ProSiebenSat.1 Media SE

QUARTERLY STATEMENT FOR THE THIRD QUARTER OF 2021

SPEEDING UP

SHARPENING FOCUS
CREATING VALUE
TAKING RESPONSIBILITY

KEY FIGURES OF PROSIEBENSAT.1 GROUP

in EUR m

	Q3 2021	Q3 2020	Q1–Q3 2021	Q1–Q3 2020
Revenues	**1,055**	921	**3,041**	2,555
Revenue margin before income taxes (in %)	**9.7**	10.9	**10.3**	2.9
Total costs[1]	**963**	845	**2,797**	2,449
Consumption of programming assets	**244**	198	**706**	645
Adjusted EBITDA[2]	**162**	149	**470**	328
Adjusted EBITDA-margin (in %)	**15.3**	16.1	**15.4**	12.9
EBITDA	**156**	174	**445**	340
Reconciling items[3]	**–6**	25	**–25**	12
Operating result (EBIT)	**97**	114	**260**	159
Adjusted EBIT	**119**	103	**337**	191
Financial result	**6**	–13	**53**	–84
Result before income taxes	**103**	100	**312**	75
Adjusted net income[4]	**58**	29	**158**	36
Net income	**72**	69	**252**	39
Attributable to shareholders of ProSiebenSat.1 Media SE	**73**	69	**262**	52
Attributable to non-controlling interests	**–1**	0	**–10**	–13
Adjusted earnings per share (in EUR)	**0.26**	0.13	**0.70**	0.16
Payments for the acquisition of programming assets	**216**	263	**664**	745
Free cash flow	**52**	–337	**16**	–429
Cash flow from investing activities	**–297**	–647	**–833**	–1,252
Adjusted operating free cash flow[5]	**134**	34	**303**	67
Audience share (in %)[6]	**24.7**	27.6	**25.1**	27.5

	09/30/2021	12/31/2020	09/30/2020
HD subscribers (in m)[7]	**11.0**	10.6	10.4
Employees[8]	**8,026**	7,307	7,408
Programming assets	**1,136**	1,213	1,244
Equity	**1,875**	1,687	1,554
Equity ratio (in %)	**28.6**	23.8	21.6
Cash and cash equivalents	**483**	1,224	1,056
Financial debt	**2,594**	3,192	3,544
Leverage ratio[9]	**2.5**	2.8	3.7
Net financial debt	**2,111**	1,968	2,488

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 achieves strong growth in the third quarter of 2021: The Group's diversification strategy continues to pay off in all segments.**
- **Our revenues are above pre-Corona levels across all segments, Group revenues grow significantly by 15% to EUR 1,055 million in the third quarter of 2021. Adjusted EBITDA increases by 9% to EUR 162 million.**
- **In the nine-month period, Group revenues increase by 19% to EUR 3,041 million, with adjusted EBITDA rising by 43% to EUR 470 million.**
- **The important key performance indicators for cash flow, profitability and debt improve significantly over the year, also thanks to our consistent management to sustainably improve the P7S1 return on capital employed.**
- **Against the backdrop of the continued strong development of advertising revenues in the third quarter of 2021, the Group again raises its target ranges for revenues and adjusted EBITDA in full-year 2021.**

ProSiebenSat.1 Group is increasingly evolving into a digital group and is driving its diversification on the basis of its own strengths. This strategic progress is reflected in the Group's financial performance, which is characterized by clear growth and an improved profitability.

As in the second quarter of 2021, ProSiebenSat.1 also generated record revenues in the third quarter and thus for the second time in a row: Group revenues rose by 15% to EUR 1,055 million (previous year: EUR 921 million). This was mainly driven by the advertising business improving better than expected from the effects of the pandemic. Thus, in the third quarter of 2021, Entertainment advertising revenues in the German-speaking region (Germany, Austria, Switzerland) were not only clearly above the pre-Corona level of 2019 with an increase of 13%. In addition, ProSiebenSat.1 Group thus also recorded the highest advertising revenues that the Group has ever generated in a third quarter.

At the same time, the diversification of ProSiebenSat.1 across all segments is paying off: In the Entertainment segment, the program production business again generated strong revenue growth, while the Dating segment with The Meet Group, consolidated since September 2020, supported revenue growth for the Group as a whole. In addition, the Commerce & Ventures segment continues to show considerable signs of recovery.

With the effects of the pandemic still noticeable in the first quarter of 2021, the strong second and now third quarter of 2021 had a significant impact on the nine-month period: In the months of January to September 2021, the Group increased its revenues by a considerable 19% to EUR 3,041 million (previous year: EUR 2,555 million).

This revenue momentum also improved the Group's adjusted EBITDA compared to the same quarter of the previous year: In the third quarter of 2021, adjusted EBITDA rose by 9% to EUR 162 million (previous year: EUR 149 million). In addition to the individual business models' different margin structures, this reflects in particular planned increases in programming costs. As announced at the beginning of the year, the Group is using the positive advertising market environment to strengthen the reach and market share of our entertainment offerings in the medium and long term by focusing on local and live content. In the first nine months of the year, adjusted EBITDA increased by EUR 141 million (or 43%) to EUR 470 million. Adjusted net income almost doubled in the third quarter of 2021 to EUR 58 million (previous year: EUR 29 million), up by EUR 122 million at EUR 158 million in a nine-month comparison.

Adjusted operating free cash flow improved significantly, both in the third quarter of 2021 and in the nine-month period, increasing by EUR 100 million to EUR 134 million and by EUR 236 million to EUR 303 million respectively. The positive development reflects the Group's strong earnings growth in both reporting periods. In addition, the postponement of some investments had a positive effect. At the same time, the leverage ratio declined to a factor of 2.5x at the end of the third quarter. The significant decrease in the leverage ratio compared to September 30, 2020 (factor of 3.7x) reflects a significant lower net financial debt as well as the positive development of adjusted EBITDA over the last 12 months.

ProSiebenSat.1 practices an active financial management and in October – and thus within the subsequent period – used the currently attractive conditions on the debt capital market for a new EUR 700 million promissory note loan. As part of the repayment of a total of EUR 900 million, the Group has sustainably reduced its gross debt and continues to be very solidly positioned in the long term. The Group has thus further diversified and extended the debt maturity profile of its financial liabilities.

This performance is evidence that ProSiebenSat.1 Group is on the right track with its strategy: Against the backdrop of the continued strong development of advertising revenues in the third quarter of 2021, the Group has decided to again raise its target ranges for revenues and adjusted EBITDA in full-year 2021 compared to the outlook published on July 19, 2021. Overall, the Group is now targeting for full-year 2021 – without further portfolio changes – revenues of EUR 4.5 billion with a variance of plus/minus EUR 50 million (previously: target range of EUR 4.4 billion to EUR 4.5 billion; previous-year figure adjusted for currency and portfolio effects: EUR 4.055 billion). For the full-year of 2021, the Group now expects a Group adjusted EBITDA – without further portfolio changes – of around EUR 840 million with a variance of plus/minus EUR 10 million (previously: around EUR 820 million with a variance of plus/minus EUR 20 million; previous-year figure adjusted for currency and portfolio effects: EUR 708 million).

ProSiebenSat.1's success is decisively shaped by the employees of the Group. As of September 30, 2021, ProSiebenSat.1 Group had 8,026 employees (previous year: 7,408), calculated on the basis of full-time equivalents. This increase of 618 employees was particularly based on the significant recovery of the program production business from the effects of COVID-19 (+296 employees) and the growth of the online beauty provider Flaconi (+170 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 SevenVentures GmbH ("SevenVentures"). The portfolio of the SevenGrowth investment vehicle 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 past nine months, the ventures portfolio has been 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

In accordance with the best-owner principle, ProSiebenSat.1 Group regularly reviews its investments and performs an open-ended analysis of the growth and synergy potential of its portfolio companies. Against this backdrop, NuCom Group, in which General Atlantic holds a 28.4% stake, sold all its shares amounting to a stake of around 98% in Sonoma Internet GmbH ("Amorelie") to EQOM Group on October 1, 2021 – and thus within the subsequent period for this Quarterly Statement[1]. After ProSiebenSat.1 Group raised awareness of Amorelie, an online shop for sensual lifestyle and erotic products, in the German-speaking region (Germany, Austria, Switzerland) through TV advertising in the past seven years, it is no longer the best owner for the further internationalization and thus the next development stage of the company. The disposal of Amorelie is subject to the approval of relevant antitrust authorities. Closing of the transaction as well as the subsequent deconsolidation are expected in the second half of the fourth quarter of 2021. ➔ Group Environment

ProSiebenSat.1 Group practices an active financial management and uses various financing instruments. In this context, the Group repaid a EUR 600 million bond already on January 15, 2021, and thus ahead of time at nominal value plus interest accrued up to this repayment date. In addition, the Group used the attractive conditions on the debt capital market in the reporting period to prepare a new refinancing measure: At the beginning of October, ProSiebenSat.1 Media SE successfully concluded new promissory loans totaling EUR 700 million with tenors of four, six, eight, and ten years. The volume-weighted tenor of the new promissory loan offering over the four tenors is c. 5.9 years. On October 8, 2021, all of the proceeds were used to prepay existing term loans under the senior facilities agreement. The prepayment amount totaled EUR 900 million, reducing the Group's term loans from EUR 2.1 billion to EUR 1.2 billion. At the same time, ProSiebenSat.1 further extended and diversified the debt maturity profile of its financing instruments. Due to the good current and expected cash flows, the Group has also been able to position itself solidly in the long term and to sustainably reduce its gross debt. ➔ Borrowings and Financing Structure

Due to rounding, figures may not add up exactly to the totals shown.

[1] The subsequent period for this Quarterly Statement ended on October 28, 2021.

BUSINESS PERFORMANCE OF PROSIEBENSAT.1 GROUP

GROUP ENVIRONMENT

Economic Development

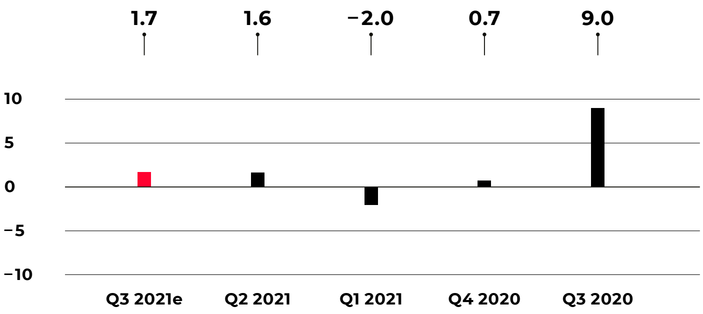
The outlook for the global economy continued to brighten in fall 2021 – despite occasionally sharp increases in COVID-19 infection rates in some emerging markets. Positive growth stimulus can be expected mainly from private consumption, while industry falls short of expectations due to worldwide production and supply bottlenecks for raw materials and intermediate products. Besides China, the strongest growth driver for the global economy is the United States, which as the world's largest economy have started the year 2021 with momentum. According to the OECD (Organization for Economic Cooperation and Development), US gross domestic product grew by 1.5% in real terms in the first quarter of 2021 compared to the previous quarter, and by 1.6% in real terms in the second quarter of 2021. For full-year 2021, the International Monetary Fund (IMF) puts the economic growth forecast at 6.0%.

Economic performance in the eurozone was still very subdued at the beginning of the year (Q1: +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 (Q1: –2.0% in real terms vs. previous quarter). However, a clear trend reversal emerged at the beginning of the second quarter (Q2: +1.6% vs. previous quarter). Despite the bottlenecks in raw material supply, the economic experts await a growth rate of around 1.7% in Germany in the third quarter.

Private consumption in Germany is benefiting from the ongoing normalization of everyday life – although the growth will continue to be limited by necessary pandemic protection measures throughout 2021. After consumer spending declined sharply in the first quarter due to the lockdown (–5.2% in real terms vs. previous quarter), a recovery began in the second quarter (+3.2% in real terms vs. previous quarter). This will continue in the third quarter. According to the Joint Economic Forecast, strong growth of 4.7% can be expected here. The conditions are good: The labor market is developing robustly, savings are high, and household incomes have continued to increase in the pandemic environment.

Against this backdrop, from January to August revenues in German retail also increased by 1.5% year-on-year in real terms. Online retail, one of the biggest beneficiaries of the pandemic in 2020, continued growing despite in-store retail being open (+20.7% in real terms). In this environment, the GfK Consumer Climate Index, barometer of consumer sentiment, will reach a positive figure in October 2021, the first time since May 2020. Although the beginning of winter ought to push incidence rates up again, any necessary restrictions to public and private life will be more moderate than in the previous waves of infection thanks to the progress with vaccination. In contrast, the sharp increase in consumer prices, resulting primarily from the strong economic recovery and accompanying high demand and rises in raw material prices, could have a negative impact on consumer sentiment.

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



Chained, adjusted for price, seasonal and calendar effects.
Source: Joint Economic Forecast, Autumn 2021. / e: estimate.

Development of ProSiebenSat.1 Group's Relevant Market Environments

ENTERTAINMENT

The German industry is continuing to pick up, benefiting mainly from the rise in consumer spending. In light of this, the advertising market also develops positively according to Nielsen Media Research. Advertisers are again investing more than before the pandemic, with demand for TV and digital advertising both gaining momentum:

According to gross data from Nielsen Media Research, 45.9% of advertising investments in the third quarter of 2021 went to TV advertisement, compared to 42.4% in the previous year. With this, television has the highest relevance in an intermedia comparison.

With a market share of 38.7%, ProSiebenSat.1 Group is the market leader in the German TV advertising market (previous year: 38.1%) and generated gross TV advertising revenues of EUR 1.65 billion in the third quarter of 2021 (previous year: EUR 1.32 billion). This represents considerable growth of 24.5% year-on-year. Overall, TV advertising investments rose by 22.6% to EUR 4.26 billion in the third quarter of 2021 (previous year: EUR 3.47 billion). In the nine-month period, ProSiebenSat.1 Group generated gross advertising revenues of EUR 4.30 billion – an increase of 13.9% compared to the previous year

(previous year: EUR 3.77 billion), resulting in a market share of 36.9% (previous year: 37.0%). With the effects of the COVID-19 pandemic still noticeable in the first quarter of 2021, strong performance in the second and third quarters characterized the nine-month period, which is also reflected accordingly in the development of market share from January to September.
→ Group Earnings

By selling in-stream video ads, which are shown online before, after or during a video stream, ProSiebenSat.1 Group generated in the third quarter of 2021 gross revenues of EUR 81.6 million (previous year: EUR 55.5 million). This corresponds to a considerable increase of 47.1% year-on-year, which even exceeds the general market development. The market volume for advertising budgets in in-stream video advertisements rose by 21.3% on a quarterly basis to EUR 241.1 million in gross terms in Germany (previous year: EUR 198.7 million). In the first nine months of 2021, gross revenues for in-stream video advertisements also developed positively and increased by 23.6% to EUR 663.7 million (previous year: EUR 536.8 million), with ProSiebenSat.1 Group accounting for EUR 218.1 million (previous year: EUR 160.9 million). This represents growth of 35.5%.

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

	Development of the TV advertising market Q3 2021 (Change on previous year)
Germany	+22.6
Austria	+21.7
Switzerland	+25.1

	Market shares ProSiebenSat.1 Group Q3 2021	Market shares ProSiebenSat.1 Group Q3 2020
Germany	38.7	38.1
Austria	41.1	42.2
Switzerland	23.0	25.1

Germany: July–September, gross, Nielsen Media.
Austria: July–September, gross, Media Focus.
Switzerland: July–September, advertising market shares are for the German-speaking part of Switzerland, gross, Media Focus.

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

	Development of the TV advertising market Q1–Q3 2021 (Change on previous year)
Germany	+14.1
Austria	+23.0
Switzerland	+26.1

	Market shares ProSiebenSat.1 Group Q1–Q3 2021	Market shares ProSiebenSat.1 Group Q1–Q3 2020
Germany	36.9	37.0
Austria	40.4	43.0
Switzerland	23.2	27.8

Germany: January–September, gross, Nielsen Media.
Austria: January–September, gross, Media Focus.
Switzerland: January–September, advertising market shares are for the German-speaking part of Switzerland, gross, Media Focus.

In the German audience market, the ProSiebenSat.1 station family is further in the lead (14- to 49-year-old viewers) on a quarterly basis, although market shares remained below the previous year, as expected, due to major sports events broadcast live on the public TV stations: The combined audience share amounted to 24.7% in the third quarter of 2021 (previous year: 27.6%) and 25.1% in the nine-month period (previous year: 27.5%). The stations marketed by Ad Alliance (RTL, VOX, n-tv, Super RTL, NITRO, RTLup and VOXup) had a combined audience share of 23.7% in the third quarter of 2021 (previous year: 24.8%) and 23.9% in the nine-month period (previous year: 25.6%).

AUDIENCE SHARES OF PROSIEBENSAT.1 GROUP in %

	Q3 2021	Q3 2020	Q1–Q3 2021	Q1–Q3 2020
Germany	24.7	27.6	25.1	27.5
Austria	26.7	28.7	27.6	28.4
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–September 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–September 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.

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

Target group 14–49 years	Q3 2021	Q3 2020	Q1–Q3 2021	Q1–Q3 2020
ProSiebenSat.1 Group	**24.1**	27.0	**25.0**	27.4
SAT.1	7.3	8.3	7.1	8.1
ProSieben	8.0	9.3	9.6	10.2
Kabel Eins	4.5	5.1	4.2	5.0
sixx	1.1	1.1	1.1	1.1
SAT.1 Gold	1.2	1.2	1.1	1.1
ProSieben MAXX	1.2	1.3	1.1	1.2
Kabel Eins Doku	0.8	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–September 30, 2021, market standard: TV.

This development is reflected in the market shares at prime time. While ProSiebenSat.1 stations in the reporting period convinced viewers here with live sport broadcasts such as the opening Bundesliga matches (average 18.5%, 14- to 49-year-old viewers), established hit formats like "Germany's Next Topmodel – by Heidi Klum" (average 20.3%, 14- to 49-year-old viewers) and new shows such as "Stealing the Show" ("Wer stiehlt mir die Show", average 16.8%, season 2, 14- to 49-year-old viewers), however, the development of market shares in general and at prime time was shaped by the UEFA European Football Championship and the Olympic Games as expected.

In addition, the public broadcasters benefited from viewers' higher demand for information as a result of the COVID-19 pandemic and the catastrophic flooding in parts of Germany in summer 2021. The special situation of 2021 as an election year also entailed increased provision of information on all TV stations, although ProSiebenSat.1 did appeal to viewers in this environment with innovative formats such as "Die ProSieben-Bundestagswahl-Show" (up to 9.7%, 14- to 49-year-old viewers and "Das TV-Triell" (25.0%, 14- to 49-year-old viewers).

As a system relevant media company, ProSiebenSat.1 has a particular social responsibility and makes an important contribution to the diversity of media and opinion. We are increasingly responding to the growing need for information and the contextualization of news. Establishing its own newsroom, ProSiebenSat.1 Group will produce news itself from 2023 and better meet the demand for topicality and relevance with new magazine formats.

The aim of our programming strategy is to better reach audience groups 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 and young target groups. We are therefore focusing our programming strategy on local and live content. In this context, we signed a contract with Talpa Concepts, John de Mol's company for the development of TV formats, in August 2021. John de Mol is a television producer known for global hits such as "Big Brother" and "The Voice". This gives ProSiebenSat.1 Group right of first refusal to all future formats developed or licensed by Talpa Concepts and will simultaneously implement all future TV content from Talpa Concepts on the German-speaking market as the exclusive producer.

In addition to the focus on local and live content, the core of our strategy is to distribute programs via all distribution channels. We are already reaching 63 million television sets in Germany via our linear TV offering as well as around 10 million unique users via our own online channels. In addition, the digital studio Studio71 pools ProSiebenSat.1 Group's digital-only content offerings and distributes them via digital platforms. In the third quarter of 2021, for example, Studio71 was active with around 1,200 channels, generating 11.1 billion video views a month (previous year: 10.8 billion video views[1]). We are also expanding our reach through partnerships, such as with the streaming provider Roku, which launched its platform for Germany in September 2021.

We are successively building on our reach and systematically monetizing it beyond traditional advertising financing, for example with data-based business models such as addressable TV. In this context, we renewed our contractual agreement with Deutsche Telekom in the third quarter of 2021, which allows us to air our addressable TV campaigns via the MagentaTV streaming service from Deutsche Telekom in the future. In addition, a cooperation in the field of data was agreed in order to broadcast targeted advertising campaigns. As a result of the new agreement, ProSiebenSat.1 Group's entire station portfolio will continue to be available via the MagentaTV platform live or on demand, in HD and now in UHD.

The distribution of programs in HD quality is another example of how ProSiebenSat.1 Group generates reach while simultaneously diversifying its revenue profile. 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 11.0 million users in the reporting period, 5.8% more than in the previous year.

DATING

Online dating and the usage 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.

By merging Parship Group with the US-based The Meet Group in September 2020, ProSiebenSat.1 created a leading global provider in the dating market. With "Meet – Date – Love" as its motto, ParshipMeet Group now covers the entire spectrum of dating 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 revenue model is diversified and comprises long- and short-term subscriptions, platform services, and proceeds from advertising and in-app purchases.

The core of our strategy is the best possible use of synergies. Thanks to extensive expertise on both sides, we aim to further optimize ParshipMeet Group's platforms together and to benefit from the closer integration of the businesses. In particular, ParshipMeet Group's USP (unique selling proposition), its live video streaming expertise, strengthens our position in the dating business and opens up additional revenue potential.

[1] The previous year's figure is adjusted for 370 million views per month for TV content that has no longer been offered by Studio71 since 2021, as well as without Italy.

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.

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 usage of TV reach in order to raise awareness of the dating brands in the German-speaking markets. In this financial year, for example, TV spots on ProSiebenSat.1 Group's 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 segment can be found in the ➔ 2020 Annual Report from page 88**.**

COMMERCE & VENTURES

Since January 2021, ProSiebenSat.1 Group has pooled its digital investments in the 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 thus make greater use of the synergy potential within the Group.

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, generate additional revenues or acquire company shares at attractive multiples 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. At the same time, we can use our consumer-oriented digital platforms to build up extensive knowledge about consumption data and thus offer advertising customers added value.

In this context, ProSiebenSat.1 Group invested in Urban Sports GmbH ("Urban Sports Club") on June 25, 2021, 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.

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. In this context, 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. Another example is the investment in the used electronics platform Refurbed. In a financing round in August 2021, we along with other investors took a media investment in the start-up, which provides its customers with fully refurbished and thus sustainable electronic devices of high quality.

We continually enhance our existing portfolio and consider a range of scenarios. Once a partner company has successfully reached the next growth stage, we take a joint decision on whether ProSiebenSat.1 is still the best owner for the next development stage and whether to extend our investment or participate in the growth achieved to date by exiting. One example of this is the 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.

As part of the Group's active portfolio management, NuCom Group sold its shares in Amorelie, an online shop for sensual lifestyle and erotic products, to EQOM Group on October 1, 2021. Through the successful usage of TV advertising on the Group's entertainment platforms, Amorelie expanded its market position over the past seven years and significantly increased the brand awareness of its products. In order to continue building on the level of awareness achieved to date, an advertising partnership with Amorelie was agreed as part of the transaction. The closing of the transaction and the subsequent deconsolidation are expected for the second half of the fourth quarter of 2021. ➔ Significant Events

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

In total, e-commerce revenues in Germany increased by 14.8% year-on-year in the third quarter of 2021. For e-commerce, this was the highest-growth third quarter in five years. The strongest growth drivers were fast-moving consumer goods, including food, drugstore products and pet food, as well as the leisure, furnishings and clothing product groups.

Revenues from online sales of services in Germany, especially travel bookings and event tickets, increased by 31.0% in the third quarter of 2021 compared to the same quarter of the previous year. However, this was not yet enough for a return to the revenue level from before the pandemic (Q3 2020: –66.6%). This shows that, although people did book trips and concert tickets online again in the summer months, they were still more cautious about spending their money on activities than they were before the COVID-19 crisis.

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 continues to grow strongly and considerably increased **revenues** by 15% to EUR 1,055 million in the third quarter of 2021 (previous year: EUR 921 million). The Group's advertising business is maintaining particular momentum, generating strong growth of 18%.

EXTERNAL REVENUES in EUR m

	Entertainment		Dating		Commerce & Ventures		Total Group	
	Q3 2021	Q3 2020	**Q3 2021**	Q3 2020	**Q3 2021**	Q3 2020	**Q3 2021**	Q3 2020
Advertising revenues	**535**	**455**	**—**	**—**	**39**	**31**	**574**	**486**
DACH[1]	479	398	—	—	39	31	518	429
Rest of the world	56	57	—	—	—	—	56	57
Distribution	**44**	**42**	**—**	**—**	**—**	**—**	**44**	**42**
Content	**125**	**104**	**—**	**—**	**—**	**—**	**125**	**104**
Europe	54	33	—	—	—	—	54	33
Rest of the world	71	71	—	—	—	—	71	71
Matchmaking & Social Entertainment	**—**	**—**	**129**	**84**	**—**	**—**	**129**	**84**
Digital Platform & Commerce	**—**	**—**	**—**	**—**	**158**	**172**	**158**	**172**
Consumer advice	—	—	—	—	48	44	48	44
Experiences	—	—	—	—	20	17	20	17
Beauty & lifestyle	—	—	—	—	89	110	89	110
Other revenues	**24**	**31**	—	—	**1**	**1**	**25**	**32**
Total	**728**	**633**	**129**	**84**	**198**	**204**	**1,055**	**921**

	Q1–Q3 2021	Q1–Q3 2020	**Q1–Q3 2021**	Q1–Q3 2020	**Q1–Q3 2021**	Q1–Q3 2020	**Q1–Q3 2021**	Q1–Q3 2020
Advertising revenues	**1,518**	**1,315**	**—**	**—**	**104**	**88**	**1,622**	**1,402**
DACH[1]	1,353	1,170	—	—	104	88	1,457	1,258
Rest of the world	164	145	—	—	—	—	164	145
Distribution	**134**	**125**	**—**	**—**	**—**	**—**	**134**	**125**
Content	**351**	**249**	**—**	**—**	**—**	**—**	**351**	**249**
Europe	132	96	—	—	—	—	132	96
Rest of the world	219	154	—	—	—	—	219	154
Matchmaking & Social Entertainment	**—**	**—**	**409**	**201**	**—**	**—**	**409**	**201**
Digital Platform & Commerce	**—**	**—**	**—**	**—**	**452**	**492**	**452**	**492**
Consumer advice	—	—	—	—	140	142	140	142
Experiences	—	—	—	—	40	42	40	42
Beauty & lifestyle	—	—	—	—	272	308	272	308
Other revenues	**71**	**83**	**—**	**—**	**2**	**3**	**73**	**85**
Total	**2,075**	**1,772**	**409**	**201**	**558**	**582**	**3,041**	**2,555**

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

At the same time, the diversification of ProSiebenSat.1 across all segments is paying off: In the Entertainment segment, the production business also developed strongly, while the Dating segment with The Meet Group, which was consolidated in September 2020, supported the Group's revenues. There were also considerable signs of recovery in the Commerce & Ventures segment, almost entirely offsetting the deconsolidation of WindStar Medical GmbH ("WindStar"; beauty & lifestyle) in December 2020.

Organically, i.e. adjusted for currency effects and portfolio changes, Group revenues recorded dynamic growth of also 15% in the third quarter of 2021 and amounted to EUR 1,006 million (previous year: EUR 875 million).

The strong second and now third quarter of 2021 had a significant impact on the nine-month period, after the effects of the COVID-19 pandemic were still noticeable in the first quarter of 2021. In the months of January to September 2021, the Group increased its revenues by a total of 19% or EUR 486 million to EUR 3,041 million. → Group Environment

Revenues by Segment

EXTERNAL REVENUES BY SEGMENT[1] in EUR m

	Q3 2021	Q3 2020	Absolute change	Change in %
Entertainment	728	633	95	15.1
Dating	129	84	44	52.6
Commerce & Ventures	198	204	–6	–2.8
Revenues	**1,055**	**921**	**134**	**14.6**

	Q1–Q3 2021	Q1–Q3 2020	Absolute change	Change in %
Entertainment	2,075	1,772	302	17.1
Dating	409	201	208	>+100.0
Commerce & Ventures	558	582	–24	–4.2
Revenues	**3,041**	**2,555**	**486**	**19.0**

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

External revenues in the **Entertainment** segment increased to EUR 728 million in the third quarter of 2021 and were thus 15% or EUR 95 million above the previous year's figure. Adjusted for currency effects and portfolio changes, growth was also significant and amounted to 17%. After a sharp upturn in Q2, the advertising market recovered dynamically from the impact of COVID-19 in the previous year. As a result, in the third quarter of 2021 advertising revenues in the Entertainment segment were 18% above the previous year's figure. Revenues were thus significantly above pre-Corona level, exceeding the Q3 2019 figure by 12%. The program production business also continued to develop dynamically: Revenues from program production and sales (content) increased by 20% year-on-year. Distribution revenues grew by 4% compared to the third quarter of 2020 in connection with higher HD numbers. By contrast, other revenues declined on account of consolidation, down 23% year-on-year as a result of the deconsolidation of hosting provider myLoc managed IT AG ("myLoc") in September 2020.

The nine-month period was also characterized by the recovery from the pandemic-related restrictions. The segment's external revenues grew by 17% to EUR 2,075 million (previous year: EUR 1,772 million) in this period due to the strong development in the second and third quarters. Advertising revenues rose by 15%, revenues from program production and sales by 41% and distribution business by 7%. Adjusted for currency effects and portfolio changes, external revenues in the Entertainment segment grew by 19% in the nine-month period. → Group Environment

External revenues in the **Dating** segment expanded by EUR 44 million to EUR 129 million in the third quarter of 2021. This increase of 53% was driven by the acquisition of The Meet Group, which has been complementing the Dating portfolio synergistically since September 2020. Adjusted for currency effects and portfolio changes, revenues in the Dating segment were almost stable in the third quarter of 2021 compared to the previous year. It should be noted here that segment revenues in spring and summer 2020 benefited from strong demand for matchmaking services on account of the pandemic. This is particularly true for the second and third quarters of 2020 on the European and North American markets. The Meet Group also reported particularly high user numbers at the beginning of the pandemic and strengthened its market position in the area of video. The Meet Group generates revenues through its own platforms as well as by providing its live video streaming technology vPaaS to third-party companies. → Group Environment

The revenue development described characterized the first nine months of 2021: Segment revenues doubled in the nine-month period and grew to EUR 409 million (previous year: EUR 201 million), with the live video business in particular continuing to grow despite strong previous year figures.

In the **Commerce & Ventures** segment, **external revenues** were almost on par with the previous year due to deconsolidation effects and amounted to EUR 198 million in the third quarter of 2021 (previous year: EUR 204 million). This reflects the disposal of OTC provider WindStar in December 2020, which contributed EUR 31 million to segment revenues in the third quarter of the previous year. Overall, however, the segment is developing positively in all areas and so segment revenues, adjusted for currency effects and portfolio changes, increased significantly by 15%. This was attributable in particular to the online beauty provider Flaconi (beauty & lifestyle). Strong growth rates were also recorded by the rental car comparison portal Billiger Mietwagen (Silvertours GmbH; consumer advice), although it did not yet match the revenue level from before the pandemic, as well as the experience and leisure business of Jochen Schweizer mydays Holding GmbH ("Jochen Schweizer mydays"; experiences). SevenVentures' media-for-equity and media-for-revenue business also continued to develop positively. 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 also influenced segment revenues in the first nine months of 2021, when revenues amounted to EUR 558 million, still 4% lower than in the previous year (previous year: EUR 582 million). However, organically, i.e. adjusted for currency effects and portfolio changes, external revenues increased by EUR 68 million or 14% year-on-year. WindStar still contributed EUR 92 million to segment revenues in the nine-month period of the previous year. ➔ Group Environment

REVENUE SHARE BY SEGMENT[1]

	Q3 2021	Q3 2020	Q1–Q3 2021	Q1–Q3 2020
Entertainment				
Advertising revenues DACH	45%	43%	45%	46%
Other Entertainment revenues	24%	26%	24%	24%
Dating	12%	9%	13%	8%
Commerce & Ventures	19%	22%	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** continued to improve compared to the previous year as a result of the revenue momentum: On a quarterly basis, it increased by 9% to EUR 162 million (previous year: EUR 149 million). The **adjusted EBITDA margin** decreased to 15.3% (previous year: 16.1%). In addition to the different margin structures of the individual business models, this development also reflects increased programming costs. As announced at the beginning of the year, the Group is taking advantage of the positive advertising market environment to strengthen the reach and market share of our entertainment offerings in the medium and long term by focusing on local and live content.

Based on the first nine months of 2021, this development resulted in earnings growth of EUR 141 million or 43% to EUR 470 million, with the adjusted EBITDA margin improving to 15.4% (previous year: 12.9%). In particular, revenue growth in the high-margin advertising business had a very positive impact on the Group's profitability on a nine-month basis.

Earnings contributions by the segments in the third quarter and nine-month period developed as follows:

In the third quarter of 2021, the **Entertainment** segment increased its **adjusted EBITDA** by EUR 13 million to EUR 128 million, with an **adjusted EBITDA margin** of 17.0% (previous year: 17.5%). The slight decline in the margin is in particular due to a rise in programming costs.

ADJUSTED EBITDA BY SEGMENT[1] in EUR m

	Q3 2021	Q3 2020	Absolute change	Change in %	Adjusted EBITDA margin in Q3 2021 (in %)[2]	Adjusted EBITDA margin in Q3 2020 (in %)[2]
Entertainment	128	115	13	11.5	17.0	17.5
Dating	25	19	6	32.1	19.6	22.7
Commerce & Ventures	14	19	–5	–25.3	7.1	9.1
Reconciliation (Holding & other)	–6	–4	–2	38.1	—	—
Total adjusted EBITDA	**162**	**149**	**13**	**8.7**	**15.3**	**16.1**

	Q1–Q3 2021	Q1–Q3 2020	Absolute change	Change in %	Adjusted EBITDA margin in Q1–Q3 2021 (in %)[2]	Adjusted EBITDA margin in Q1–Q3 2020 (in %)[2]
Entertainment	367	260	107	41.2	17.1	14.1
Dating	87	51	36	71.3	21.2	25.1
Commerce & Ventures	33	34	0	–1.0	5.9	5.6
Reconciliation (Holding & other)	–17	–16	–2	9.8	—	—
Total adjusted EBITDA	**470**	**328**	**141**	**43.0**	**15.4**	**12.9**

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

Adjusted EBITDA improved by EUR 107 million to EUR 367 million in the first nine months, with an adjusted EBITDA margin of 17.1% (previous year: 14.1%). Growth was driven primarily by the advertising business, which recovered significantly from the impact of the pandemic in the second and third quarters of 2021. In addition, revenue growth in the content and distribution business improved the segment's profitability. Investments in programming had the opposite effect, although this was overcompensated over the nine months by the very good advertising business performance.

The **Dating** segment also recorded an increase in earnings: **Adjusted EBITDA** grew by EUR 6 million to EUR 25 million compared to the previous quarter. Earnings growth is mainly attributable to the acquisition of The Meet Group and its full consolidation in September 2020. By contrast, the **adjusted EBITDA margin** declined to 19.6% (previous year: 22.7%) and reflects the different margin structures within the Dating portfolio.

The segment's adjusted EBITDA increased by EUR 36 million to EUR 87 million in the first nine months, with an adjusted EBITDA margin of 21.2% (previous year: 25.1%).

In the **Commerce & Ventures** segment, the Group achieved dynamic organic revenue growth across the entire portfolio. At the same time, however, earnings performance was negatively impacted by the absence of the EUR 5 million earnings contribution due to the sale of WindStar in the previous year. As a result, **adjusted EBITDA** decreased to EUR 14 million in the third quarter of 2021 (previous year: EUR 19 million). The **adjusted EBITDA margin** declined year-on-year to 7.1% (previous year: 9.1%).

In the first nine months, the segment's adjusted EBITDA was almost stable compared to the previous year's period at EUR 33 million (previous year: EUR 34 million), with an adjusted EBITDA margin of 5.9% (previous year: 5.6%). The effect of the absence of the positive earnings contribution from WindStar amounted to EUR 15 million in this period, but was almost completely offset by the growth of the other portfolio companies.

EBITDA

The Group's EBITDA in the third quarter of 2021 included **reconciling items** of minus EUR 6 million, compared to plus EUR 25 million in the same quarter of the previous year. The figure in the previous year was the result of the EUR 35 million sale of myLoc. Accordingly, there was also a considerable difference in the reconciling items for the nine-month period: The reconciling items adjusted in adjusted EBITDA amounted to minus EUR 25 million for the months from January to September 2021 (previous year: EUR 12 million).

Adjusted expenses in adjusted EBITDA amounted to EUR 6 million in the third quarter of 2021 (previous year: EUR 9 million). The largest single item was the fair value adjustment of share-based payments of minus EUR 3 million (previous year: EUR 0 million). This is mainly the result of valuation effects due to the potential IPO of ParshipMeet Group in 2022. On a quarterly basis, M&A expenses amounted to EUR 2 million, after EUR 9 million in the previous year. The previous year's figure mainly includes expenses in connection with the acquisition of The Meet Group. In the first nine months, adjusted expenses totaled EUR 25 million (previous year: EUR 23 million).

Depreciation, amortization and impairments amounted to EUR 59 million in the third quarter of 2021 (previous year: EUR 60 million). Amortization of intangible assets amounted to EUR 37 million (previous year: EUR 40 million) and, as with depreciation of property, plant and equipment, was roughly on par with the previous year (EUR 19 million; previous year: EUR 20 million). Impairments amounted to EUR 3 million (previous year: EUR 0 million) and were recognized for intangible assets in the Entertainment segment. Over the nine months, depreciation, amortization and impairments totaled EUR 185 million (previous year: EUR 181 million).

PRESENTATION OF RECONCILING ITEMS WITHIN ADJUSTED EBITDA

in EUR m

	Q3 2021	Q3 2020	Q1–Q3 2021	Q1–Q3 2020
Adjusted EBITDA	**162**	**149**	**470**	**328**
Income from changes in the scope of consolidation	0	35	0	35
Income adjustments	**0**	**35**	**0**	**35**
M&A-related expenses	–2	–9	–4	–17
Reorganization expenses	–1	–1	–5	–5
Fair value adjustments of share-based payments	–3	0	–14	3
Expenses from other one-time items	–1	–1	–2	–5
Valuation effects relating to strategic realignment of business units	0	2	–1	2
Expense adjustments	**–6**	**–9**	**–25**	**–23**
Reconciling items	**–6**	**25**	**–25**	**12**
EBITDA	**156**	**174**	**445**	**340**

In this context, **EBITDA** declined by EUR 18 million to EUR 156 million in the third quarter of 2021. **EBIT** also decreased to EUR 97 million (previous year: EUR 114 million).

By contrast, the Group generated growth here for the nine-month period, with EBITDA improving to EUR 445 million (previous year: EUR 340 million) and EBIT to EUR 260 million (previous year: EUR 159 million).

The following table provides a reconciliation of the various earnings figures to net income:

RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME in EUR m

	Q3 2021	Q3 2020	Absolute change	Change in %
Adjusted EBITDA	**162**	**149**	**13**	**8.7**
Reconciling items	–6	25	–31	~
EBITDA	**156**	**174**	**–18**	**–10.4**
Depreciation, amortization and impairments	–59	–60	1	–1.5
thereof from purchase price allocations	–14	–13	–1	9.4
Operating result (EBIT)	**97**	**114**	**–17**	**–15.1**
Financial result	6	–13	20	~
Income taxes	–31	–31	0	–0.8
Net income	**72**	**69**	**3**	**3.9**

	Q1–Q3 2021	Q1–Q3 2020	Absolute change	Change in %
Adjusted EBITDA	**470**	**328**	**141**	**43.0**
Reconciling items	–25	12	–37	~
EBITDA	**445**	**340**	**105**	**30.8**
Depreciation, amortization and impairments	–185	–181	–4	2.1
thereof from purchase price allocations	–42	–40	–2	6.2
Operating result (EBIT)	**260**	**159**	**101**	**63.7**
Financial result	53	–84	136	~
Income taxes	–60	–36	–24	68.3
Net income	**252**	**39**	**213**	**> +100.0**

Financial Result

The **financial result** improved considerably year-on-year, amounting to EUR 6 million in the third quarter of 2021 (previous year: EUR –13 million) and EUR 53 million in the first nine months (previous year: EUR –84 million). This represents a very positive development in the financial result and reflects the following developments and previous year's comparative effects:

On the one hand, the **interest result** showed a significant improvement to minus EUR 10 million in the third quarter of 2021 (previous year: EUR –19 million) and to minus EUR 32 million in the first nine months (previous year: EUR –51 million). This is attributable primarily to the early repayment of the bond in January 2021 and thus a considerable improvement in interest costs. ➜ Financial Performance of the Group

On the other hand, **result from investments accounted for using the equity method**, which are also recognized in the financial result, improved to minus EUR 10 million in the third quarter of 2021 (previous year: EUR –15 million), and to minus EUR 33 million in the first nine months (previous year: EUR –43 million). These mainly include the Group's 50% share in the profit or loss of Joyn, the joint streaming platform with Discovery.

At the same time, the **other financial result** increased in the third quarter of 2021 and amounted to EUR 26 million (previous year: EUR 21 million). Firstly, this includes the valuation effects from other financial instruments of EUR 23 million (previous year: EUR 33 million), which were made up of various individual items. The largest single item is the positive valuation effect from fund investments of EUR 23 million (previous year: EUR 20 million). Secondly, the other financial result includes effects from the valuation of put option liabilities of EUR 5 million (previous year: EUR –1 million), which are mainly attributable to the Dating segment.

In the first nine months of 2021, the other financial result amounted to EUR 118 million (previous year: EUR 11 million). In addition to the effects described for the third quarter, this figure was characterized in particular by the IPO of ABOUT YOU in the second quarter. SevenVentures has been an external investor in the online fashion retailer since 2016. The other financial result in the nine-month period includes valuation effects from other financial instruments of EUR 128 million (previous year: EUR 8 million) and effects from the valuation of contingent purchase price liabilities of minus EUR 3 million (previous year: EUR 18 million). ➜ Group Environment

Earnings from currency translation amounted to minus EUR 2 million on a quarterly basis (previous year: EUR –10 million) and minus EUR 3 million in the first nine months of 2021 (previous year: EUR –15 million).

Income Taxes

In the third quarter of 2021, ProSiebenSat.1 Group recorded expenses from **income taxes** of EUR 31 million (previous year: EUR 31 million).

Over the nine months, income taxes amounted to EUR 60 million (previous year: EUR 36 million). The figures for 2021 take into account 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 affected by tax-free valuation effects and results from investments accounted for using the equity method. It amounted to 19.3% for the first nine months of 2021. In the previous year, the effective tax rate was affected by the impact of the COVID-19 pandemic on the business development. The adjusted tax rate amounted to 35.2%, mainly due to the adjustment of the valuation effects and the adjustment of the tax provision described.

Net Income and Adjusted Net Income

Net income in the third quarter of 2021 amounted to EUR 72 million, almost on par with the previous year (EUR 69 million). By contrast, net income developed very dynamically over the nine-month period and increased to EUR 252 million (previous year: EUR 39 million). This strong increase largely reflects the very positive development of the adjusted EBITDA as well as the adjusted financial result in the second quarter of 2021.

Adjusted net income almost doubled in the third quarter of 2021 to EUR 58 million (previous year: EUR 29 million), in a nine-months comparison, it recorded a growth of EUR 122 million to EUR 158 million. This strong increase is largely the result of the considerable improvement in adjusted EBITDA and the adjusted financial result. The reconciling items relevant to calculating adjusted net income are represented in the statement of reconciliation below. Basic adjusted earnings per share amounted to EUR 0.26 in the third quarter of 2021 (previous year: EUR 0.13) and EUR 0.70 in the first nine months (previous year: EUR 0.16).

RECONCILIATION OF ADJUSTED NET INCOME

in EUR m

	Q3 2021	Q3 2020	Absolute change	Change in %
Net income	**72**	**69**	**3**	**3.9**
Reconciling items within EBITDA	6	–25	31	~
Depreciation, amortization and impairments from purchase price allocations	14	13	1	11.3
Valuation effects in other financial result	–24	–33	9	–27.5
Valuation effects of put options and earn-out liabilities	–5	2	–6	~
Other effects	1	12	–11	–90.5
Tax effects on adjustments	–3	–3	0	–2.0
Subtotal	**62**	**35**	**27**	**78.0**
Net income attributable to non-controlling interests	1	0	2	> +100.0
Adjustments attributable to non-controlling interests	–5	–5	0	–5.7
Net income attributable to adjusted non-controlling interests	–3	–5	2	–36.5
Adjusted net income	**58**	**29**	**29**	**98.1**
Adjusted earnings per share (in EUR)	**0.26**	**0.13**		

RECONCILIATION OF ADJUSTED NET INCOME

in EUR m

	Q1–Q3 2021	Q1–Q3 2020	Absolute change	Change in %
Net income	**252**	**39**	**213**	**> +100.0**
Reconciling items within EBITDA	25	–12	37	~
Depreciation, amortization and impairments from purchase price allocations	43	40	3	6.8
Valuation effects in other financial result	–129[1]	–12	–118	> +100.0
Valuation effects of put options and earn-out liabilities	6	–15	21	~
Valuation effects from interest rate hedging transactions	0	–1	1	–100.0
Other effects	2	15	–13	–85.3
Tax effects on adjustments	–31	–15	–16	> +100.0
Subtotal	**168**	**40**	**127**	**> +100.0**
Net income attributable to non-controlling interests	10	13	–3	–22.1
Adjustments attributable to non-controlling interests	–20	–17	–3	15.5
Net income attributable to adjusted non-controlling interests	–10	–4	–6	> +100.0
Adjusted net income	**158**	**36**	**122**	**> +100.0**
Adjusted earnings per share (in EUR)	**0.70**	**0.16**		

[1] These include minus EUR 58 million in adjustments from valuation effects relating to ABOUT YOU.

Key Income Statement Items

INCOME STATEMENT in EUR m

	Q3 2021	Q3 2020	Q1–Q3 2021	Q1–Q3 2020
Revenues	1,055	921	3,041	2,555
Cost of sales	–666	–566	–1,926	–1,617
Selling expenses	–172	–150	–492	–450
Administrative expenses	–124	–126	–374	–373
Other operating income/expenses	4	36	11	43
Operating result (EBIT)	**97**	**114**	**260**	**159**
Financial result	6	–13	53	–84
Income taxes	–31	–31	–60	–36
Net income	**72**	**69**	**252**	**39**
Attributable to shareholders of ProSiebenSat.1 Media SE	73	69	262	52
Non-controlling interests	–1	0	–10	–13

Functional Costs

The **cost of sales** rose by 18% to EUR 666 million in the third quarter of 2021 (previous year: EUR 566 million). Higher costs were incurred as a result of higher consumption of programming assets (EUR 46 million), as well as revenue-related increases in program production (EUR 19 million) and at Flaconi (EUR 12 million). In addition to these factors, which primarily reflect strong organic revenue growth, consolidation effects also had an impact. In the third quarter of 2021, these included mainly the acquisition of The Meet Group (EUR 37 million) and the sale of WindStar (EUR 24 million). Adjusted for these portfolio effects, the cost of sales rose by EUR 87 million (17%). In the nine-month period, the cost of sales grew by 19% in line with revenues to EUR 1,926 million (previous year: EUR 1,617 million).

Programming costs increased by a total of 22% in the third quarter of 2021 to EUR 259 million (previous year: EUR 212 million). Programming expenses in the nine-month period totaled EUR 748 million (previous year: EUR 685 million), representing a 9% increase. In addition to the impairments on programming assets for US licensed formats in the first half of 2021, the higher programming costs in the first nine months were the result of higher investments in the current program, as announced and in line with the positive development of the advertising market. Here, the Group's strategy is to increasingly focus its programming budget on local live content to strengthen the reach and market share of our offerings in the medium and long term.

The Group's **selling expenses** increased in the third quarter of 2021 due to growth on the one hand and the acquisition of The Meet Group on the other hand. The Entertainment segment saw the most considerable revenue-related growth. Overall, selling expenses amounted to EUR 172 million in the third quarter (previous year: EUR 150 million) and EUR 492 million in the nine-month period (previous year: EUR 450 million).

The Group's **administrative expenses** in the third quarter of 2021 amounted to EUR 124 million (previous year: EUR 126 million) and were characterized by opposite cost developments: While the personnel expenses included in this figure rose by EUR 14 million, mainly as a result of higher provisions for variable compensation in the Entertainment segment (EUR 16 million), administrative expenses declined following the sale of WindStar (EUR 4 million). In addition, expenses for consultancy services at the holding company particularly decreased (EUR 5 million).

In the first nine months, administrative expenses were almost on the previous year's level at EUR 374 million. This period was also shaped by opposing cost developments, with personnel expenses increasing by EUR 40 million at a total of EUR 220 million. The Entertainment segment incurred additional costs of EUR 25 million resulting from higher provisions for variable compensation. In the Dating segment, the EUR 22 million increase was mainly due to a valuation effect for share-based payments in connection with the potential IPO of ParshipMeet Group in 2022 (EUR 11 million) and the acquisition of The Meet Group (EUR 6 million). Furthermore, in June the Group paid a so-called Corona bonus to its employees. The deconsolidation of WindStar had the opposite effect (EUR 12 million), resulting primarily in lower personnel expenses (EUR 5 million) and lower amortization of intangible assets (EUR 4 million). In addition, there was a further decline in depreciation of property, plant and equipment and amortization of intangible assets (EUR 6 million) across all segments, as well as in the areas of consulting (EUR 14 million), impairments on receivables (EUR 7 million) and occupancy costs and travel expenses (EUR 4 million). This reflects the Group's effective cost management.

In total, **personnel expenses** reported in the cost of sales, selling expenses and administrative expenses amounted to EUR 206 million on a quarterly basis. This corresponds to an increase of 24% or EUR 40 million compared to the third quarter of 2020. Personnel expenses increased by 24% or EUR 120 million to EUR 623 million in the nine-month period. This is mainly due to the dynamic development in all segments, with the higher business volume in program production (Q3 2021: EUR 9 million; Q1–Q3 2021: EUR 32 million) and the acquisition of The Meet Group (Q3 2021: EUR 8 million; Q1–Q3 2021: EUR 33 million) having a particular effect. In addition, the factors described above such as higher provisions for variable compensation and the payment of a Corona bonus also had an effect.

FINANCIAL PERFORMANCE OF THE GROUP

Total assets amounted to EUR 6,544 million as of September 30, 2021 (December 31, 2020: EUR 7,081 million), thus decreasing by 8% compared to the end of the previous year. Key developments compared to the reporting date on December 31, 2020 are described below:

FINANCIAL PERFORMANCE in EUR m

	09/30/2021	12/31/2020	Change (absolute)	Change (in %)
Assets				
Goodwill	2,192	2,177	+15	+1
Programming assets	1,003	1,072	–69	–6
Other intangible assets	902	943	–41	–4
Property, plant and equipment	475	443	+33	+7
Other	435	341	+94	+28
Non-current assets	**5,007**	**4,975**	**+32**	**+1**
Programming assets	133	141	–8	–6
Trade receivables	551	569	–18	–3
Other	370	172	+198	>+100
Cash and cash equivalents	483	1,224	–741	–61
Current assets	**1,537**	**2,106**	**–569**	**–27**
Total assets	**6,544**	**7,081**	**–537**	**–8**
Equity and liabilities				
Equity	**1,875**	**1,687**	**+188**	**+11**
Non-current financial debt	2,593	2,591	+2	0
Other	787	826	–39	–5
Non-current liabilities	**3,380**	**3,417**	**–37**	**–1**
Current financial debt	1	601	–600	–100
Other	1,288	1,376	–88	–6
Current liabilities	**1,289**	**1,977**	**–688**	**–35**
Total equity and liabilities	**6,544**	**7,081**	**–537**	**–8**

Programming assets amounted to EUR 1,136 million (December 31, 2020: EUR 1,213 million). The development of programming assets is characterized by various effects: Due to significantly higher impairments, which in particular relate to the already reported first half of the year 2021, the consumption in the first nine months of 2021 increased to EUR 725 million (previous year: EUR 678 million). At the same time, additions to programming assets were characterized by timing effects, among other things. The individual carrying amounts as of September 30 were as follows:

STATEMENT OF CHANGES IN PROGRAMMING ASSETS

in EUR m

	Q1–Q3 2021	Q1–Q3 2020
Carrying amount as of 01/01	**1,213**	**1,204**
Additions	663	727
Disposals	–14	–10
Consumption	–725	–678
Other	–1	–1
Carrying amount as of 09/30	**1,136**	**1,244**

EARNINGS EFFECTS FROM PROGRAMMING ASSETS

in EUR m

	Q1–Q3 2021	Q1–Q3 2020
Consumption	725	678
Change in provision for onerous contracts	–20	–33
Consumption including change in provision for onerous contracts	**706**	**645**

Property, plant and equipment increased by 7% to EUR 475 million (December 31, 2020: EUR 443 million). The main reasons for this are rented office space in Germany and advance payments made in connection with the new campus building in Unterföhring.

Other non-current assets grew by 28% and amounted to EUR 435 million (December 31, 2020: EUR 341 million). This increase is attributable, among other things, to the investment in the sport and fitness platform Urban Sports Club and positive valuation effects from fund investments. ➔ Group Environment

Other current assets increased significantly, more than doubling to EUR 370 million (December 31, 2020: EUR 172 million). One reason for this were positive valuation effects from the IPO of ABOUT YOU. Another reason was the increase in income tax prepayments as a result of the positive earnings development. Secondly, the reporting of Amorelie as an asset held for sale had an impact. By contrast, **current trade receivables** declined by 3% to EUR 551 million as of the reporting date (December 31, 2020: EUR 569 million). ➔ Significant Events

Cash and cash equivalents amounted to EUR 483 million (December 31, 2020: EUR 1,224 million). This significant decrease compared to the end of the year reflects the Group's active financial management. In January 2021, for example, ProSiebenSat.1 repaid a bond with a volume of EUR 600 million ahead of schedule. The Group is also continuing its general dividend policy and distributed EUR 111 million to its shareholders in June 2021. In the environment of the pandemic, ProSiebenSat.1 had suspended the dividend payment in the last year. ➔ Borrowings and Financing Structure

Equity increased by 11% to EUR 1,875 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, the equity ratio increased to 28.6% (December 31, 2020: 23.8%). The early repayment of a bond originally maturing in April 2021, with a carrying amount of EUR 600 million, had a significant positive impact on total capital.

Financial debt decreased significantly as a result of the bond repayment, amounting to EUR 2,594 million (December 31, 2020: EUR 3,192 million). **Other current liabilities** also declined to EUR 1,288 million (December 31, 2020: EUR 1,376 million). In particular, income tax liabilities and trade payables more than offset the effect from recognizing Amorelie as held for sale.

Net Working Capital

NET WORKING CAPITAL in EUR m

	09/30/2021	12/31/2020
Inventories	50	44
Receivables	563	588
Trade payables	657	692
Net working capital	**–44**	**–60**

ProSiebenSat.1 Group's **net working capital** as of September 30, 2021, amounted to minus EUR 44 million (December 31, 2020: EUR –60 million). The ratio of average net working capital to revenues of the last twelve months was minus 1.0% (December 31, 2020: –1.5%). The decrease in receivables and liabilities as compared to December 31, 2020, is seasonal and reflects 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 an active financial management. In the reporting period, the Group thus took advantage of the currently attractive conditions on the debt capital market to secure attractive interest rates and to further extend and diversify its debt maturity profile. As of September 30, 2021, debt accounted for 71% of total equity and liabilities (December 31, 2020: 76%). ➔ Financial Performance of the Group

Current and non-current financial debt accounted for the majority of debt at EUR 2.594 million or 56% (December 31, 2020: EUR 3,192 million or 59%). The terms and volumes of the financing instruments are as follows:

- The majority of the syndicated term loan in the total amount of EUR 2.1 billion and the syndicated revolving credit facility (RCF) with a volume of up to EUR 750 million mature in April 2024. Since 2016, Group has also issued three syndicated promissory loans totaling EUR 500 million with maturities of seven years (EUR 225 million fixed interest and EUR 50 million variable interest) and 10 years (EUR 225 million fixed interest).

- Until January 15, 2021, ProSiebenSat.1 Group also had a bond with a volume of EUR 600 million outstanding. In December 2020, the ProSiebenSat.1 Group exercised its three-months early termination right and repaid the bond issued in April 2014 at nominal value at the beginning of the year. Until the time of its early prepayment 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.

- At the beginning of October 2021, ProSiebenSat.1 Media SE successfully concluded a new promissory note loan totaling EUR 700 million with tenors of four, six, eight and ten years. The volume-weighted duration for all tranches is c. 5.9 years. The proceeds were used to prepay existing term loans under the senior facilities agreement on October 8, 2021. The prepayment amount totaled EUR 900 million, reducing the Group's term loans from EUR 2.1 billion to EUR 1.2 billion. At the same time, ProSiebenSat.1 extended and diversified the debt maturity profile of its financing instruments. Against this backdrop, the Group has continued to position itself solidly for the long term and to sustainably reduce its gross debt. → Significant Events

DEBT FINANCING INSTRUMENTS AND DURATIONS UNTIL SEPTEMBER 30, 2021

Debt financing instruments	in EUR m	Maturity
RCF[1]	74	April 2023
Term loan	151	April 2023
Promissory loans	275	December 2023
RCF[1]	676	April 2024
Term loan	1,949	April 2024
Promissory loans	225	December 2026

[1] Not drawn.

DEBT FINANCING INSTRUMENTS AND DURATIONS SINCE OCTOBER 1, 2021

Debt financing instruments	in EUR m	Maturity
Term loan	86	April 2023
Promissory loans '16	275	December 2023
Term loan	1,114	April 2024
Promissory loans '21	226	October 2025
Promissory loans '16	225	December 2026
Promissory loans '21	346	October 2027
Promissory loans '21	80	October 2029
Promissory loans '21	48	October 2031

Excluding syndicated revolving credit facility (currently undrawn) totaling EUR 74 million (maturing in April 2023) and EUR 676 million (maturing in April 2024) as well as other loans and borrowings.

The Group's financing instruments are not subject to financial covenants. Interest payable on the syndicated term loan and 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 September 30, 2021, the proportion of fixed interest was 94% of the entire non-current financing portfolio (December 31, 2020: 95%). As of September 30, 2021, the average interest rate cap of the interest rate caps was 0% per annum for the period up to 2024. → Financial Performance of the Group

The promissory loans placed in October 2021 are split into four fixed rate and three floating rate tranches, with the fixed rate tranches totaling around EUR 403 million (average weighted tenor: around 6.1 years) and the floating rate tranches totaling around EUR 297 million (average weighted tenor: around 5.5 years). The volume-weighted tenor across all tranches is 5.9 years. The three floating rate tranches are at Euribor money market rates but floored at 0% plus a volume-weighted spread of around 0.85% per annum.

Financing Analysis

Despite the EUR 111 million dividend payment in June 2021, the Group's net financial debt significantly decreased by EUR 377 million year-on-year to EUR 2,111 million (September 30, 2020: EUR 2,488 million). The dividend payment is also the main reason for the increase compared to the end of 2020 (December 31, 2020: EUR 1,968 million). In addition, the fourth quarter is usually the strongest quarter of the year in terms of cash flow for the Group.

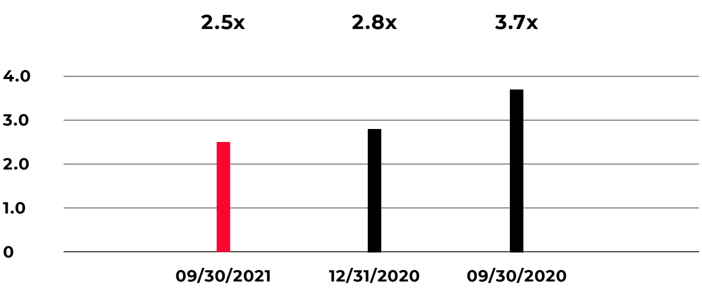
In this context, the leverage ratio clearly improved at the end of the reporting period, declining to a factor of 2.5x (December 31, 2020: 2.8x; September 30, 2020: 3.7x). The significant decrease in the leverage ratio compared to September 30, 2020, reflects the significantly lower net financial debt and the positive development in adjusted EBITDA over the past 12 months. In the previous year, the leverage ratio was affected by the negative effects of the COVID-19 pandemic.

NET FINANCIAL DEBT in EUR m

	09/30/2021	12/31/2020	09/30/2020
Financial debt			
Term loan	2,094	2,092	2,092
RCF	—	—	350
Bond	—	600	600
Promissory loans	499	499	499
Other loans	1	1	4
Financial debt	**2,594**	**3,192**	**3,544**
Cash and cash equivalents	483	1,224	1,056
Net financial debt	**2,111**	**1,968**	**2,488**

The leverage ratio is the ratio of net financial debt to adjusted EBITDA in the last twelve months (LTM adjusted EBITDA). As of September 30, 2021, the definition of ProSiebenSat.1 Group's net financial debt does not include lease liabilities according to IFRS 16 of EUR 221 million (December 31, 2020: EUR 228 million; September 30, 2020: EUR 212 million) and real estate liabilities of EUR 89 million (December 31, 2020: EUR 71 million; September 30, 2020: EUR 64 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

	Q3 2021	Q3 2020	Q1–Q3 2021	Q1–Q3 2020
Adjusted EBITDA	162	149	470	328
Consumption of programming assets incl. change in provision for onerous contracts	244	198	706	645
Change in provisions	12	11	42	–2
Change in working capital	–28	–28	–127	–70
Investments	–270	–314	–821	–894
thereof program investments	–216	–263	–664	–745
thereof other investments	–54	–50	–156	–149
Other[1]	14	18	32	60
Adjusted operating free cash flow	**134**	**34**	**303**	**67**

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

In the third quarter of 2021, the ProSiebenSat.1 Group's **adjusted operating free cash flow** increased significantly and amounted to EUR 134 million (previous year: EUR 34 million). To further focus on operating cash flow management, the Group introduced this key figure as one of its most important financial performance indicators in the financial year 2021. Adjusted operating free cash flow is also used for the internal controlling of the management in the Group.

In the nine-month period, the indicator improved to EUR 303 million (previous year: EUR 67 million). This positive development reflects the strong growth in the Group's earnings in both reporting periods. In addition, the postponement of investments in some cases had a positive effect. Overall, the improvement in adjusted operating free cash flow underlines our effective cash flow management.

CASH FLOW STATEMENT in EUR m

	Q3 2021	Q3 2020	Q1–Q3 2021	Q1–Q3 2020
Cash flow from operating activities	**349**	**310**	**849**	**824**
Cash flow from investing activities	**–297**	**–647**	**–833**	**–1,252**
Free cash flow	**52**	**–337**	**16**	**–429**
Cash flow from financing activities	**–13**	**227**	**–770**	**562**
Effect of foreign exchange rate changes on cash and cash equivalents	6	–23	13	–28
Change in cash and cash equivalents	45	–134	–741	106
Cash and cash equivalents at beginning of reporting period	438	1,190	1,224	950
Cash and cash equivalents at end of reporting period	**483**	**1,056**	**483**	**1,056**

Cash flow from operating activities in the third quarter of 2021 amounted to EUR 349 million (previous year: EUR 310 million). In the first nine months of 2021, this figure was EUR 849 million (previous year: EUR 824 million). The good operating performance was partly offset by significantly higher tax payments, both from the previous year and as a result of prepayments for 2021.

ProSiebenSat.1 Group recognized **cash flow from investing activities** of minus EUR 833 million for the first nine months of 2021 (previous year: EUR –1,252 million). Individual cash flows were as follows:

- The cash outflow for the acquisition of programming assets amounted to EUR 664 million in the nine-month period (previous year: EUR 745 million). Programming investments were made in the Entertainment segment, its decline is partly a result of timing effects.
- The cash outflow for additions to the scope of consolidation amounted to EUR 25 million in the first nine months of 2021 (previous year: EUR 397 million). They particularly include deferred purchase price payments for companies from the Entertainment segment that were made in the second quarter of 2021. In the previous year cash outflows of EUR 369 million mainly related to the acquisition of The Meet Group. Incoming payments from the sale of consolidated companies in the previous year of EUR 48 million resulted from the sale of the shares in myLoc.
- In the nine-month period, EUR 93 million were spent on other intangible assets (previous year: EUR 106 million). These primarily comprise development costs, licenses for sales of digital offerings, software, and industrial property rights. Investments in property, plant and equipment amounted to EUR 63 million (previous year: EUR 43 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 58 million in the first nine months of the year (previous year: EUR 35 million) and resulted mainly from disposals of shares in ABOUT YOU and FRIDAY Insurance in the second quarter of 2021. ➜ Significant Events

The developments described resulted in a strong **free cash flow** increase of EUR 16 million. In the first nine months of 2020, this figure was minus EUR 429 million.

Cash flow from financing activities in the nine-month period amounted to minus EUR 770 million (previous year: EUR 562 million). The cash flow from financing activities in the current year reflects both the early repayment of the bond in the amount of EUR 600 million and the EUR 111 million dividend payment (previous year: EUR 0 million). In the previous year, the development was characterized mainly by the temporary utilization of the revolving credit facility in the amount of EUR 350 million and by payments received from the minority shareholder General Atlantic in connection with the acquisition of The Meet Group in the amount of EUR 259 million.

The Group's liquidity remains good. Although the cash flows described resulted in a decrease in **cash and cash equivalents** to EUR 483 million (December 31, 2020: EUR 1,224 million; September 30, 2020: EUR 1,056 million), the previous year's figure still included the funds from the bond with a volume of EUR 600 million, repaid in the meantime. ➜ Significant Events

RISK AND OPPORTUNITY REPORT

ProSiebenSat.1 Group's overall risk situation is unchanged compared to the first half of 2021 and thus still decreased compared to the end of 2020. This view reflects the general economic recovery from the effects of the COVID-19 pandemic, with private consumption in Germany particularly benefiting from the ongoing normalization of everyday life thanks to progress with vaccination and the decline in infection rates in summer 2021. In this context, demand for advertising also increased rapidly and significantly over the year. → Future Business and Industry Environment

Accordingly, we estimate that there are currently no risks that, individually or in combination with other risks, could have a material or lasting adverse effect on the earnings, financial position and performance of the Group. The identified risks pose no threat 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. Therefore, risk indicators that we have already taken into account in our financial planning or in the interim consolidated financial statements as of September 30, 2021, are not covered by 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 onwards. 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

Driven by the strong economic recovery in the US and China, the global economy is on course for growth at the end of 2021: The International Monetary Fund (IMF)'s forecast is currently real growth of 5.9% for 2021 and 4.9% for 2022. For the US, the IMF expects growth of 6.0% and 5.2%, respectively.

The European economy is also clearly in an upward trend. In summer 2021, economic output grew palpably after many COVID-19 restrictions were lifted – mainly driven by private consumption, which had previously been massively restricted. The upturn is likely to continue in winter 2021/22, although slowed down by continuing uncertainty over the development of the pandemic and production bottlenecks as a result of shortages of commodities and materials and increasing consumer prices respectively. Against this backdrop, the IMF expects a real growth rate in the eurozone of 5.0% in 2021 and 4.3% next year.

In Germany, the recovery process was considerably delayed by high COVID-19 infection rates and ongoing protective measures. It was not until early summer that the recovery accelerated in this country as well, supported as expected primarily by private consumption. However, due to the ongoing pandemic and especially the supply-driven production restrictions in industry, reduced momentum is expected for winter 2021/2022: The Joint Economic Forecast anticipates rather modest real growth of 2.4% in 2021. In contrast, a strong growth of 4.8% in real terms is forecast for 2022. The growth is expected to be driven by private consumption, which is set to increase by as much as 7.8% in 2022.

The signs are looking good: Next year, the supply bottlenecks, which are largely due to the strong global recovery and corresponding development of demand, are expected to gradually dissolve. In addition, private consumption ought to develop much more dynamically than in 2021 as more people are vaccinated and pandemic restrictions come to an end. The experts of the Joint Economic Forecast also anticipate declining unemployment and increasing incomes. At the same time, some of the accumulated savings are expected to be spent on consumption. However, the greatest forecast risk remains the course of the COVID-19 pandemic and its potential economic implications.

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

Gross domestic product (GDP)	**2021e**	2022e
GER	2.4	4.8
AT	4.4	4.8
CH	3.4	3.6
USA	6.0	5.2

Sources: GER: Joint Economic Forecast Autumn 2021; **AT:** WIFO Economic Outlook Autumn 2021; **CH:** SECO Economic Forecast Autumn 2021; **USA:** IMF, World Economic Outlook (WEO) October 2021.

FORECAST FOR PRIVATE CONSUMPTION IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1

in %, real terms, change vs. previous year

Private consumption	**2021e**	2022e
GER	–0.1	7.8
AT	4.5	6.0
CH	2.6	4.2
USA	8.2	3.9

Sources: GER: Joint Economic Forecast Autumn 2021; **AT:** WIFO Economic Outlook Autumn 2021; **CH:** SECO Economic Forecast Autumn 2021; **USA:** IMF, World Economic Outlook (WEO) October 2021.

The positive economic prospects are also reflected in projections for the advertising market: According to data from June 2021, the media agencies Magna Global and ZenithOptimedia anticipate significant growth of at least a mid-single-digit percentage 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 again 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. The TV advertising market continues to be our biggest 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 usage 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 usage of online offerings and videos forward. This trend was amplified not least by the COVID-19 pandemic. This also applies to the usage 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 continued strong development of advertising revenues in the third quarter of 2021, ProSiebenSat.1 Group has decided to again raise its target ranges for revenues and adjusted EBITDA in full-year 2021 compared to the outlook published on July 19, 2021.

Overall, the Group is now targeting for full-year 2021 – without further portfolio changes – revenues of EUR 4.5 billion with a variance of plus/minus EUR 50 million (previously: target range of EUR 4.4 billion to EUR 4.5 billion; previous-year figure adjusted for currency and portfolio effects: EUR 4.055 billion[1]). This represents a year-on-year increase between 10% and 12% (previously: 9% and 11%). ProSiebenSat.1 is thus again significantly increasing the outlook given at the beginning of the year, which had expected revenues of between EUR 4.150 billion and EUR 4.350 billion. 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. After the strong third quarter, the Group assumes a growth of 9% to 11% (previously: 3% to 7%) in its advertising revenues in the region of Germany, Austria and Switzerland compared to the previous year and thus a better than previously expected development.

Based on these revenue assumptions, ProSiebenSat.1 now expects a Group adjusted EBITDA for the full-year of 2021 – without further portfolio changes – of around EUR 840 million with a variance of plus/minus EUR 10 million (previously: around EUR 820 million with a variance of plus/minus EUR 20 million; previous-year figure adjusted for currency and portfolio effects: EUR 708 million[2]). On average, this represents a year-on-year increase of 19% (previously: 16%) and a further increase of the outlook published at the beginning of the year, which had anticipated adjusted EBITDA of between EUR 720 million and EUR 780 million. The Group is taking advantage of the positive advertising market environment to increase investments in its local program in order to expand its reach across all platforms and thus also creates the conditions for further advertising revenue growth in the future: Accordingly, programming costs for the full-year will amount in total to c. EUR 1 billion, as announced at the Annual Press Conference on March 4, 2021, with over half of this relating to local content, and be in total up to EUR 50 million above the previous year.

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 operating free cash flow is amongst others based on the development of the adjusted EBITDA. Reaching a midpoint of the now targeted adjusted EBITDA target range and following the very positive cash flow development in the first nine months of the year 2021, the Group now assumes 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 – to improve by at least EUR 100 million compared to the previous year (previous year: EUR 424 million; previously: increase in an at least mid-double-digit million euro range).

Due to the consistent management and the associated improvement of relevant key earnings figures at the year-end of 2021, the Group now expects – depending on business performance and excluding any portfolio changes – a leverage ratio below the upper end of its medium-target corridor of 1.5x and 2.5x (previously: leverage ratio at the upper end of the target corridor; previous year: 2.8x).

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

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

The Group`s adjusted net income is mainly determined by the development of the adjusted EBITDA. As before, this key figure is also 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 now expects the adjusted net income for the full-year 2021 to be significantly above the previous year's figure of EUR 221 million (previously: above the previous year's figure). Accordingly, the dividend payment to the shareholders of the Group, which is based on this key figure, would also increase (general dividend policy: pay-out of around 50% of adjusted net income).

ProSiebenSat.1 Group measures the medium-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. Against the background of the improved operating performance and the consistent sustainable management of the Group, we are now targeting a P7S1 ROCE of more than 13% (previously: more than 10%; previous year: 10%) in financial year 2021. For the Group as a whole, this key figure is expected to exceed 15% in the medium-term.

CONSOLIDATED INCOME STATEMENT

in EUR m	Q3 2021	Q3 2020	Q1–Q3 2021	Q1–Q3 2020
Revenues	1,055	921	3,041	2,555
Cost of sales	–666	–566	–1,926	–1,617
Gross profit	**388**	**354**	**1,115**	**938**
Selling expenses	–172	–150	–492	–450
Administrative expenses	–124	–126	–374	–373
Other operating expenses	–1	–2	–5	–10
Other operating income	5	38	16	53
Operating result	**97**	**114**	**260**	**159**
Interest and similar income	5	0	12	2
Interest and similar expenses	–15	–19	–44	–53
Interest result	–10	–19	–32	–51
Result from investments accounted for using the equity method	–10	–15	–33	–43
Other financial result	26	21	118	11
Financial result	**6**	**–13**	**53**	**–84**
Result before income taxes	**103**	**100**	**312**	**75**
Income taxes	–31	–31	–60	–36
Net income	**72**	**69**	**252**	**39**
Attributable to shareholders of ProSiebenSat.1 Media SE	73	69	262	52
Attributable to non-controlling interests	–1	0	–10	–13
Earnings per share in EUR				
Basic earnings per share	0.32	0.30	1.16	0.23
Diluted earnings per share	0.32	0.30	1.16	0.22

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR m	**Q3 2021**	Q3 2020	**Q1–Q3 2021**	Q1–Q3 2020
Net income	**72**	**69**	**252**	**39**
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation adjustment	18	–12	43	–12
Measurement of cash flow hedges	13	–42	35	–22
Income taxes	–4	12	–10	6
Other comprehensive income	**27**	**–42**	**68**	**–28**
Total comprehensive income	**99**	**27**	**320**	**11**
Attributable to shareholders of ProSiebenSat.1 Media SE	96	24	319	22
Attributable to non-controlling interests	3	3	1	–11

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in EUR m	09/30/2021	12/31/2020
ASSETS		
Goodwill	2,192	2,177
Programming assets	1,003	1,072
Other intangible assets	902	943
Property, plant and equipment	475	443
Investments accounted for using the equity method	60	14
Other financial assets	317	271
Other receivables and non-current assets	6	2
Deferred tax assets	52	54
Non-current assets	**5,007**	**4,975**
Programming assets	133	141
Inventories	50	44
Other financial assets	121	50
Trade receivables	551	569
Current tax assets	74	31
Other receivables and current assets	75	47
Cash and cash equivalents	483	1,224
Assets held for sale	49	—
Current assets	**1,537**	**2,106**
Total assets	**6,544**	**7,081**

	09/30/2021	12/31/2020
EQUITY AND LIABILITIES		
Subscribed capital	233	233
Capital reserves	1,046	1,045
Consolidated equity generated	442	290
Treasury shares	–62	–62
Accumulated other comprehensive income	13	–44
Other equity	–135	–129
Total equity attributable to shareholders of ProSiebenSat.1 Media SE	1,536	1,333
Non-controlling interests	339	354
Equity	**1,875**	**1,687**
Non-current financial debt	2,593	2,591
Other non-current financial liabilities	360	410
Trade payables	59	74
Other non-current liabilities	22	4
Provisions for pensions	32	32
Other non-current provisions	53	45
Deferred tax liabilities	262	260
Non-current liabilities	**3,380**	**3,417**
Current financial debt	1	601
Other current financial liabilities	110	109
Trade payables	598	618
Other current liabilities	349	374
Current tax liabilities	68	133
Other current provisions	151	142
Liabilities associated with assets held for sale	11	—
Current liabilities	**1,289**	**1,977**
Total equity and liabilities	**6,544**	**7,081**

CONSOLIDATED CASH FLOW STATEMENT

in EUR m	Q3 2021	Q3 2020	Q1–Q3 2021	Q1–Q3 2020
Net income	**72**	**69**	**252**	**39**
Income taxes	31	31	60	36
Financial result	–6	13	–53	84
Depreciation, amortization and impairments of other intangible assets and property, plant and equipment	59	60	185	181
Consumption of programming assets incl. change in provisions for onerous contracts	244	198	706	645
Change in provisions	12	11	42	–2
Gain/loss on the sale of assets	–1	–35	–3	–38
Other non-cash income/expenses	–1	–1	–3	–3
Change in working capital	–28	–28	–127	–70
Dividends received	0	0	5	7
Income tax paid	–23	–3	–170	–16
Interest paid	–9	–10	–46	–45
Interest received	0	4	1	6
Cash flow from operating activities	**349**	**310**	**849**	**824**
Proceeds from disposal of non-current assets	7	7	58	35
Payments for the acquisition of other intangible assets and property, plant and equipment	–54	–50	–156	–149
Payments for investments including investments accounted for using the equity method	–46	–18	–68	–60
Proceeds from disposal of programming assets	11	3	23	15
Payments for the acquisition of programming assets	–216	–263	–664	–745
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)	0	–373	–25	–397
Proceeds from losing control of subsidiaries or other businesses (net of cash and cash equivalents disposed of)	0	48	0	48
Cash flow from investing activities	**–297**	**–647**	**–833**	**–1,252**
Dividend paid	—	—	–111	—
Repayment of financial liabilities	0	–29	–781	–34
Proceeds from issuance of financial liabilities	12	7	199	368
Repayment of lease liabilities	–11	–10	–31	–28
Payments for transactions with non-controlling interests	–13	–1	–23	–1
Proceeds from non-controlling interests	—	261	—	261
Dividend payments to non-controlling interests	–1	–1	–23	–4
Cash flow from financing activities	**–13**	**227**	**–770**	**562**
Effect of foreign exchange rate changes on cash and cash equivalents	6	–23	13	–28
Change in cash and cash equivalents	**45**	**–134**	**–741**	**106**
Cash and cash equivalents at beginning of reporting period	438	1,190	1,224	950
Cash and cash equivalents at end of reporting period	**483**	**1,056**	**483**	**1,056**
Cash and cash equivalents classified under assets held for sale at end of reporting period	0	—	0	—
Cash and cash equivalents at end of reporting period (consolidated statement of financial position)	**483**	**1,056**	**483**	**1,056**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR m	Sub-scribed capital	Capital reserves	Consol-idated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Measure-ment of cash flow hedges	Remeasure-ment of de-fined 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	—	—	52	—	—	—	—	—	—	52	–13	39
Other comprehensive income	—	—	—	—	–15	–22	—	6	—	–30	2	–28
Total comprehensive income	**—**	**—**	**52**	**—**	**–15**	**–22**	**—**	**6**	**—**	**22**	**–11**	**11**
Dividends	—	—	—	—	—	—	—	—	—	—	–4	–4
Other changes	—	0	–1	—	—	—	—	—	118	117	141	258
September 30, 2020	**233**	**1,046**	**76**	**–63**	**1**	**48**	**–14**	**–10**	**–118**	**1,199**	**356**	**1,554**

in EUR m	Sub-scribed capital	Capital reserves	Consol-idated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Measure-ment of cash flow hedges	Remeasure-ment of de-fined 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	—	—	262	—	—	—	—	—	—	262	–10	252
Other comprehensive income	—	—	—	—	32	35	—	–10	—	57	11	68
Total comprehensive income	**—**	**—**	**262**	**—**	**32**	**35**	**—**	**–10**	**—**	**319**	**1**	**320**
Dividends	—	—	–111	—	—	—	—	—	—	–111	–23	–134
Other changes	—	0	0	—	—	—	—	—	–6	–6	7	1
September 30, 2021	**233**	**1,046**	**442**	**–62**	**–1**	**34**	**–15**	**–5**	**–135**	**1,536**	**339**	**1,875**

FINANCIAL CALENDAR

PRESENTATIONS & EVENTS 2021/2022

Date	Event
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

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