

NOTES TO THE CONSOLIDATED INCOME STATEMENT

6 / Revenues

in EUR m

	Entertainment		Dating & Video		Commerce & Ventures		Total Group	
	2022	2021	2022	2021	2022	2021 ¹	2022	2021 ¹
Advertising revenues	2,253	2,323	—	—	142	150	2,396	2,473
DACH ²	1,964	2,083	—	—	142	150	2,106	2,233
Rest of the world	289	240	—	—	—	—	289	240
Distribution	184	179	—	—	—	—	184	179
Content³	355	493	—	—	—	—	355	493
Europe ³	202	201	—	—	—	—	202	201
Rest of the world	153	293	—	—	—	—	153	293
Dating & Video	—	—	518	542	—	—	518	542
Dating	—	—	274	278	—	—	274	278
Video	—	—	244	263	—	—	244	263
Digital Platform & Commerce	—	—	—	—	611	702	611	702
Consumer Advice	—	—	—	—	173	192	173	192
Experiences	—	—	—	—	89	78	89	78
Beauty & Lifestyle	—	—	—	—	349	433	349	433
Other revenues³	95	102	—	—	4	3	99	106
Total	2,888	3,098	518	542	757	855	4,163	4,495

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

2 DACH = German-speaking region (Germany, Austria and Switzerland).

3 Revenues of Pyjama Pictures GmbH have been reallocated from Other revenues to Content.

The table shows the breakdown of revenues by category. The categories Advertising revenues and Content are subdivided into geographical regions. The allocation is based on the country of domicile of the subsidiary that recognizes the revenues. The regions presented are either Germany (D), Austria (A) and Switzerland (CH) (together DACH), Europe and Rest of the world. The DACH Advertising revenue category in the Entertainment segment includes advertising revenues from the sale of advertising time, including the advertising revenues of the German Studio71 entity. The same category in the Commerce & Ventures segment includes revenues from media-for-equity and media-for-revenue transactions amounting to EUR 98 million (previous year: EUR 108 million). The category Advertising revenues Rest of the world mainly includes revenues from the Studio71 entities in the United States (USA). For more detailed information, please refer to the

→ "Group Earnings" section in the Group Management Report

The category Experiences almost exclusively includes proceeds from the derecognition of liabilities from voucher transactions, which are accounted for as financial liabilities in accordance with IFRS 9.

→ Note 3 "Changes in reporting standards and accounting policies"

CONTRACT ASSETS AND LIABILITIES

in EUR m

	12/31/2022	12/31/2021
Contract assets	32	34
Contract liabilities	97	131

Contract assets, i.e. positive balances from contracts with customers, primarily relate to claims for consideration resulting from work completed under commissioned productions still to be invoiced as of the reporting date. These contract assets will be reclassified as trade receivables upon

invoicing. Furthermore, the contract assets mainly include services already rendered but not yet billable in the Dating & Video segment.

In connection with the sale of the US production business of Red Arrow Studios, contract assets of EUR 17 million were disposed of in the third quarter of 2022.

Contract liabilities mainly relate to advance payments received for service productions, the sale of programming rights and media services not yet provided, as well as advance services from customers in the Dating & Video segment.

Of the contract liabilities existing as of January 1, 2022, EUR 93 million (previous year: EUR 96 million) were recognized as revenues in 2022. In addition, contract liabilities of EUR 15 million were deconsolidated as a result of the sale of the US production business of Red Arrow Studios in the third quarter of 2022.

As permitted by IFRS 15, no information is provided on the remaining performance obligations as of December 31, 2022 that have an expected original term of one year or less. Performance obligations with an expected original term beyond the period of more than one year after December 31, 2022 exist only to an immaterial extent.

Inventories of EUR 41 million (previous year: EUR 49 million) primarily comprise merchandise. Impairment losses on inventories amounting to EUR 7 million (previous year: EUR 10 million) were recognized in the financial year 2022. The Beauty & Lifestyle revenue category includes revenues from the sale of goods of EUR 291 million (previous year: EUR 354 million).

KEY ASSUMPTIONS AND ESTIMATES

The assumptions underlying revenue recognition can have a significant impact on the amount and timing of revenues. In particular, the determination of cancellation and return rates is based on historical rates, which may change over time. The determination of relative stand-alone selling prices is subject to significant judgment.

7 / Cost of sales

in EUR m

	2022	2021
Operating expenses	1,012	1,040
Consumption of programming assets	958	995
Personnel expenses	374	394
Depreciation of property, plant and equipment and rights-of-use to property, plant and equipment and amortization of other intangible assets (incl. impairments)	117	133
IT operations	74	73
Expenses from the disposal of programming assets	11	25
Other	72	86
Total	2,617	2,746

Operating expenses mainly include expenses for transfers of revenue shares to artists, cost of materials, production-related third-party services and commissions in connection with in-app revenues.

The consumption of programming assets comprises amortization and impairments in the amount of EUR 973 million (previous year: EUR 1,026 million), countered by the change in provisions for onerous contracts in the amount of EUR 15 million (previous year: EUR 31 million).

Personnel expenses include wages and salaries of employees in production, including performance-based bonus entitlements, severance payments and social security contributions.

Depreciation, amortization and impairments of property, plant and equipment, rights-of-use to property, plant and equipment, and other intangible assets mainly relate to amortization of internally generated intangible assets, amortization and impairments of assets identified in the context of purchase price allocations, and depreciation of licences and technical equipment. For further information, please refer to

→ [Note 19 "Other intangible assets"](#) → [Note 20 "Property, plant and equipment and rights-of-use to property, plant and equipment"](#)

For further information, please refer to

→ [Group Management Report, Section „Group Earnings“](#)

8 / Selling expenses

in EUR m

	2022	2021
Marketing and marketing-related expenses	360	382
Personnel expenses	150	153
Distribution	63	61
Satellite usage fees	35	35
Distribution fees	27	26
Operating expenses	29	35
Sales commissions	26	31
Depreciation of property, plant and equipment and rights-of-use to property, plant and equipment and amortization of other intangible assets (incl. impairments)	30	21
IT operations	13	14
Other	12	14
Total	682	712

Marketing and marketing-related expenses are primarily attributable to costs for advertising, market research and public relations. Personnel expenses include wages and salaries of employees in the sales area, including performance-related bonus entitlements, severance payments, and social security contributions. Operating expenses mainly include packaging and shipping expenses as well as sales-related third-party services. Sales commissions largely comprise costs and commissions for marketing services.

Depreciation, amortization and impairments relate mainly to other and internally generated intangible assets and property, plant and equipment in the sales area. For further information, please refer to

→ [Note 19 "Other intangible assets"](#) → [Note 20 "Property, plant and equipment and rights-of-use to property, plant and equipment"](#)

For further information, please refer to

→ [Group Management Report, Section „Group Earnings“](#)

9 / Administrative expenses

in EUR m

	2022	2021
Personnel expenses	232	267
Depreciation of property, plant and equipment and rights-of-use to property, plant and equipment and amortization of other intangible assets (incl. impairments)	106	96
Consultancy fees	36	31
IT operations	33	26
Infrastructure expenses	21	20
Marketing and marketing-related expenses	15	15
Other	54	46
Total	497	501

Personnel expenses include wages and salaries of employees in administration, including performance-based bonus entitlements, severance payments, and social security contributions. For further information, please refer to

→ Section “Group Earnings” in the Group Management Report

Depreciation, amortization and impairments of property, plant and equipment, rights-of-use to property, plant and equipment, and other intangible assets mainly relate to rights-of-use to administrative buildings, operating- and office equipment and to internally generated and other intangible assets. For further information, please refer to

→ Note 19 “Other intangible assets” → Note 20 “Property, plant and equipment and rights-of-use to property, plant and equipment”

The consulting fees primarily relate to management-, legal- and M&A consulting services.

For further information, please refer to

→ Section “Group Earnings” in the Group Management Report

10 / Other operating expenses

Other operating expenses of EUR 181 million (previous year adjusted: EUR 12 million) mainly include impairment losses in the financial year 2022. Thereof, EUR 122 million relate to the impairment of goodwill of the cash-generating unit NuCom Group and EUR 49 million to the adjustment of the net carrying amounts to the selling price in the course of the classification of the U.S. production business of Red Arrow Studios as a disposal group as of June 30, 2022. In addition, the impairment of a brand with an indefinite useful life of the Commerce & Ventures segment in the amount of EUR 7 million is included. The previous year's figure mainly includes disposal losses from the sale of the subsidiary Gravitas Ventures in the amount of EUR 10 million.

11 / Other operating income

Other operating income amounts to EUR 50 million (previous year adjusted: EUR 29 million). This amount mainly includes income of EUR 18 million from the sale of the US production business of Red Arrow Studios and the respective subsidiaries. In addition, the amounts for both the financial year 2022 and the previous year include multiple other small amounts that are individually immaterial.

12 / Interest result

in EUR m

	2022	2021 ¹
Interest and similar income	14	16
Interest and similar expenses	-42	-55
from financial liabilities at amortized cost	-37	-40
from interest rate hedging instruments	-2	-5
from other interest and similar expenses	-3	-10
Interest result	-27	-39

¹ Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

Interest and similar income of EUR 10 million (previous year: EUR 16 million) derives from tax-related matters. The decline is mainly attributable to the reduction in the interest rate to be used for tax-related matters.

→ "Income taxes" section in note 2 "Accounting principles"

Otherwise, the interest income primarily results from money market investments measured at amortized cost.

Interest from financial liabilities at amortized cost mainly includes interest on loans drawn. This item also includes EUR 3 million (previous year: EUR 4 million) in interest expense from lease liabilities.

Interest and similar expenses from interest rate hedging instruments relate to expenses for interest rate swaps used as hedging instruments.

→ Note 33 "Notes on financial risk management and financial instruments"

The other interest and similar expenses mainly include interest expenses from tax-related matters and compounding effects for put option liabilities.

13 / Result from investments accounted for using the equity method and other financial result

in EUR m

	2022	2021 ¹
Share of profit or loss of joint ventures	-23	-45
Share of profit or loss of associates	-1	3
Result from investments accounted for using the equity method	-24	-41
Changes in put option liabilities	4	22
Measurement and disposal result from other financial instruments	-85	130
from financial assets at fair value through profit or loss	-69	133
from financial assets accounted for using the equity method	-18	-3
from financial assets at amortized cost	2	-1
Foreign currency translation gains/losses	4	1
from cash and cash equivalents	31	9
from other financial assets at amortised cost	-1	5
from financial liabilities at amortized cost	-13	-31
from financial assets and financial liabilities at fair value through profit or loss	-13	16
from other items	1	1
Financing costs	-9	-8
Other	-2	-3
Other financial result	-87	142

¹ Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

The share of profit or loss of joint ventures mainly contains the Group's share in the profit or loss generated by Joyn before control was acquired on October 31, 2022, amounting to minus EUR 23 million (previous year: EUR -45 million).

→ Note 5 "Acquisitions and disposals affecting the scope of consolidation"

The changes in put option liabilities result from measurement adjustments to the put option agreements relating to non-controlling interests in subsidiaries concluded in connection with business combinations.

→ Note 33 "Notes on financial risk management and financial instruments"

The significant decrease in the measurement and disposal result from other financial instruments results in particular from the revaluation of fund investments and listed minority interests, especially the investment in the online fashion retailer ABOUT YOU.

The currency translation effect from financial liabilities at amortized cost relates mainly to trade and other payables for programming assets denominated in U.S. dollar. The currency risk from these liabilities is hedged by holding US dollar cash balances or entering into currency derivatives, whose exchange rate effects are recognized in the currency result from financial assets and liabilities at fair value through profit or loss.

Accordingly, the exchange rate effects of the liabilities from programming assets move in the opposite direction to the combined effects resulting from the measurement of foreign currency cash and cash equivalents and currency derivatives.

14 / Income taxes

INCOME TAX EXPENSES

in EUR m

	2022	2021 ¹
Current income tax expenses – Germany	45	186
Current income tax expenses – other countries	22	18
Current income tax expenses	67	205
Deferred tax expenses (+)/income (-) – Germany	83	-41
Deferred tax income – other countries	-3	-1
Deferred tax expenses (+)/income (-)	79	-42
Total income tax expenses	147	163

¹ Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

The income tax rate of the German Group entities comprises the corporate income tax rate of 15.0% (previous year: 15.0%) plus solidarity surcharge of 5.5% (previous year: 5.5%) and an average trade tax rate of 12.2% (previous year: 12.2%). Overall, this results in a nominal total tax rate relevant for the Group of 28.0% (previous year: 28.0%). The foreign income tax rates are based on the laws and regulations applicable in the individual countries and vary between 15.0% and 35.0% (previous year: 15.0% and 35.0%).

Current income tax expense includes domestic and foreign taxes based on taxable income in 2022 of EUR 116 million (previous year: EUR 211 million) and income tax income for previous years of EUR 49 million (previous year: EUR 6 million). Income tax expense includes tax losses or temporary differences not recognized in a prior period of EUR 4 million (previous year: EUR 3 million).

The deferred tax expense of EUR 79 million includes EUR 29 million deferred tax expense (previous year adjusted: EUR 34 million deferred tax income) from the ongoing change in temporary differences. In addition, EUR 38 million deferred tax expense (previous year: EUR 1 million) results mainly from the reversal of temporary differences recognized in a prior period. Also included is deferred tax income of EUR 8 million (previous year adjusted: EUR 7 million) resulting from current

tax losses in individual companies and deferred tax income of EUR 1 million (previous year: EUR 1 million) attributable to loss carryforwards not recognized in a prior period.

For entities that incurred losses in the current fiscal year or in the previous year, deferred tax liabilities exceeding deferred tax assets were capitalized in the amount of EUR 2 million (previous year: EUR 2 million). Based on current tax planning, it is probable that these deferred tax assets can be utilized within the next five years.

Deferred tax assets on loss carryforwards were impaired in the amount of EUR 23 million (previous year: EUR 2 million) and in connection with temporary differences in the amount of EUR 1 million (previous year: EUR 0 million). Reversals of impairment losses on deferred tax assets were recognized both for previously unrecognized loss carryforwards in the amount of EUR 1 million (previous year: EUR 2 million) and for deferred tax assets on temporary differences in the amount of EUR 2 million (previous year: EUR 2 million).

The Group's effective tax rate (ratio of reported tax expense to earnings before taxes) is 150.9 percent (previous year adjusted: 26.6 %). This is mainly due to impairment losses on goodwill and other non-current assets recognized in profit before tax, as well as valuation effects from other financial instruments that are not deductible for tax purposes.

The tax expenses calculated by applying the nominal total tax rate to the result before income taxes can be reconciled to the tax expenses recognized in the income statement as follows:

RECONCILIATION OF TAX EXPENSES

in EUR m

	2022	2021 ¹
Result before income taxes	97	614
Applicable group tax rate (in percent)	28	28
Expected income tax income (-)/income tax expense (+)	27	172
Increase (+)/decrease (-) of income taxes caused by:		
Tax rate deviations		
Effects due to foreign tax rate differences	-1	-2
Effects due to domestic tax rate differences	-3	-1
Effects due to changes in statutory tax rates	0	—
Effects from deviation in taxable base		
Non-deductible interest expenses (+)/interest income (-)	-1	0
Other non-deductible operating expenses	52	19
Tax-free income	-4	-54
Non-taxable disposal effects	-6	4
Impairment goodwill	41	—
Investments accounted for using the equity method	7	12
Recognition and measurement of deferred tax assets		
Changes and non-recognition of deferred tax assets	48	21
Other effects		
Taxes from previous years	-13	-6
Total income tax expenses	147	163
Effective group tax rate (in percent)	151	27

¹ Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

As of December 31, 2022, no deferred tax assets were recognized on corporate income tax loss carryforwards of EUR 1,073 million (prior year adjusted: EUR 474 million) and on trade tax loss carryforwards of EUR 950 million (prior year adjusted: EUR 355 million). The increase compared with the previous year is mainly attributable to the acquisition of Joyn. Of the loss carryforwards arising outside Germany, EUR 15 million (previous year: EUR 18 million) will expire within the next one to

nine years and EUR 11 million (previous year: EUR 13 million) within the next 10 to 20 years, provided they are not utilized. The remaining loss carryforwards can be utilized for an unlimited period.

The deferred tax assets not recognized for corporate income tax loss carryforwards amount to EUR 179 million (previous year adjusted: EUR 83 million). For trade tax loss carryforwards, the unrecognized deferred tax asset amounts to EUR 160 million (previous year adjusted: EUR 58 million). No deferred tax asset was recognized in the balance sheet for deductible differences amounting to EUR 8 million (previous year: EUR 2 million).

The deferred tax assets and liabilities are allocated to the following line items in the statement of financial position:

DEFERRED TAXES

in EUR m

	Deferred tax assets	Deferred tax liabilities	Balance net 12/31/2021 ¹	Deferred taxes recognized in profit or loss	Deferred taxes from cash flow hedges and pension obligations	Deferred taxes recognized in other comprehensive income arising from foreign currency translation of tax positions recognized by foreign entities	Deferred tax effects from changes in scope of consolidation	Balance net 12/31/2022	Deferred tax assets	Deferred tax liabilities
Goodwill	8	-64	-56	-2	—	-1	-1	-59	1	-60
Other intangible assets	8	-220	-212	13	—	-1	-4	-204	4	-208
Property, plant and equipment	0	-100	-100	-5	—	—	11	-94	2	-96
Financial assets	7	-4	3	3	—	—	-1	6	8	-2
Programming assets	65	0	65	-75	—	—	—	-10	2	-12
Inventories and other assets	10	-22	-11	-9	-1	—	1	-20	9	-30
Pension provisions	3	0	3	-1	-1	—	—	1	1	—
Other provisions	22	-2	20	-3	—	—	-11	6	7	-1
Liabilities	99	-6	94	11	-2	0	-9	94	99	-5
Tax loss carryforwards	39	—	39	-12	—	1	-7	20	20	—
Tax credits	4	—	4	0	—	0	—	4	4	—
Deferred tax assets/liabilities before netting	265	-417	-152	-80	-4	-1	-20	-257	157	-414
Netting	-197	197							-138	138
Deferred tax assets/liabilities after netting	67	-219							20	-277

1 Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies" and due to a reclassification.

For information on netting deferred tax assets and liabilities and the use of assumptions and estimates for uncertain tax positions, please refer to

→ **"Income taxes" section in note 2 "Accounting principles"**

For more information on deferred taxes that have been recognized in accumulated other comprehensive income, please refer to

→ **Note 26 "Shareholders' equity"**

A deferred tax liability in the amount of EUR 2 million was recognized for planned future distributions from subsidiaries (previous year: EUR 2 million). No deferred tax liabilities were recognized on temporary differences on investments in subsidiaries in the amount of EUR 21 million (previous year: EUR 24 million), because ProSiebenSat.1 Group is able to control the timing of their reversal, and because it is probable that these temporary differences will not reverse in the foreseeable future.

15 / Earnings per share

	2022	2021 ¹
in EUR m		
Net income attributable to the shareholders of ProSiebenSat.1 Media SE (basic)	5	456
Valuation effects of share-based payments after taxes	-4	1
Net income attributable to the shareholders of ProSiebenSat.1 Media SE (diluted)	0	457
in shares		
Weighted average number of shares outstanding (basic)	226,318,471	226,234,153
Dilution effect from share-based payments	654,961	956,984
Weighted average number of shares outstanding (diluted)	226,973,432	227,191,138
in EUR		
Basic earnings per share	0.02	2.01
Diluted earnings per share	0.00	2.01

¹ Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".

As of the reporting date, current and former members of the Executive Board and selected executives of ProSiebenSat.1 Group were entitled to 654,961 (previous year: 956,984) virtual shares, called Performance Share Units, under the Performance Share Plan. With regard to the method of settlement, the Performance Share Units contain an option for ProSiebenSat.1 Media SE to settle them by shares or cash.

→ **Note 35 "Share- and performance-based payment"**

This plan is treated as if it were settled in common shares of the Company for the calculation of earnings per share due to the potential dilutive effect. In the reporting period, the potential conversion of these Performance Share Units into common shares had a dilutive effect of minus EUR 0.02 per share (previous year adjusted: EUR -0.00 per share).

16 / Other disclosures

PERSONNEL EXPENSES AND NUMBER OF EMPLOYEES

Cost of sales, selling expenses and administrative expenses include the following personnel expenses:

PERSONNEL EXPENSES

in EUR m

	2022	2021
Wages and salaries	661	718
Social security contributions and expenses for pensions and other employee benefits	96	96
Total	757	814

Social security contributions and expenses for pensions and other employee benefits include employer contributions to defined contribution plans amounting to EUR 40 million (previous year: EUR 37 million).

In the financial year 2022, ProSiebenSat.1 Group had an average of 7,501 permanent employees (previous year: 7,956). In addition, the Group also employed 511 apprentices, trainees, interns and working students (previous year: 522).

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

Depreciation, amortization and impairments of other intangible assets, property, plant and equipment, and rights-of-use to property, plant and equipment that are included in cost of sales, selling expenses and administrative expenses comprise the following:

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

in EUR m

	2022	2021
Amortization of other intangible assets	130	155
Impairments of other intangible assets ¹	37	17
Depreciation of property, plant and equipment and rights-of-use of property, plant and equipment	71	77
Impairments of property, plant and equipment and rights-of-use of property, plant and equipment	14	2
Total	252	251

¹ Included therein is an impairment reversal in the amount of EUR 0 million (previous year: EUR 9 million).

For further information on the items shown in the table, please refer to

→ **Note 19 "Other intangible assets"** → **Note 20 "Property, plant and equipment and rights-of-use to property, plant and equipment"**

Impairments on goodwill of EUR 122 million and on a trademark with an indefinite useful life of EUR 7 million are included in other operating expenses and so is an impairment loss of EUR 49 million recognised as a result of adjusting the net carrying amounts of the US production business of Red Arrow Studios down to the lower selling price following its classification as a disposal group held for sale on June 30, 2022.

Amortization and impairments of programming assets in the amount of EUR 973 million (previous year: EUR 1,026 million) are presented as cost of sales.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

17 / Goodwill

DEVELOPMENT OF GOODWILL

in EUR m

	2022	2021 ¹
COST		
Balance as of January 1	2,335	2,351
Exchange rate differences	36	46
Additions	2	—
Disposals	-158	-62
Balance as of December 31	2,216	2,335
IMPAIRMENTS		
Balance as of January 1	93	93
Exchange rate differences	4	—
Additions	171	—
Disposals	-49	0
Balance as of December 31	218	93
Carrying amount as of December 31	1,997	2,243

¹ Prior-year figures partly adjusted as described in note 3 "Changes in reporting standards and accounting policies".