NOTES

BASIS OF PREPARATION

1 / General principles

The consolidated financial statements refer to ProSiebenSat.1 Media SE and its subsidiaries (together "the Company", "the Group" or "ProSiebenSat.1 Group").

ProSiebenSat.1 Media SE is based in Unterföhring and is a listed stock corporation under European law. As the ultimate parent company of the Group, it is registered under the name ProSiebenSat.1 Media SE with the Munich District Court in Germany (HRB 219 439). Together with its subsidiaries, it is one of the leading media companies in Europe.

The consolidated financial statements of ProSiebenSat.1 Group for the financial year ending December 31, 2018, were prepared in accordance with the International Financial Reporting Standards ("IFRS") of the International Accounting Standards Board ("IASB") in force on the reporting date, as adopted by the European Union pursuant to EU Regulation No. 1606/2002 of the European Parliament and the Council concerning the use of International Accounting Standards. The additional requirements of section 315e of the German Commercial Code ("HGB") were also followed.

ProSiebenSat.1 Media SE prepares and publishes its consolidated financial statements in Euro. In some instances, prior-year figures have been adjusted to reflect changes presentation. Due to rounding, some of the figures in these Consolidated Financial Statements may not add up exactly to the stated sum or indicated percentage values may not exactly reflect the corresponding absolute figures.

USE OF ASSUMPTIONS AND ESTIMATES AS WELL AS CHANGES IN ESTIMATES

When preparing Consolidated Financial Statements pursuant to IFRS, assumptions are required and estimates to be made to a certain degree, which may affect the valuation of the reported assets and liabilities as well as the amount of expenses and income. The assumptions and estimates are based on premises, which in turn are based on management's respective current state of knowledge. In particular, the circumstances at the time of the preparation of the Consolidated Financial Statements and the expected realistic future development of the global and industry-specific environment were taken into account in the assessment of future business developments. As a result of developments in these framework conditions that deviate from the assumptions and are beyond the control of the management, the amounts actually incurred may deviate from the originally expected estimates. If the actual development deviates from the one expected, the premises and, if necessary, the carrying amounts of the assets and liabilities affected are adjusted accordingly (affecting net income).

Assumptions and estimates are required in particular for the following balance sheet items and are explained in the respective chapters:

- Recognition and valuation of assets (in particular goodwill (note 16 "Goodwill") and other intangible assets (note 17 "Other intangible assets") as well as liabilities in business combinations (note 32 "Further notes on financial risk management and financial instruments in accordance with IFRS 7.")) (note 4 "Acquisitions, disposals and other transactions affecting the scope of consolidation"),
- Assessment of goodwill (note 16 "Goodwill") and of intangible assets with indefinite useful lives, in particular trademarks (note 17 "Other intangible assets"),
- Determination of useful lives of non-current assets (note 17 "Other intangible assets" and note 18 "Property, plant and equipment"),
- Valuation of receivables and required value adjustments (note 22 "Financial receivables and assets")
- Recongnition and valuation of programming assets (note 21 "Programming assets),

- Valuation of financial assets and liabilities (note 22 "Financial receivables and assets", note 28 "Financial liabilities" as well as note 32 "Further notes on financial risk management and financial instruments in accordance with IFRS 7"),
- Valuation of lease liabilities (note 19 "Leasing")
- Recognition and valuation of provisions (note 27 "Other provisions") and
- Assessment of future tax relief and uncertain tax positions (note 13 "Income taxes")

2 / Segment reporting

Pursuant to IFRS 8, reportable operating segments need to be defined based on internal management and reporting. The organizational and reporting structure of ProSiebenSat.1 Group is based on management by business segments. Relying on the reporting system established by it, the Company's Executive Board as chief operating decision maker assesses the performance of the various segments and the allocation of resources.

Following a review of the Group's segment structure as at December 31, 2017, since January 1, 2018, the Group has been divided into the three operative reporting segments "Entertainment", "Content Production & Global Sales" and "Commerce".

The new segment Entertainment consists principally of the previous "Broadcasting German-speaking" segment, i.e. ProSiebenSat.1 Media SE as holding company and the German Free TV stations SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX and Free TV station kabel eins Doku, which are brought together under the umbrella of ProSiebenSat.1 TV Deutschland GmbH. It also includes the stations of our group subsidiaries in Austria and Switzerland, the marketing companies SevenOne Media GmbH and SevenOne AdFactory GmbH and ProSiebenSat.1 Produktion GmbH.

Furthermore, the technical connection fees generated by cable, satellite and IPTV providers from distributing ProSiebenSat.1 HD stations are allocated to this segment, and the activities of the SAT.1 regional companies as well as the Pay TV business are also reported in it.

Finally, the segment Entertainment includes AdTech and online advertising, music, event and athlete marketing, and SevenVentures, and also included the video-on-demand platform maxdome until its deconsolidation on July 31, 2018. → See note 4 "Acquisitions, disposals and other transactions affecting the scope of consolidation"

The Content Production & Global Sales segment bundles all production activities and global sales of programming content under the umbrella of Red Arrow Studios.

The Commerce segment principally consists of the Consumer Advice, Matchmaking, Experience & Gift Vouchers and Beauty & Lifestyle businesses which previously had been reported as part of the Digital Ventures & Commerce segment.

The following table contains the segment information of ProSiebenSat.1 Group. The previous-year figures have been adjusted to reflect the new segmentation. The figures for the reporting period include the effects of the first-time application of IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 "Leases".

The following table contains segment information about ProSiebenSat.1 Group:

116 / SEGMENT INFORMATION 2018 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total Segments	Others/ Eliminations	Total consolidated financial statements
Revenues	2,718	608	831	4,156	– 148	4,009
External revenues	2,626	552	831	4,009	–/–	4,009
Internal revenues	92	55	0	148	– 148	–/–
Adjusted EBITDA	881	31	103	1,014	– 1	1,013
Adjusted EBITDA margin	32.4%	5.1%	12.3%	n/a	n/a	25.3%
EBITDA[1]	461	26	84	571	– 1	570
Income from investments accounted for using the equity method[1]	– 8	– 1	– 5	– 13	–/–	– 13
Interest and similar income[1]	8	0	1	9	– 3	7
Interest and similar expenses[1]	65	5	3	72	– 3	70
Income taxes[1]	81	1	12	94	0	94
Depreciation and amortization	121	31	55	207	0	207
Impairments	11	3	0	15	–/–	15
Other non-cash expenses (–) and income (+)	– 1,601	0	– 29	– 1,630	11	– 1,619
Segment assets[1]	2,765	634	1,478	4,877	– 33	4,844
thereof goodwill	882	355	725	1,962	0	1,962
Segment investments	1,198	20	25	1,243	– 11	1,232
Segment free cash flow[1]	203	– 9	– 270	– 77	– 1	– 78
Investments accounted for using the equity method[1]	39	7	31	77	0	77
Segment liabilities[1]	2,388	– 53	– 99	2,237	– 74	2,163

[1] This information is provided on a voluntary basis as part of segment reporting.

117 / SEGMENT INFORMATION 2017 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total Segments	Others/ Eliminations	Total consolidated financial statements
Revenues	2,798	594	820	4,212	– 134	4,078
External revenues	2,737	523	818	4,078	–/–	4,078
Internal revenues	61	71	2	134	– 134	–/–
Adjusted EBITDA	898	19	135	1,051	– 1	1,050
Adjusted EBITDA margin	32.1%	3.1%	16.5%	n/a	n/a	25.8%
EBITDA[1]	651	8	464	1,123	– 39	1,084
Income from investments accounted for using the equity method[1]	– 5	0	– 5	– 10	–/–	– 10
Interest and similar income[1]	7	0	0	7	– 5	2
Interest and similar expenses[1]	81	4	4	90	– 5	85
Income taxes[1]	139	0	26	165	0	165
Depreciation and amortization	135	19	43	196	0	196
Impairments	26	4	37	67	–/–	67
Other non-cash expenses (–) and income (+)	– 1,222	– 10	– 17	– 1,249	13	– 1,236
Segment assets[1]	2,776	583	1,282	4,641	– 71	4,570
thereof goodwill	826	341	665	1,831	0	1,831
Segment investments	1,192	4	21	1,217	– 13	1,203
Segment free cash flow[1]	989	– 121	– 140	728	0	728
Investments accounted for using the equity method[1]	65	7	36	108	0	108
Segment liabilities[1]	1,854	– 35	– 254	1,564	68	1,632

[1] This information is provided on a voluntary basis as part of segment reporting.

The Executive Board as chief operating decision maker measures segment performance based on a segment profit measure, which in internal control and reporting is called "adjusted EBITDA".

i DEFINITION ADJUSTED EBITDA

The earnings indicator "adjusted EBITDA" stands for adjusted earnings before interest, taxes, depreciation and amortization. It describes the operating result (earnings before interest, taxes, depreciation and amortization), adjusted for certain special effects (reconciling items) so as to provide the Executive Board, as the chief operating decision maker, with an appropriate performance measure for assessing the operating earnings power of the Group and its segments.

Segment assets comprise all assets used for operating activities. These include goodwill, other intangible assets as well as property, plant and equipment, programming assets and current assets net of income tax receivables, deferred tax assets and other taxes, and net of current financial assets and cash and cash equivalents. Segment assets do not belong to the key indicators used for internal management and reporting purposed, but are nevertheless reported on a voluntary basis as part of the Group's segment reporting.

Segment investments relate to additions to non-current assets. They comprise additions to other intangible assets, property, plant and equipment as well as programming assets.

Depreciation and amortization reported for a segment is attributable to the assets allocated to that segment. A distinction is made between scheduled depreciation or amortization on the one hand and impairments on the other.

Impairments of programming assets, financial investments or current financial assets are not allocated to the individual segment.

Other non-cash expenses and income mainly include the consumption of programming assets, additions to provisions, expenses related share-based payment schemes and impairments of receivables. Such expenses are offset against income from the reversal of provisions.

Segment liabilities reflect the segment's net debt which is equal to the segment's loan liabilities (excluding lease liabilities) less its cash and cash equivalents and its current financial assets. As debt (or net debt) is not managed at segment level by the chief operating decision makers, it does not figure in the regular internal management reports for the segments. Rather, debt is managed at Group level. Thus, segment liabilities are reported as additional information on a voluntary basis.

The reconciliation between the segment values and the consolidated values is shown below:

118 / **RECONCILIATION OF SEGMENT INFORMATION** in EUR m

	2018	2017
REVENUES		
Revenues from reportable segments	4,156	4,212
Eliminations and other reconciling items	– 148	– 134
Revenues of the Group	**4,009**	**4,078**
ADJUSTED EBITDA		
Adjusted EBITDA of reportable segments	1,014	1,051
Eliminations and other reconciling items	– 1	– 1
Adjusted EBITDA of the Group	**1,013**	**1,050**
Reconciling items	– 443	34
Financial result	– 4	– 174
Depreciation and amortization	– 207	– 196
Impairments	– 15	– 67
Result before income taxes	**344**	**646**
OTHER NON-CASH INCOME/EXPENSES		
Other non-cash income/expenses of reportable segments	1,630	1,249
Eliminations and other reconciling items	– 11	– 13
Other Group non-cash income/expenses	**1,619**	**1,236**
thereof consumption of programming assets	1,319	1,145
ASSETS		
Total assets of reportable segments	4,877	4,641
Eliminations and other reconciling items	– 33	– 71
Group's segment assets	**4,844**	**4,570**
Investments accounted for using the equity method	77	108
Non-current financial assets	244	175
Deferred tax assets	95	34
Current financial assets	69	52
Other interest-bearing assets	4	5
Current tax assets	103	41
Cash and cash equivalents	1,031	1,552
Group assets	**6,468**	**6,537**
INVESTMENTS		
Investments of reportable segments	1,243	1,217
Eliminations and other reconciling items	– 11	– 13
Group's investments	**1,232**	**1,203**
thereof investments in programming assets	1,070	1,048
thereof investments in property, plant and equipment	55	44
thereof investments in other intangible assets	106	112
NET FINANCIAL LIABILITIES		
Total liabilities of reportable segments	2,237	1,564
Eliminations and other reconciling items	– 74	68
Group's segment liabilities	**2,163**	**1,632**
less current financial assets	– 69	– 52
Group's net financial liabilities	**2,094**	**1,581**

The reconciliations include the elimination of business transactions between segments as well as certain reclassifications and adjustments for divers issues that management considers should not be allocated to the segments. Business transactions between the segments are conducted on an arms' length basis.

The items not considered in adjusted EBITDA may be broken down into the following categories:

119 / PRESENTATION OF THE RECONCILING ITEMS in EUR m

	2018	2017
Income from changes in scope of consolidation	18	304
Income from changes in measurement	–/–	0
Income from other material one-time items	1	3
Income adjustments	**19**	**307**
M&A-related expenses	– 34	– 32
Reorganization expenses	– 68	– 45
Expenses for legal claims	1	– 9
Fair value adjustments of share-based payments	8	4
Expenses from changes in scope of consolidation	0	–/–
Expenses from other material one-time items	– 14	– 22
Valuation effects relating to strategic realignments of business units	– 354	– 170
EBITDA expense adjustments	**– 462**	**– 274**
Reconciling items	**– 443**	**34**

Entity-wide disclosures for ProSiebenSat.1 Group provide a breakdown of certain key indicators by geographical area. Separate information is provided for Germany (GER), the United States (US), for Austria (AT) and Switzerland (CH), the United Kingdom (UK), Scandinavia (SK) and others.

120 / ENTITY-WIDE DISCLOSURES in EUR m

Geographical breakdown	GER		US		AT/CH		UK		SK		Other		Total consolidated financial statements	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
External revenues	3,242	3,241	414	387	286	297	47	30	3	104	18	19	**4,009**	**4,078**
Non-current assets	3,426	3,353	536	374	53	43	26	25	1	1	7	7	**4,049**	**3,802**
Investments	1,201	1,177	9	7	21	17	0	0	0	2	0	0	**1,232**	**1,203**

Revenues are attributed to the country, in which the entity that has provided the service is located.

Non-current assets reported as part of the entity-wide disclosures include goodwill, other intangible assets, property, plant and equipment and non-current programming assets.

The portion of non-current segment assets attributable to Germany amounted to 84.6% in 2018 (previous year: 88.2%).

As in the previous year, more than 10.0% of Group revenues were generated from business activities with one customer. In 2018 EUR 523 million (previous year: EUR 593 million) of revenues, fully allocable to the Entertainment segment, were derived from this one customer, which is an agency association with affiliated various media agencies.

The following table provides an overview of the cash flows in the segments:

121 / CASH FLOWS PER SEGMENT 2018 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total Segments	Others/ Eliminations	Total consolidated financial statements
Cash flow from operating activities	1,444	– 26	3	1,420	38	1,459
Cash flow from investing activities	– 1,241	17	– 273	– 1,497	– 39	– 1,536
Free cash flow[1]	203	– 9	– 270	– 77	– 1	– 78
Net cash from financing activities[2]	– 287	60	201	– 26	– 441	– 468

[1] Free cash flow equals the sum of the cash flow from operating activities and the cash flow from investing activities.
[2] Dividends paid by ProSiebenSat.1 Media SE are disclosed in column „Others/Elimination".

122 / CASH FLOWS PER SEGMENT 2017 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total Segments	Others/ Eliminations	Total consolidated financial statements
Cash flow from operating activities	1,531	– 87	88	1,532	89	1,621
Cash flow from investing activities	– 542	– 34	– 228	– 804	– 90	– 894
Free cash flow[1]	989	– 121	– 140	728	0	728
Net cash from financing activities[2]	– 1,024	130	902	8	– 434	– 426

[1] Free cash flow equals the sum of the cash flow from operating activities and the cash flow from investing activities.
[2] Dividends paid by ProSiebenSat.1 Media SE are disclosed in column „Others/Elimination".

3 / Scope of consolidation

The number of subsidiaries included in the Consolidated Financial Statements by way of full consolidation has changed as follows in the financial year 2018:

123 / FULLY CONSOLIDATED SUBSIDIARIES

	Germany	Other countries	Total
Included at December 31, 2017	117	121	238
Additions	5	13	18
Disposals[1]	– 20	– 7	– 27
Included at December 31, 2018	**102**	**127**	**229**

[1] including merger

The additions in financial year 2018 include new companies as well as the acquisitions discussed in → note 4 "Acquisitions, disposals and other transactions affecting the scope of consolidation".

In addition to the fully consolidated companies, 20 (previous year: 26) associated companies and five (previous year: 4) joint ventures accounted for using the equity method are included in the Consolidated Financial Statements (→ see Note 20 "Investments accounted for using the equity method").

Shareholdings are specified in the notes to the Consolidated Financial Statements pursuant to section 313 (2) HGB. The schedule of shareholdings includes an exhaustive list of all subsidiaries that meet the conditions of section 264 (3) HGB and apply the exemptions available in that section with regard to the preparation, audit and publication of the Annual Financial Statements or the management report.

4 / Acquisitions, disposals and other transactions affecting the scope of consolidation

A) ACQUISITIONS

The following acquisitions that are material for the Consolidated Financial Statements were made in financial year 2018:

124 / **SIGNIFICANT ACQUISITIONS 2018**

Company	Purpose of the company	Voting equity interest acquired	Acquisition of control
Aboalarm GmbH	Online cancellation service provider	100.0%	01/02/2018
Kairion GmbH	E-Commerce marketer for media campaigns	100.0%	01/09/2018
InQpharm Ltd/Zaluvida AG	Development of products in health care sector	Asset Deal	03/28/2018
Zirkulin/roha Arzneimittel GmbH	Development of products in health care sector	Asset Deal	04/01/2018
esome advertising technologies GmbH	Social-advertising provider	90.0%	04/26/2018
eHarmony, Inc.	Online dating service	100.0%	10/31/2018

Acquisition of 100% of the shares in Aboalarm GmbH

By agreement of November 9, 2017 and with economic effect of January 2, 2018, ProSiebenSat.1 Group acquired 100.0% of the shares in Aboalarm GmbH, Munich ("Aboalarm"), thereby gaining control. Aboalarm is an online cancellation service provider for consumer contracts in the areas of Internet, mobile communications, insurance, dating and fitness. The Company is allocated to the segment "Commerce" (→ see note 2 "Segment reporting").

The purchase price according to IFRS 3 amounts to EUR 10 million and is comprised of a base purchase price in the amount of EUR 10 million and a contractually agreed earn-out component in an amount of 0 million.

125 / **ABOALARM – PURCHASE PRICE PER IFRS 3** in EUR m

Cash purchase price	10
Variable purchase price component – Earn-Out	0
Purchase price per IFRS 3	**10**

The following table shows the fair values of the identified assets acquired and liabilities assumed, each as of the time of acquisition:

126 / ACQUISITION ABOALARM in EUR m

	Fair value at acquisition
Other intangible assets	5
Thereof identified in the purchase price allocation	5
Property, plant and equipment	0
Non-current assets	**5**
Trade receivables	0
Other current receivables and other assets	0
Cash and cash equivalents	0
Current assets	**1**
Deferred tax liabilities	2
Non-current liabilities and provisions	**2**
Trade payables	0
Other provisions	0
Other liabilities	0
Current liabilities and provisions	**0**
Total net assets	**4**
Purchase price per IFRS 3	10
Goodwill	**7**

The identified goodwill nearly exclusively represents strategic synergies and development potential in the "Commerce" segment and hence is allocated to the cash-generating unit "Commerce", → see note 2 "Segment reporting". The goodwill is not tax-deductible and is denominated in the functional currency EUR.

127 / PURCHASE PRICE ALLOCATION ABOALARM

Assets	Fair Value at acquisition in EUR m	Expected useful life in years
Brand	2	15
Customer relationships	1	8
Technology	1	5 – 8

In the context of the final purchase price allocation, a brand with a specific useful life of 15 years and a fair value of EUR 2 million, a customer base with a definite useful life of 8 years and a fair value of EUR 1 million and two types of technology (software) with a definite useful life of 5 and 8 years, respectively, and a combined fair value of EUR 1 million, were recognized separately from the goodwill. Deferred tax liabilities of EUR 2 million relate to differences between the fair values recognized for the identified assets and their tax bases.

For reasons of materiality and because the acquisition almost coincided with the beginning of the financial year, no disclosure of the effects on the Group's assets, liabilities, financial position and profit or loss from the beginning of the financial year until its initial consolidation on January 2, was made. Between the initial consolidation and December 31, 2018, the Company has contributed revenues of EUR 5 million and earnings after taxes in the amount of EUR 0 million to the consolidated net profit.

Acquisition of 100% of the shares in Kairion GmbH

By agreement of December 19, 2017 and with economic effect of January 9, 2018, ProSiebenSat.1 Group acquired 100.0% of the shares in Kairion GmbH ("Kairion"), Frankfurt/Main, thereby gaining control. The company specializes in media marketing in the e-commerce sector. The Company is allocated to the segment "Entertainment" (→ see note 2 "Segment reporting").

The purchase price according to IFRS 3 amounts to EUR 10 million and is comprised of a base purchase price in the amount of EUR 6 million, a contractually agreed earn-out component in the amount of EUR 2 million, payable in four tranches between 2018 and 2021, and a second variable purchase price adjustment in the amount

of EUR 2 million, depending on the "ePrivacy Regulation" (Regulation on Privacy and Electronic Communications). Unless this EU regulation – which has yet to enter into force – has a negative impact on the future operating business of Kairion, ProSiebenSat.1 Group will be obliged to pay the former shareholders in 2020 a deferred purchase price payment in the amount of EUR 2 million. The management of ProSiebenSat.1 Group currently does not expect any future negative impact from the ePricacy Regulation on the operating business of Kairion.

128 / KAIRION – PURCHASE PRICE PER IFRS 3 in EUR m

Cash purchase price	6
Variable purchase price component – Earn-Out	2
Variable purchase price component – ePrivacy	2
Purchase price per IFRS 3	**10**

The following table shows the fair values of the identified assets acquired and liabilities assumed, each as of the time of acquisition:

129 / ACQUISITION KAIRION in EUR m

	Fair value at acquisition
Other intangible assets	3
Thereof identified in the purchase price allocation	1
Property, plant and equipment	0
Non-current assets	**3**
Trade receivables	1
Other current receivables and other assets	0
Cash and cash equivalents	0
Current assets	**1**
Deferred tax liabilities	0
Non-current liabilities and provisions	**0**
Trade payables	4
Other liabilities	0
Current liabilities and provisions	**4**
Total net assets	**0**
Purchase price per IFRS 3	10
Goodwill	**10**

The identified goodwill nearly exclusively represents strategic synergies and development potential in the Entertainment segment and hence is allocated to the cash-generating unit Entertainment, → see note 2 "Segment reporting". The goodwill is not tax-deductible and is denominated in the functional currency EUR.

130 / PURCHASE PRICE ALLOCATION KAIRION

Assets	Fair Value at acquisition in EUR m	Expected useful life in years
Customer relationships	1	8
Technology	2	5

In the context of the final purchase price allocation, a customer base with a useful life of 8 years and a fair value of EUR 1 million was recognized separately from the goodwill. In addition, software amounting to EUR 2 million was recognized separately from goodwill. At the time of acquisition, EUR 2 million of the fair value of the technology had already been capitalized in the Statement of Financial Position. Deferred tax liabilities of EUR 0 million relate to differences between the fair values recognized for the identified assets and their tax bases.

For reasons of materiality and because the acquisition almost coincided with the beginning of the financial year, no disclosure of the effects on the Group's assets, liabilities, financial position and profit or loss from the beginning of the financial year until its initial consolidation on January 9, was made. Between the initial consolidation and December 31, 2018, the Company has contributed revenues of EUR 2 million and earnings after taxes in the amount of minus EUR 1 million to the consolidated net profit.

Acquisition of Intangible Assets from InQpharm Group (Zaluvida Corporate AG) as part of a Business Combination

By agreement and with economic effect as of March 28, 2018, ProSiebenSat.1 Group acquired through its subsidiary WindStar Medical GmbH, Wehrheim selected intangible assets from InQpharm Group Sdn Bhd, Kuala Lumpur, Malaysia ("InQpharm Group"). The InQpharm Group is a subsidiary of Zaluvida Corporate AG, Rolle, Switzerland, a global life sciences company focused on bioactive compounds with pharmacological action for use in therapies, the treatment of allergies and the development of technologies in the area of obesity, antibiotic resistance and greenhouse gas emissions. The acquired assets consist of six certified medical products in the field of allergy and gastrointestinal diseases, comprising know-how, patents, trademarks and the associated supplier, production, distribution and customer relations. A research project was acquired as well. The intangible assets are acquired by WindStar Medical GmbH and allocated to the segment "Commerce", → see note 2 "Segment reporting". The acquisition of these assets constitutes a business combination pursuant to IFRS 3.3.

The purchase price according to IFRS 3 amounts to EUR 4 million and is comprised of a base purchase price in the amount of EUR 3 million and a contractually agreed earn-out component in an amount of EUR 1 million, with payment dates of 2020 and 2021. In the context of the final purchase price allocation, a customer base with a useful life of 8 years and a fair value of EUR 2 million and further intangible assets with a useful life of 10 years and a fair value of EUR 1 million were recognized separately from the goodwill. For reasons of materiality, no detailed goodwill derivation is presented. The identified goodwill in the amount of EUR 1 million exclusively represents strategic synergies and development potential in the "Commerce" segment and hence is allocated to the cash-generating unit "Commerce". The goodwill is tax-deductible over 15 years and is denominated in the functional currency EUR.

Acquisition of the business under the Brand Zirkulin (roha Arzneimittel GmbH)

By agreement of December 29, 2017 and with economic effect of April 1, 2018, ProSiebenSat.1 Group through group subsidiary DISTRICON GmbH, Wehrheim, acquired selected intangible assets from roha arzneimittel GmbH, Bremen, a manufacturer of natural medicines and dietary supplements. The acquired assets consist of all intangible assets related to the health brand "Zirkulin". These include the existing Zirkulin business, including the associated customer base, industrial property rights, drug approvals, the product portfolio as well as other technical, regulatory and commercial know-how. In addition to the transfer of the Zirkulin business, both parties have entered into a supply agreement to ensure continued production. The acquired intangible assets of the Zirkulin brand are allocated to the "Commerce" segment, → see note 2 "Segment reporting". The acquisition of the assets was accounted for as a business combination in accordance with IFRS 3.3, as a production process was acquired.

The purchase price according to IFRS 3 is comprised of a cash purchase price in the amount of EUR 32 million.

131 / ZIRKULIN – PURCHASE PRICE PER IFRS 3 in EUR m

Cash purchase price	32
Purchase price per IFRS 3	**32**

The following table shows the fair values of the identified assets acquired and liabilities assumed, each as of the time of acquisition:

132 / ACQUISITION ZIRKULIN in EUR m

	Fair value at acquisition
Other intangible assets	22
Thereof identified in the purchase price allocation	22
Total net assets	**22**
Purchase price per IFRS 3	32
Goodwill	**10**

The identified goodwill exclusively represents strategic synergies and development potential in the "Commerce" segment and hence is allocated to the cash-generating unit "Commerce", → see note 2 "Segment reporting". The goodwill is tax-deductible over 15 years and is denominated in the functional currency EUR.

133 / PURCHASE PRICE ALLOCATION ZIRKULIN

Assets	Fair Value at acquisition in EUR m	Expected useful life in years
Customer relationships	12	8
Others	10	15

In the context of the final purchase price allocation, a customer base with a useful life of 8 years and a fair value of EUR 12 million was recognized separately from the goodwill. In addition, other intangible assets with a useful life of 15 years in connection with the Zirkulin business were recognized separately from goodwill in an amount of EUR 10 million.

Acquisition of 90.0% of the shares in esome advertising technologies GmbH

By agreement dated December 1, 2017 and with economic effect from April 26, 2018, ProSiebenSat.1 Group acquired a 90.0% stake in esome advertising technologies GmbH, Hamburg ("esome"). The business purpose of esome is to provide technology for the placement of advertising campaigns in the social media sector, in particular the purchase, sale or brokerage of social media services, the use of target group information in the social media sector for the optimization of online advertising campaigns, the creation, licensing and marketing of technical systems for campaign control, as well as all services in connection with advertising activities in the social media sector. The Company is allocated to the segment "Entertainment" (→ see note 2 "Segment reporting").

The purchase price according to IFRS 3 is comprised of a cash purchase price in the amount of EUR 28 million and two contractually agreed earn-out components totaling EUR 26 million. In addition, a put option in the amount of EUR 10 million was agreed with the existing shareholders regarding the acquisition of a further 10.0% of the shares, with earliest possible exercise in 2019. Since ProSiebenSat.1 Group is under the unconditional obligation to acquire the shares upon option exercise, application of the anticipated acquisition method as of April 26, 2018 results in a consolidation ratio of 100%.

134 / ESOME – PURCHASE PRICE PER IFRS 3 in EUR m

Cash purchase price	28
Contingent consideration – Put-options	10
Variable purchase price component – Earn-out	26
Purchase price per IFRS 3	**63**

The following table shows the fair values of the identified assets acquired and liabilities assumed, each as of the time of acquisition:

135 / ACQUISITION ESOME in EUR m

	Fair value at acquisition
Other intangible assets	20
Thereof identified in the purchase price allocation	17
Property, plant and equipment	2
Non-current assets	**22**
Trade receivables	13
Other current receivables and other assets	0
Cash and cash equivalents	2
Current assets	**16**
Deferred tax liabilities	6
Non-Current liabilities and provisions	**6**
Trade payables	10
Other provisions	0
Other liabilities	1
Current liabilities and provisions	**11**
Total net assets	**20**
Purchase price per IFRS 3	63
Goodwill	**43**

The identified goodwill almost exclusively represents strategic synergies and development potential in the Entertainment segment and hence is allocated to the cash-generating unit Entertainment, → see note 2 "Segment reporting". The goodwill is not tax-deductible and is denominated in the functional currency EUR.

136 / PURCHASE PRICE ALLOCATION ESOME

Assets	Fair Value at acquisition in EUR m	Expected useful life in years
Brand	2	10
Customer relationships	11	10
Technology	7	5

In the context of the final purchase price allocation, a brand with a useful life of 10 years and a fair value of EUR 2 million and customer relations with a useful life of 10 years and a fair value of EUR 11 million were recognized separately from the goodwill. In addition, technology amounting to EUR 7 million was recognized separately from goodwill. At the time of acquisition, EUR 3 million of the fair value of the technology had already been capitalized in the balance sheet. Deferred tax liabilities of EUR 6 million relate to differences between the fair values recognized for the identified assets and their tax bases.

Including the companies from the start of the financial year until initial consolidation in April 2018 would have had the following effect on the assets, liabilities, financial position and profit or loss of ProSiebenSat.1 Group: Additional revenues of EUR 4 million and earnings after taxes in the amount of EUR 0 million. Between the initial

consolidation and December 31, 2018, the companies have contributed revenues of EUR 11 million and earnings after taxes in the amount of EUR 0 million to the consolidated net profit.

Acquisition of 100.0% of the shares in eHarmony Group
By agreement of October 24, 2018 and with economic effect from October 31, 2018, ProSiebenSat.1 Group through NCG – NUCOM GROUP SE, Unterföhring ("NuCom Group") and PARSHIP ELITE Group GmbH, Hamburg ("Parship Elite Group"), has acquired 100.0% of the shares in eHarmony, Inc., Los Angeles, USA and its subsidiaries ("eHarmony Group"). The eHarmony Group includes the 100%-owned eHarmony, Inc, eHarmony UK Limited, London, Great Britain, eHarmony Australia Pty Limited, Sydney, Australia, Jazzed Inc., Los Angeles, USA, EKHO LLC, Los Angeles, USA and a minority interest of 5.3% in Candidate.Guru Inc., Dover, USA. The eHarmony Group operates a premium online dating service primarily in the USA, Canada, Great Britain and Australia. The Company is allocated to the segment "Commerce" (→ see note 2 "Segment reporting").

The purchase price per IFRS 3 is comprised of a cash purchase price of EUR 76 million (USD 86 million). In addition, the Parship Elite Group granted a loan of EUR 7 million to the eHarmony Group prior to the closing of the transaction.

137 / EHARMONY – PURCHASE PRICE PER IFRS 3 in EUR m

Cash purchase price	76
Purchase price per IFRS 3	**76**

The following table shows the fair values of the identified assets acquired and liabilities assumed, each as of the time of acquisition:

138 / ACQUISITION EHARMONY in EUR m

	Fair value at acquisition
Other intangible assets	63
Thereof identified in the purchase price allocation	62
Property, plant and equipment	14
Investments	0
Deferred tax assets	7
Non-current assets	**85**
Trade receivables	2
Other current receivables and other assets	8
Cash and cash equivalents	10
Current assets	**21**
Provisions	0
Non-current liabilities	23
Deferred tax liabilities	16
Non-current liabilities and provisions	**40**
Trade payables	5
Other liabilities	28
Current liabilities and provisions	**33**
Total net assets	**33**
Purchase price per IFRS 3	76
Goodwill	**42**

The identified goodwill almost exclusively represents strategic synergies and development potential in the "Commerce" segment and hence is allocated to the cash-generating unit "Commerce", → see note 2 "Segment reporting" The goodwill is not tax-deductible and is denominated in the functional currency USD.

139 / PURCHASE PRICE ALLOCATION EHARMONY

Assets	Fair Value at acquisition in EUR m	Expected useful life in years
Brand	56	indefinite
Customer relationships	1	2
Technology	1	1
Other	4	2

In the context of the provisional purchase price allocation, a brand with an indefinite useful life and a fair value of EUR 56 million and customer relations with a useful life of two years and a fair value of EUR 1 million were recognized separately from the goodwill. In addition, a technology with a useful life of one year amounting to EUR 1 million and other assets with a useful life of two years amounting to EUR 4 million were recognized separately from goodwill. Deferred tax liabilities of EUR 16 million relate to differences between the fair values recognized for the identified assets and their tax bases.

Including the eHarmony Group from the start of the financial year until initial consolidation in October 2018 would have had the following effect on the assets, liabilities, financial position and profit or loss of ProSiebenSat.1 Group: Additional revenues of EUR 68 million and earnings after taxes in the amount of minus EUR 17 million. Between the initial consolidation and December 31, 2018, the companies have contributed revenues of EUR 12 million and earnings after taxes in the amount of minus EUR 6 million to the consolidated profit.

140 / KEY ACQUISITIONS 2017

Company	Purpose of the company	Voting equity interest acquired	Acquisition of control
ATV Privat TV GmbH & Co KG	Austrian broadcasting group	100.0%	04/06/2017
ATV Privat TV GmbH	Austrian broadcasting group	100.0%	04/06/2017
Jochen Schweizer GmbH	Provider of experience gifts	83.0%	10/16/2017
Gravitas Ventures, LLC	Global film distributor	62.5%	11/06/2017

For more information on the companies acquired in financial year 2017, we refer to the published Annual Report as of December 31, 2017.

For purposes of the purchase price allocation in connection with business combinations, assumptions must be made with regard to the recognition and measurement of assets and liabilities. Specifically, assumptions are used in determining the fair value of assets acquired and liabilities assumed as of the acquisition date, as well as the useful lives of the acquired intangible assets and property, plant and equipment. Measurement is largely based on projected cash flows. Actual cash flows may differ significantly from the cash flows assumed in measuring fair value. External, independent appraisals are obtained for the purchase price allocation of major acquisitions. Measurements in business combinations are based on information available at the acquisition date. By nature, assumptions and estimates are less certain for intangible assets than for all other assets.

B) OTHER TRANSACTIONS

The acquisitions of additional shares in already controlled and thus fully consolidated companies described below are accounted for as equity transactions in accordance with IFRS 10. If put options on the acquisition of non-controlling interests existed at the time of initial consolidation, the payment for the acquisition of these shares is reported in cash flow from investing activities; in all other cases, it is reported in cash flow from financing activities.

Acquisition of 22.8% in Sonoma Internet GmbH (Amorelie)
By agreement and with economic effect of March 19, 2018, ProSiebenSat.1 Group has acquired through the NuCom Group the minority shares in Sonoma Internet GmbH, Berlin ("Sonoma"), following the exercise of a call option. The company operates an online lifestyle shop for love live products via the Internet portal "amorelie.de". The shareholding of the NuCom Group in Sonoma now is 97.8%. In January 2014, ProSiebenSat.1 Group made its first investment in the company (23.2%) and in March 2015 increased its stake by 51.8% to 75.0%. The purchase price for the acquired shares amounts to EUR 21 million. The acquisition was accounted for as an equity transaction pursuant to IFRS 10. The cash outflow from the payment of the purchase price for additional shares in the already controlled Sonoma was recognized in cash flow from financing activities.

Acquisition of the remaining 25.1% in SilverTours GmbH
By agreement of February 19, 2018 and with economic effect of April 6, 2018, ProSiebenSat.1 Group acquired via the NuCom Group 25.1% of the remaining shares in SilverTours GmbH, Freiburg im Breisgau ("SilverTours"), for a purchase price of EUR 59 million. SilverTours was established in 2003 and operates product comparison platforms for hire cars (e.g. www.billiger-mietwagen.de). In June 2013, ProSiebenSat.1 Group had made a first investment in the company (74.9%) and with the current transaction has acquired the remaining shares in the company. The NuCom Group now owns 100% of the shares in SilverTours. The acquisition was accounted for as an equity transaction pursuant to IFRS 10. The cash outflow from the payment of the purchase price for additional shares in the already controlled SilverTours was recognized in cash flow from financing activities.

Acquisition of 20.6% of the shares in Verivox Holding GmbH
By agreement of February 21, 2018 and with economic effect of April 5, 2018, ProSiebenSat.1 Group acquired via the NuCom Group 20.6% of the shares in Verivox Holding GmbH, Unterföhring ("Verivox Holding"), for a purchase price of EUR 112 million. The company operates the largest independent consumer portal for energy in Germany and also offers comparisons in the areas of telecommunications, insurance, finance, vehicles and commission-free real estate. In June 2015, ProSiebenSat.1 Group invested in the company for the first time (80.0%). Since March 31, 2018, NuCom Group now owns 100% of the shares in Verivox Holding. The acquisition was accounted for as an equity transaction pursuant to IFRS 10. The cash outflow from the payment of the purchase price for additional shares in the already controlled Verivox Holding was recognized in the investing cash flow.

Acquisition of 44.2% in the Shares in 7Love Holding GmbH (Parship Elite Group)
By agreement of February 21, 2018 and with economic effect of April 5, 2018, ProSiebenSat.1 Group acquired via the NuCom Group 44.2% of the shares in 7Love GmbH, Heidelberg ("7Love"), for a purchase price of EUR 162 million. 7Love operates online dating services primarily in German-speaking countries. ProSiebenSat.1 Group made its first investment in the company in October 2016 (50.0%). The NuCom Group now owns 94.2% of the shares in 7Love. The acquisition was accounted for as an equity transaction pursuant to IFRS 10. The cash outflow from the payment of the purchase price for additional shares in the already controlled 7Love was recognized in cash flow from financing activities.

Acquisition of 23.9% in Virtual Minds AG
With the exercise declaration dated May 29, 2018 and economic effect from June 8, 2018, the ProSiebenSat.1 Group exercised a call option on outstanding minority interests. Virtual Minds AG, Freiburg im Breisgau ("Virtual Minds") is a media holding company, with specialized companies from the fields of media technologies, digital advertising and hosting. In June 2015, ProSiebenSat.1 Group invested in the company for the first time (51%). For an option purchase price of EUR 33 million, ProSiebenSat.1 Group, through ProSiebenSat.1 Digital GmbH, is increasing its stake from 51% to 75%. The acquisition was accounted for as an equity transaction pursuant to IFRS 10. The cash outflow from the payment of the purchase price for additional shares in the already controlled Virtual Minds was recognized in the investing cash flow.

Completed Purchase Price Allocation – Acquisition of 62.5% of the shares in Gravitas Ventures, LLC
The preliminary purchase price allocation of Gravitas Ventures, LLC, Wilmington, USA ("Gravitas") as of December 31, 2017, as defined by IFRS 3.45 ff. was completed as of June 30, 2018. A variable purchase price adjustment in the amount of EUR 1 million (USD 1 million) results in a final purchase price according to IFRS 3 in the amount of EUR 51 million (USD 61 million) and a goodwill in the amount of EUR 31 million (USD 37 million).

New construction Unterföhring Campus
In the third quarter of 2018, ProSiebenSat.1 Media SE, via a real estate leasing entity, entered into a financing agreement with an external finance consortium for the construction of a new corporate campus in Unterföhring. As part of the financing arrangement, ProSiebenSat.1 Media SE (as a lessee) entered into a real estate lease with the leasing entity. The lease has a basic lease term until 2038 and includes a purchase option that may be exercised at the end of the basic lease term. If the purchase option is not exercised, the lease is extended by another ten years. The land covered by the agreement, the existing buildings and the buildings yet to be erected are held by the real estate leasing entity, which is a structured entity fully to be consolidated into the consolidated group of ProSiebenSat.1 Media SE in accordance with IFRS 10 "Consolidated Financial Statements". Consolidation is required because ProSiebenSat.1 Group can determine the relevant activities of the real estate leasing entity. Since ProSiebenSat.1 Media SE does not receive a reporting package from the leasing entity, consolidation is based on the information available from the leasing agreement.

As of the reporting date of December 31, 2018, the carrying amounts of the underlying properties amounted to EUR 43 million and the corresponding liabilities to EUR 22 million.

C) DISPOSALS OF SHARES IN SUBSIDIARIES

Sale of 25.1% of the shares in NuCom Group to General Atlantic PD GmbH
By agreement of February 21, 2018 and with economic effect of April 4, 2018, General Atlantic PD GmbH, Munich ("General Atlantic"), acquired a 25.1% stake in NuCom Group for a purchase price of EUR 286 million. NuCom Group was founded on January 1, 2018 in order to pool all the business activities undertaken by the Commerce segment; → see note 2 "Segment reporting". The sale of shares in NuCom Group to General Atlantic and the acquisition of the remaining shares in Silvertours and 7Love, make up in the major portion of other changes to other equity of minus EUR 204 million as of December 31, 2018.

Disposal of maxdome GmbH to the 50%/50% Joint Venture 7TV Joint Venture GmbH
By agreement dated June 22, 2018, ProSiebenSat.1 Group sold maxdome GmbH, Unterföhring ("maxdome") to 50%/50% joint venture 7TV Joint Venture GmbH, Munich ("7TV"). The company was allocated to the segment "Entertainment" (→ see note 2 "Segment reporting"). In return, the joint venture Partner, Discovery, Inc, Silver Spring, USA, contributes its Eurosport Player App to the joint venture 7TV. ProSiebenSat.1 Group and Discovery are pursuing the joint development of a leading streaming platform for Germany, which will integrate maxdome and the Eurosport Player App. The sale transaction was formally and legally completed on July 31, 2018 after approval by the German Federal Cartel Office. Due to the loss of control associated with the transaction, the relevant entity was deconsolidated at that date. The disposal had the following effects on the Group's assets, liabilities, financial position and profit or loss:

141 / **EFFECTS OF DECONSOLIDATION ON THE GROUP** in EUR m

	Carrying amounts at the date of sale
Purchase price	**6**
Purchase price (cash)	6
Costs to sell	0
Purchase price less cost to sell	**6**
Purchase price (cash)	**6**
Cash and cash equivalents disposed	0
Net cash inflow on sale	**6**
Goodwill	0
Intangible assets	0
Property, plant and equipment	0
Other assets, including deferred taxes	24
Cash and cash equivalents	0
Provisions	1
Deferred tax liabilities	0
Other liabilities	39
Net Assets	**–14**
Result from deconsolidation 100%	**21**
At Equity Share	50%
Result from deconsolidation 50%	**10**

Due to the 50% interest in the share capital of the Joint Venture 7TV, 50% of the recorded deconsolidation gain of EUR 21 million was eliminated. The profit attributable to the shareholders of ProSiebenSat.1 Media SE hence amounts to EUR 10 million.

Disposal of 7NXT GmbH

By agreement of May 17, 2018, ProSiebenSat.1 Group sold all shares of the online sports program provider 7NXT GmbH, Berlin, ("7NXT") to the fund Crosslantic Fund I GmbH & Co. KG, Bochum. The sale of shares also included 100% of the shares of outgoing 7NXT subsidiaries 7NXT Health GmbH, Berlin, and Gymondo GmbH, Berlin. The companies had been reported as part of the segment "Entertainment" (→ see note 2 "Segment reporting"). The sale transaction was formally and legally completed on July 31, 2018 after approval by the German Federal Cartel Office. Due to the loss of control associated with the transaction, the relevant entity was deconsolidated at that date. The disposal had the following effects on the Group's assets, liabilities, financial position and profit or loss:

142 / EFFECTS OF DECONSOLIDATION ON THE GROUP in EUR m

	Carrying amounts at the date of sale
Purchase price	**5**
Purchase price (cash)	5
Costs to sell	0
Purchase price less cost to sell	**5**
Purchase price (cash)	**5**
Cash and cash equivalents disposed	– 3
Net cash inflow on sale	**2**
Goodwill	0
Intangible assets	1
Property, plant and equipment	0
Other assets, including deferred taxes	4
Cash and cash equivalents	3
Provisions	0
Deferred tax liabilities	0
Other liabilities	10
Net Assets	**– 1**
Result from deconsolidation	**6**

The recognized deconsolidation gain from the sale of 7NXT and its subsidiaries amounts to EUR 6 million and is fully attributable to the shareholders of ProSiebenSat.1 Media SE.

Disposal of Tropo GmbH

By agreement of August 8, 2018, ProSiebenSat.1 Group sold all shares in tour operator Tropo GmbH, Hamburg, ("Tropo") to dnata (Dubai National Air Transport Association), Dubai, a company of the Emirates Group. The company had been reported as part of the segment "Commerce" (→ see note 2 "Segment reporting"). ProSiebenSat.1 thus completes the strategic portfolio streamlining of the travel division that began in 2017. The sale transaction was formally and legally completed on September 27, 2018 after approval by the German Federal Cartel Office. Due to the loss of control associated with the transaction, the entity was deconsolidated at that date. The disposal had the following effects on the Group's assets, liabilities, financial position and profit or loss:

143 / **EFFECTS OF DECONSOLIDATION ON THE GROUP** in EUR m

	Carrying amounts at the date of sale
Purchase price	**6**
Purchase price (cash)	6
Costs to sell	0
Purchase price less cost to sell	**6**
Purchase price (cash)	**6**
Cash and cash equivalents disposed	– 9
Net cash outflow on sale	**– 3**
Goodwill	1
Intangible assets	1
Property, plant and equipment	0
Other assets, including deferred taxes	6
Cash and cash equivalents	9
Provisions	0
Deferred tax liabilities	0
Other liabilities	12
Net Assets	**5**
Result from deconsolidation	**1**

The recognized deconsolidation gain from the sale of Tropo amounts to EUR 1 million and is fully attributable to the shareholders of ProSiebenSat.1 Media SE.

NOTES TO THE INCOME STATEMENT

5 / Revenues

144 / **REVENUES ACCORDING TO IFRS 15 2018** in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total
Advertising revenues	2,238	–/–	–/–	2,238
Digital services[1]	–/–	–/–	509	509
Production revenues	–/–	293	–/–	293
Revenues from the sales of goods	–/–	–/–	280	280
Digital studio revenues	–/–	195	–/–	195
Distribution revenues	141	–/–	–/–	141
Program sales	47	56	–/–	103
Others	200	8	42	249
Total	**2,626**	**552**	**831**	**4,009**
Timing of revenue				
Point in time	2,454	259	755	3,468
Over time	171	293	76	540
Total	**2,626**	**552**	**831**	**4,009**

[1] This item primarily contains revenues from online agency services and matchmaking as well as event vouchers and miscellaneous online market places.