PILLAR 2: CONTENT PRODUCTION & GLOBAL SALES

RED ARROW STUDIOS

Jan David Frouman
**OUR VISION**

BUILD A LEADING GLOBAL CONTENT, TALENT, AND IP COMPANY

<table>
<thead>
<tr>
<th>Red Arrow Studios</th>
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<tbody>
<tr>
<td><img src="image1" alt="Red Arrow Entertainment Group" /></td>
</tr>
<tr>
<td><img src="image2" alt="Studio 71" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Content Production</th>
<th>Distribution &amp; Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent Packaging</td>
<td>O&amp;O Channels &amp; Platforms</td>
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</tbody>
</table>

Generated and owned IP assets
BEST-IN-CLASS BUSINESS
WE HAVE BUILT A SIZEABLE PRODUCTION BUSINESS WITHIN 8 YEARS …

21 production companies in 8 countries

Global distributors

Gravitas Ventures

RED ARROW INTERNATIONAL
KEY ACHIEVEMENTS
... AND WE CONTINUE TO GROW IN OUR KEY MARKETS AND BUSINESS AREAS

- Majority investment in all-rights U.S. film distributor
- Commercial partnership with top U.S. TV production company
- Multiple contract extensions with key creative partners
OUR PORTFOLIO APPROACH
COMPREHENSIVE APPROACH TO REDUCE VOLATILITY

MULTIPLE COMPANIES AND COUNTRIES

DIVERSIFIED SLATE IN ALL GENRES

DIVERSIFIED CUSTOMER PORTFOLIO
BEST-IN-CLASS BUSINESS
WE HAVE BUILT A LEADING MCN WITHIN 4 YEARS ...

1) Source: Studio71, Top 10 video distributor in every market Studio71 operates in

- Top 10 Video distributor
- 8bn Video views per month
- >1,300 Global creators

1)
Global original production revenue +100% vs. PY (e.g., Lifeline produced with Dwayne Johnson)

Successful acquisition of leading French MCN and rebranding to Studio71 France with TF1

Closing of 8-figure up front media commitments with multiple media agencies
STUDIO71 FUTURE SCALE
DIVERSIFICATION INTO HIGH-MARGIN SEGMENTS

Multi-pillar positioning

- Original content
- Media sales
- Branded solutions
- Licensing & Merchandising
- YouTube ad sales

Margin potential

40% of revenues already generated outside of YouTube Ad Sales business¹

¹) Share of global revenues 9M 2017
PLAYBOOK
OUR PROVEN FORMULA

- Strong and diversified portfolio effect
- Seamless collaboration across all business lines
- Strong partnerships across subsidiaries
- Exceptional reputation with international creators
- Trusted partner for broadcasters worldwide
- Balanced production and distribution genre mix
- Strong reputation with digital creators and talents
- Strategic access to premium TV content
- Exclusive partnerships with European broadcasters
- Top development teams in all genres
- Delivery of high performing content to OTT partners
- Internal development of scalable tech and data tools
### STRONG KPIs
WE ARE ALREADY REACHING LARGE GLOBAL AUDIENCES ACROSS ALL CHANNELS ...

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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<tbody>
<tr>
<td>No. of productions</td>
<td>420</td>
</tr>
<tr>
<td>Hours produced</td>
<td>1,800</td>
</tr>
<tr>
<td>Returning shows</td>
<td>155</td>
</tr>
<tr>
<td>Returning shows’ rate</td>
<td>61%</td>
</tr>
<tr>
<td>Shows in the catalogue</td>
<td>955</td>
</tr>
<tr>
<td>No. of int’l sales clients</td>
<td>385</td>
</tr>
<tr>
<td>Video distributor ranking</td>
<td>Top 10</td>
</tr>
<tr>
<td>No. of web channels</td>
<td>&gt;1,300</td>
</tr>
<tr>
<td>Monthly Video Views</td>
<td>8bn</td>
</tr>
<tr>
<td>No. of YouTube subscribers</td>
<td>793m</td>
</tr>
<tr>
<td>Monthly engagements</td>
<td>142m</td>
</tr>
<tr>
<td>Monthly min watched</td>
<td>30bn</td>
</tr>
</tbody>
</table>

1) Incl. pilots, new and returning productions, multiple seasons counted as separate productions (YTD Q3 2017)  
2) Returning shows with revenues booked in 2017 (YTD Q3 2017)  
3) % returning shows as of revenues (YTD Q3 2017)  
4) Cumulative 2010 to Q3 2017  
5) Source: Studio71, Top 10 video distributor in every market Studio71 operates in  
6) Source: Studio71  
7) As of Nov 2017, excl. France  
8) Oct 2017, excl. France
ATTRACTIVE MARKET

... ADDRESSING A RAPIDLY GROWING GLOBAL MARKET

Content Production
Branded Content
Digital Video Ads
Influencer Marketing

58bn
2016

110bn
2021E

12-16%
CAGR

Note: Reflects mid-point of range identified by McKinsey; includes Western Europe, U.S. and Latin America
Source: McKinsey analysis, in EUR
MARKET TRENDS
CONSUMER DEMAND FOR CONTENT HAS FUNDAMENTALLY SHIFTED ...

- Combine linear and non-linear content
- Exploit long- and short-form content
- Gain scale in digital video ad sales
- Differentiate in branded content
- Build scale in influencer marketing
- Focus on top tier talents
- Invest in technology and exploit data
NEED FOR DIFFERENTIATION
... REQUIRING CONTENT PRODUCERS TO FOCUS ON DIGITALLY INTEGRATED OFFERINGS

- **CONTENT PRODUCTION**
  - Need for expertise across all content forms and exploitation

- **DIGITAL VIDEO**
  - Need for strong partnerships with advertisers and data capabilities

- **BRANDED CONTENT AND INFLUENCER MARKETING**
  - Need for premium talent and multi-industry verticals coverage
GROWTH OPPORTUNITY
AN INTEGRATED PLAYER CAN CAPITALIZE ON THESE MARKET TRENDS AND DYNAMICS

<table>
<thead>
<tr>
<th>Integrated player</th>
<th>Clients</th>
<th>Networks &amp; broadcasters</th>
<th>Advertisers &amp; brands</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1) Sky</td>
<td>1) P&amp;G</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Comprehensive product offering</th>
<th>Long-form content</th>
<th>Short-form content</th>
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<tbody>
<tr>
<td></td>
<td>Distribution &amp; IP invest</td>
<td>Talent packaging</td>
</tr>
<tr>
<td>Monetization &amp; advertising</td>
<td>Writers</td>
<td>Directors</td>
</tr>
<tr>
<td></td>
<td>Actors</td>
<td>Producers</td>
</tr>
<tr>
<td></td>
<td>Influencers</td>
<td></td>
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1) Examples
UNIQUE STUDIO PLATFORM
RED ARROW STUDIOS FORMS A COMPREHENSIVE SET OF INTEGRATED SERVICES...

CONTENT CREATION

BRAND SUPPORT

DISTRIBUTION & IP INVESTMENT

Scale of current operations: Small/New  Medium  Large
### ACTIONABLE SYNERGIES
... BY LEVERAGING OUR EXISTING PORTFOLIO

<table>
<thead>
<tr>
<th>Scale opportunities</th>
<th>Description</th>
<th>Examples</th>
</tr>
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<tbody>
<tr>
<td>Talent packaging</td>
<td>Use existing online talent/IP to create network shows</td>
<td>44 B L U E P R O D U C T I O N S</td>
</tr>
<tr>
<td>Concept generation</td>
<td>Use long-form content to create new digital programs</td>
<td>SAY YES TO THE DRESS</td>
</tr>
<tr>
<td>Improved monetization</td>
<td>Distribute Studio71 content via Red Arrow &amp; vice versa</td>
<td>THE ROCK STUDIO71</td>
</tr>
<tr>
<td>Re-packaging</td>
<td>Use Studio71 for digital extensions of Red Arrow shows</td>
<td>THE TASTE</td>
</tr>
<tr>
<td>Branded content</td>
<td>Leverage expertise in Branded Entertainment</td>
<td>wahlburgers</td>
</tr>
<tr>
<td>Talent value proposition</td>
<td>Attract traditional talent to become digital influencers</td>
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ACQUISITION PLATFORM
WE BUILD ON A PROVEN M&A STRATEGY AND WILL FURTHER DRIVE CONSOLIDATION …

2010
Established footprint in key P7S1 territories through boutique acquisitions and start-up investments

2012-2013
Strategic focus on mature businesses and key TV markets (USA & UK)

2014-2018
Continued optimization of portfolio with new digital strategic partnerships and selective acquisitions
M&A PIPELINE
... BY PURSUING AN ACTIONABLE PIPELINE OF STRATEGIC INVESTMENT OPPORTUNITIES ...

<table>
<thead>
<tr>
<th>M&amp;A areas</th>
<th>Target criteria</th>
<th>Potential targets</th>
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<tbody>
<tr>
<td>Distribution &amp; IP investment</td>
<td>Strategic &amp; operational fit</td>
<td>Development and production companies</td>
</tr>
<tr>
<td>Content production</td>
<td>Management &amp; talent</td>
<td>Social media platforms</td>
</tr>
<tr>
<td>Monetization &amp; advertising</td>
<td>Scale &amp; geography</td>
<td>Leading talent service companies</td>
</tr>
<tr>
<td>Talent &amp; data</td>
<td>High quality operations</td>
<td>Commercial &amp; immersive production companies</td>
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Continued active conversations with priority targets
RECENT INVESTMENTS
... TO INCREASE PERFORMANCE IN OUR KEY BUSINESS AREAS

Distribution & IP investment

Content production

Gravitas Ventures™

&TENFOLD
## PARTNER EVALUATION UNIVERSE

### FUTURE VALUE CREATION

<table>
<thead>
<tr>
<th>EXISTING</th>
<th>MID-TERM STRATEGY</th>
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<tr>
<td>BUILD ON EXISTING EUROPEAN MEDIA ALLIANCE PARTNERSHIPS</td>
<td>ASSESS COMPLEMENTARY STRATEGIC PARTNERS</td>
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THREE THINGS TO REMEMBER

Launch of Red Arrow Studios

Large addressable global market

Strong M&A pipeline

Combining BEST-IN-CLASS businesses

EUR 58bn in 2016, growing at 12-16% per annum

Continued conversations with POTENTIAL PARTNERS
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