ see note 2 “Acquisitions and disposals of investments”).

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.

Unterföhring, July 29, 2021

Rainer Beaujean
Chairman of the Executive Board

Wolfgang Link
Member of the Executive Board

Christine Scheffler
Member of the Executive Board

REVIEW REPORT

TO PROSIEBENSAT.1 MEDIA SE

We have reviewed the interim condensed consolidated financial statements of ProSiebenSat.1 Media SE, Unterföhring, – comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated cash flow statement, the consolidated statement of changes in equity and selected explanatory notes - and the group interim management report for the period from 1 January to 30 June 2021, 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, 29 July 2021

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Hayn	Mielke
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

FINANCIAL CALENDAR

PRESENTATIONS & EVENTS 2021/2022

Date	Event
August 5, 2021	Publication of the Half-Yearly Financial Report of 2021
November 4, 2021	Publication of the Quarterly Statement for the Third Quarter of 2021
March 3, 2022	Publication of the Annual Report 2021
March 3, 2022	Press Conference/IR Conference on Figures 2021
May 5, 2022	Annual General Meeting
May 12, 2022	Publication of the Quarterly Statement for the First Quarter of 2022
August 11, 2022	Publication of the Half-Yearly Financial Report of 2022
November 15, 2022	Quarterly Statement for the Third Quarter of 2022

EDITORIAL INFORMATION

PRESS
ProSiebenSat.1 Media SE
Konzernkommunikation
Medienallee 7
85774 Unterföhring, Germany
Phone: +49 [0]89 95 07 — 11 45
Fax: +49 [0]89 95 07 — 11 59
E-Mail: info@prosiebensat1.com

INVESTOR RELATIONS
ProSiebenSat.1 Media SE
Investor Relations
Medienallee 7
85774 Unterföhring, Germany
Phone: +49 [0]89 95 07 — 15 02
Fax: +49 [0]89 95 07 — 15 21
E-Mail: aktie@prosiebensat1.com

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ProSiebenSat.1 Media SE
Medienallee 7
85774 Unterföhring , Germany
Phone: +49 [0]89 95 07 — 10
Fax: +49 [0]89 95 07 — 11 21
www.ProSiebenSat1.com
HRB 219 439 AG München

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ProSiebenSat.1 Media SE
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PROSIEBENSAT.1 GROUP ON THE INTERNET

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 projections, and take account of knowledge only up to and including the date of preparation of this report. Given these risks, uncertainties and other important factors, ProSiebenSat.1 Media SE undertakes no obligation, and has no intent, to revise such forward-looking statements or update them to reflect future events and developments. Although every effort has been made to ensure that the provided information and facts are correct, and that the opinions and expectations reflected here are reasonable, ProSiebenSat.1 Media SE assumes no liability and offers no warranty as to the completeness, correctness, adequacy and/or accuracy of any information or opinions contained herein. This report is an English translation; in case of any discrepancies, the German authoritative version of the report shall prevail over the English translation.