

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

In 2019, digitalization was once again the central challenge facing the media industry as a whole. Constantly changing competitive conditions do give rise to new growth opportunities, but they also call for innovative, agile, and far-sighted entrepreneurial activity. One example of this was the successful launch of the Joyn streaming platform in June 2019, when ProSiebenSat.1 took another major step toward a digital and diversified future.

2019 was a critical year of transformation for the Group, and it is starting to bear fruit. The Company is ahead of many of its European peers in terms of revenue growth and also key content initiatives such as streaming and AdTech. ProSiebenSat.1 now generates over half of its revenue from non-TV-advertising business. The capital market recognized these elements of progress and also the investments of the Mediaset Group and Czech Media Invest (CMI). Although the share price performance is not at a satisfactory level, ProSiebenSat.1 Media SE share made gains again at the end of the year. The Supervisory Board has intensively and critically assessed and monitored all the important strategic decisions, both in meetings of the Board as a whole and in the Capital Markets Committee.

It is essential for the Company to have the capacity to respond quickly and flexibly to market challenges moving forward. With this aim in mind, in 2019 the Group continued its transformation efforts with the reorganization of its holding and entertainment structure; the Supervisory Board emphatically supports this strategy.

COOPERATION BETWEEN THE EXECUTIVE COMMITTEE AND THE SUPERVISORY BOARD

We, the Supervisory Board of ProSiebenSat.1 Media SE, provide the Executive Committee¹ with comprehensive advice and ongoing support. In financial year 2019, the Supervisory Board again performed the tasks required of it by law, the Company's articles of incorporation, and the rules of procedure, taking into account the recommendations of the German Corporate Governance Code (GCGC) (Deutscher Corporate Governance Kodex – DCGK).

In financial year 2019, the Supervisory Board regularly advised the Executive Committee on its management of the Company in a spirit of close and trusting cooperation, and diligently and continuously oversaw the Executive Committee in conducting the Company's business. Our work included a detailed examination of the Group's operating and strategic performance. The Supervisory Board received regular, prompt, and comprehensive information from the Executive Committee regarding all issues relevant to the Company's strategy, planning, business performance, risk situation, risk management, and compliance, both at the Supervisory Board meetings and outside of meetings. The Executive Committee explained to the Supervisory Board all deviations from the projected figures in detail and consulted with the Supervisory Board in that regard. We were therefore directly involved in all decisions of fundamental importance to the Company at an early stage.

The Supervisory Board meetings were characterized by an open, in-depth exchange between the Supervisory Board and Executive Committee. Closed sessions, in which the members of the Supervisory Board meet without the Executive Committee being present, are also an integral part of the meetings. Wherever specific actions required the consent of the Supervisory Board or one of its committees pursuant to the law, the articles of incorporation, or the rules of procedure, we consulted on the matter and adopted the requisite resolution. We were kept consistently and comprehensively informed of all matters requiring our approval, and the associated draft resolutions were promptly submitted for review by the Executive Committee. The Supervisory Board was supported in this process by the competent Board committees, and it also discussed the proposals with the Executive Committee.

¹ The Executive Board was renamed Executive Committee on April 1, 2019.

In addition to the Supervisory Board meetings, the Executive Committee kept us updated on the Company's key financial indicators in written monthly reports and also provided us with both financial information set up during the financial year and annual financial information and reports. Information on events of significance was provided without delay also outside of meetings and the regular reporting process and, where necessary, we were asked to adopt resolutions by circular vote in consultation with me as the chairman of the Supervisory Board. In addition, I maintained an ongoing and close one-on-one dialog with Max Conze, the Company's CEO, and, where necessary, also with the other Executive Committee members.

Based on the reports submitted by the Executive Committee, the Supervisory Board stayed up to date on the Company's situation at all times, was directly involved in upcoming decisions at an early stage, and was therefore able to perform its tasks in their entirety. There was hence no need for the Supervisory Board to examine the Company's books and other records beyond the documentation provided to us in the course of the Executive Committee's reporting activities.

FOCAL POINTS OF THE SUPERVISORY BOARD'S ADVISORY AND MONITORING ACTIVITIES

In financial year 2019, the Supervisory Board dealt with the Company's business and financial situation, fundamental questions of corporate policy and strategy, the general personnel situation, and specific investment projects.

In 2019, ProSiebenSat.1 Group systematically enhanced its management structure, establishing a new Executive Committee, which exclusively includes the CEO, CFO, and Deputy CEO/Group General Counsel as the highest decision-making body. There are now also two Co-CEOs below Executive Committee level who are responsible for the Entertainment, Red Arrow Studios, and NuCom Group segments.

Since January 1, 2020, the Group has also been working to establish a more independent Entertainment organization in which the content areas, the digital platform businesses, and their monetization are more closely integrated under one roof. The objective is to strengthen the Entertainment segment and streamline Group-wide structures.

The ProSiebenSat.1 management team coordinated at length with the Supervisory Board on all areas of the strategic realignment. All in all, the Supervisory Board of ProSiebenSat.1 Media SE held five regular meetings in person and seven extraordinary meetings in 2019. But for a few exceptions, all members of the Supervisory Board attended all meetings. An individual breakdown of meeting participation is presented in the Corporate Governance Report, which can be found online at → www.prosiebensat1.com/en/investor-relations/corporate-governance/corporate-governance-report and in the Annual Report.

- In an extraordinary meeting on February 26, 2019, the Supervisory Board was given comprehensive information on the financial performance expected at the end of financial year 2018 and in the first quarter of financial year 2019. We were also given another presentation of the provisional budget for financial year 2019. This extraordinary meeting also included an in-depth presentation on the joint venture with Discovery Communications for the joint streaming platform Joyn, which was launched successfully in June 2019. The Supervisory Board was also given an extensive report on the planned strategic reorganization of the Company.
- At the financial statements meeting held on March 5, 2019, the Supervisory Board approved the Annual and Consolidated Financial Statements, the Combined Management Report, the Corporate Governance Report, and the Compensation Report for financial year 2018 as well as the Declaration of Compliance. Having regard to the recommendation of the Audit and Finance Committee, the Supervisory Board also decided to propose the audit firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, with its registered office in Stuttgart, to the next Annual General Meeting on June 12, 2019, for election as the statutory auditor. We also approved the other agenda items for the Annual General Meeting on June 12, 2019, with the corresponding proposed resolutions, which the Presiding Committee had extensively prepared in advance.
- The Supervisory Board also followed the recommendations of the Compensation Committee and approved topics relating to Executive Committee remuneration, i.e. payment of a performance bonus for financial year 2018 as well as settlement of the 2015 Group Share Plan and the amounts of the related cash disbursements and target achievement for the 2018 Performance Share Plan. We also extensively discussed and approved the individual targets for the performance bonus to be received by Executive Committee members for financial year 2019.



- At the financial statements meeting, the Supervisory Board also approved the budget for 2019. We were moreover supplied with a detailed overview of the Company's current performance and were informed about possible M&A transactions. To conclude matters, we were given an extensive report on the planned implementation of the Company's reorganization.
- As a follow-up to the financial statements meeting, in an extraordinary meeting on April 1, 2019, the Supervisory Board resolved to propose to the Annual General Meeting in June 2019 the reelection of all existing Supervisory Board members, as the terms of office of all the members were due to expire from the end of the Annual General Meeting. At the meeting, the Supervisory Board also resolved to propose individual terms of office to the Annual General Meeting, i.e. to reappoint Erik Huggers, Marjorie Kaplan, and Ketan Mehta for another five years; to reappoint Lawrence Aidem, Angelika Gifford, and Dr. Marion Helmes for another four years; and to reappoint Dr. Werner Brandt, Adam Cahan, and Prof. Dr. Rolf Nonnenmacher for another three years. With each of its resolutions, the Supervisory Board followed the recommendations of the Presiding Committee. At this meeting, we were also again supplied with information on the Company's current performance and the share price.
- In an extraordinary meeting on June 3, 2019, the Supervisory Board discussed in detail the purchase of shares by the Mediaset Group. At that time, the Mediaset Group had acquired voting rights, as defined by the notification requirements of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), totaling 9.61% (thereof, shares with voting rights in the amount of 7.46%) in ProSiebenSat.1 Media SE.
- In our regular meeting on June 11, 2019, we were given a detailed report on issues relevant to the capital market and an outlook for financial year 2019. The provisional five-year plan was also presented to us. The meeting also dealt with the development of the new Joyn streaming platform and the d-force joint venture with Mediengruppe RTL. This shared advertising platform is designed to exploit the potential of Addressable TV and online video more effectively. The Supervisory Board was further given a comprehensive insight into the development of the Entertainment segment.

- Rainer Beaujean introduced himself to the shareholders as the new CFO at the Annual General Meeting on June 12, 2019. The constituent meeting of the reelected Supervisory Board was held after the Annual General Meeting. At this meeting, I was reconfirmed as chairman of the Supervisory Board and Dr. Marion Helmes was reconfirmed as my deputy. Prof. Dr. Rolf Nonnenmacher was also reappointed as chairman of the Audit and Finance Committee. Both Dr. Marion Helmes and Angelika Gifford (until January 13, 2020) remain members of this body. In addition to myself, Dr. Marion Helmes, Lawrence Aidem, and Ketan Mehta were reelected to the Presiding Committee. We appointed Marjorie Kaplan as a new additional member of the Presiding Committee. There were no changes to the previous composition of the Compensation Committee. Its members were confirmed as follows: Dr. Werner Brandt (chairman), Dr. Marion Helmes, Angelika Gifford (until January 13, 2020), and Prof. Dr. Rolf Nonnenmacher. The same applies for the Capital Markets Committee. There were no changes either to its composition of the following members: Dr. Werner Brandt (chairman), Dr. Marion Helmes, Ketan Mehta, and Prof. Dr. Rolf Nonnenmacher. At the conclusion of this meeting, we agreed that the self-commitment to invest in shares of the Company should continue to apply for each individual term of office and did not require any further approval.
- In a regular meeting of the Supervisory Board on September 10, 2019, the Board was given a comprehensive outlook for financial year 2019. We were also given detailed reports on business performance in the segments and another report on the planned reorganization of the Company, which entails plans to implement a more independent Entertainment organization and a strategic holding company. At this meeting, the Executive Committee also informed us on the expected market situation in financial year 2020 and presented the provisional multi-year plan for 2020 through 2024.
- After the new shareholder (as of May), the Mediaset Group, announced that it had increased its voting rights in the Company, as defined by the notification requirements of the German Securities Trading Act, to 15.11% (thereof, shares with voting rights in the amount of 7.40%), the Supervisory Board discussed the issue again on November 12, 2019.
- At our regular Supervisory Board meeting on December 10, 2019, we approved the 2020 budget for ProSiebenSat.1 Group, which had been presented and explained to us in detail. Furthermore, we acknowledged and approved the multi-year plan. We were also informed in full detail about the economic performance of the key business areas. At this meeting, we also approved the Declaration of Compliance and again set targets for the proportion of women on the Supervisory Board and Executive Committee.

In addition, the Supervisory Board – after extensive discussion at the regular Supervisory Board meetings – adopted three resolutions by way of written circular vote in 2019, including one on updating the allocation of responsibilities. This update maps out the three-pillar strategy in the rules of procedure and in the operating and managerial responsibilities within the Company.

REPORT ON THE WORK OF THE COMMITTEES

The Supervisory Board of the Company has formed various committees to support it in its work. In 2019, the Board had four committees to ensure efficient execution of its duties: the Presiding and Nominating Committee, the Compensation Committee, the Audit and Finance Committee, and the Capital Markets Committee. The committees reported to the Supervisory Board regularly and comprehensively on their activities in its plenary sessions. The main emphases of the committees' work are described below. An individual breakdown of participation at meetings of the Supervisory Board's committees is also provided in the Corporate Governance Report, which can be found online at → www.prosiebensat1.com/en/investor-relations/corporate-governance/corporate-governance-report as well as in the Annual Report.

The Presiding and Nominating Committee coordinates the work of the Supervisory Board and prepares its meetings. In addition, it is responsible for the tasks of a nominating committee in accordance with the German Corporate Governance Code and adopts resolutions that have been delegated to it under the Supervisory Board's rules of procedure. This includes examining license agreements, distribution agreements, and marketing agreements. The committee met three times, and passed a total of four resolutions by way of circular vote.

In 2019, one of the priorities of the discussions in the Presiding and Nominating Committee were the election proposals for the appointment of the new Supervisory Board once the term of office expired at the end of the Annual General Meeting on June 12, 2019. This also involved implementing a corresponding skills profile for the Supervisory Board. Another matter of priority were discussions on the reorganization of the Company and the closer dovetailing of the business areas.

In a teleconference on March 1, 2019, the Presiding and Nominating Committee approved a contract extension with Constantin Film for several more years. The licensing rights include all national and international independent cinema productions and co-productions of Constantin Film with start of shooting commencing between January 2019 and December 2021. The two media companies thereby extended their longstanding successful partnership for the future. By way of written circulars, the Presiding and Nominating Committee also approved contract extensions with key media agencies.

The Compensation Committee prepares resolutions on personnel-related Executive Committee matters for plenary sessions of the Supervisory Board. This committee held one meeting in person and two meetings by teleconference in 2019. At an initial meeting on January 14, 2019, the committee dealt with the provisional target achievement of Executive Committee members under the 2015 Group Share Plan and the 2018 Performance Share Plan and Executive Committee members' provisional individual degrees of target achievement for the 2018 performance bonus.

At a further meeting, which was also held by teleconference, on February 20, 2019, these topics were discussed again and a corresponding recommendation to the full Supervisory Board was approved. The meeting also addressed the performance bonus targets for the individual Executive Committee members for financial year 2019. The committee agreed on a proposal to the full Supervisory Board including both collective and individual targets and sustainability targets. The Compensation Committee also adopted a resolution by way of circular vote.

The Audit and Finance Committee reviewed the Annual Financial Statements and the Consolidated Financial Statements, the Combined Management Report, and the proposal for the allocation of profits in preparation for the Supervisory Board, discussing in particular depth the audit report and the auditor's verbal report on the main findings of the audit. The committee held four meetings in the reporting year in the presence of the CFO (Dr. Jan Kemper until March 2019, then Ralf Peter Gierig in his capacity as Deputy CFO and finally Rainer Beaujean as the new CFO for the first time from July) and the auditor. The Audit and Finance Committee did not find any grounds for objections in its reviews. In addition, the Audit and Finance Committee discussed the quarterly statements and the Half-Year Financial Report with the Executive Committee prior to their publication, taking account of the auditor's report on the audit review. It is also the Audit and Finance Committee's task to prepare the Supervisory Board's review of the Company's non-financial reporting.

In the period under review, monitoring of the financial reporting focused on the potential impairment of goodwill and other intangible assets, the measurement of programming assets, accounting for acquisitions of companies and shareholdings, revenue recognition, hedge accounting, accounting for financial liabilities, and income taxes.

The Audit and Finance Committee monitored the accounting process and the effectiveness of the internal control system and the risk management system, also referring to the corresponding reports by the head of Internal Audit and the auditor. No significant weaknesses in the internal control system for the accounting process or in the early risk detection system were identified by the auditor.

In addition, the Audit and Finance Committee handled the preparation of the Supervisory Board's proposal for the appointment of the new auditor for financial year 2019 by the Annual General Meeting, the engagement of the auditor, and the fee agreement with the auditor. It monitored the effectiveness of the audit of the financial statements and the independence of the auditor, as well as the services performed by the auditor in addition to auditing services. The Audit and Finance Committee was involved in the selection procedure that was carried out in financial year 2018 in accordance with article 16 of Regulation (EU) No. 537/2014 (statutory auditor regulation) with regard to the appointment of the auditor for financial year 2019 and, as a result of the selection procedure, submitted an appropriate recommendation of candidates, including a preference for the audit firm Ernst & Young, to the Supervisory Board.

The Audit and Finance Committee continuously engaged in dialog with the auditor regarding the main audit risks and the required focus of the audit of the financial statements. It established an internal regulation on services by the auditor that are not related to the audit of the financial statements ("non-audit services") and ensured that the auditor and the Executive Committee informed it at each meeting about corresponding contracts and the fees incurred in this context, which it approved.

In addition, the Audit and Finance Committee was regularly informed about the further development of the compliance management system, the handling of suspected compliance incidents, legal and regulatory risks, and the risk situation, risk identification, and risk monitoring at the Company. There were also regular reports on the risk assessment by the Internal Audit department, its resources, and audit planning.

The Executive Committee regularly informed the Audit and Finance Committee of the status of various activities to finance and secure liquidity for the Company.

The heads of the responsible departments also attended the Audit and Finance Committee's meetings for selected items of the agenda, providing reports and answering questions. In addition, the chairman of the Audit and Finance Committee held discussions on important individual topics between the meetings, particularly with the chairman of the Supervisory Board, the Chief Financial Officer, and the auditor. The main results of these discussions were regularly reported to the Audit and Finance Committee, as well as to the Supervisory Board where necessary.

The Audit and Finance Committee adopted three resolutions by way of circular vote. They concerned the rental of new premises for Verivox GmbH in Heidelberg and for Flaconi GmbH in Berlin.

The Capital Markets Committee has the authority to decide in lieu of the full Supervisory Board on whether to approve the use of the Company's Authorized Capital, to authorize the issue of conversion and/or option rights, to authorize the acquisition and use of treasury shares and/or the use of derivatives when acquiring treasury shares as well as on the associated measures in each case. There were five meetings of the Capital Markets Committee in financial year 2019, some of which took place by teleconference. These meetings dealt with the share acquisition of the Mediaset Group and the current economic situation of ProSiebenSat.1 Group.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2019

The Annual and Consolidated Financial Statements of ProSiebenSat.1 Media SE and the Management Report and Group Management Report for financial year 2019 were audited for the first time by the audit firm Ernst & Young (EY), with its registered office in Stuttgart, and were issued an unqualified audit report on February 26, 2020.

All documents relating to the financial statements, the Risk Report, and the EY audit reports were made available to the members of the Supervisory Board in due time and were subjected to a thorough review by us. Another subject of the discussions was the Combined Separate Non-Financial Report in accordance with sections 315b, 315c, and sections 289b to 289e of the German Commercial Code (HGB). The documents were discussed in detail in the presence of the auditors, first at a meeting of the Audit and Finance Committee and then at a meeting of the Supervisory Board. At those meetings, the auditor reported on its significant audit findings. No accounting-related deficiencies were identified in either the internal control system or the risk management system, nor did any circumstances arise that could give cause for concern about the independence of the auditors.

In addition to auditing services, the auditors performed other attestation services amounting to EUR 0.2 million (previous year: EUR 0.4 million), tax advisory services amounting to EUR 0.1 million (previous year: EUR 0.0 million), and other services amounting to EUR 0.1 million (previous year: EUR 0.1 million). Details of the services provided by the auditors and the amounts remunerated are presented in Note 37 of the Notes to the Consolidated Financial Statements.

The Supervisory Board acknowledged and approved the auditor's findings and, after completing its own examination, found no cause for objection on its part either. The Supervisory Board also approved the Annual and Consolidated Financial Statements prepared by the Executive Committee and audited by the auditor as well as the Management Report and Group Management Report. The Annual Financial Statements are thus adopted. Finally, the Supervisory Board reviewed and concurred with the Executive Committee's proposal for the allocation of profits.

In accordance with section 111(2) sentence 4 of the German Stock Corporation Act (Aktiengesetz – AktG), the Supervisory Board commissioned an external review of the content of the Combined Separate Non-Financial Report from EY. EY issued an unqualified audit opinion in this regard. This means that, according to the assessment by EY, the Combined Separate Non-Financial Report of ProSiebenSat.1 Media SE was prepared in compliance with sections 315b and 315c in conjunction with sections 289b to 289e HGB in all material respects. In its review, which was also based on the Audit and Finance Committee's report on its preparatory review and its recommendation and the review of EY's report and its audit opinion, the Supervisory Board likewise did not identify any reasons to doubt the correctness and appropriateness of the Combined Separate Non-Financial Report.

CONFLICTS OF INTEREST

The members of the Supervisory Board are required to disclose to the Presiding and Nominating Committee possible conflicts of interest without delay. In financial year 2019, there were no indications of conflicts of interest due to certain members of the Supervisory Board simultaneously having seats on corporate bodies of competitors or business partners of ProSiebenSat.1 Media SE.

CORPORATE GOVERNANCE

The Executive Committee and the Supervisory Board have compiled a separate report on corporate governance. The Corporate Governance Report and the Management Declaration pursuant to sections 289f and 315d of the German Commercial Code can be found on our website at → <https://www.prosiebensat1.com/en/investor-relations/corporate-governance/corporate-governance> and in the Annual Report.

CHANGES IN THE COMPOSITION OF THE EXECUTIVE COMMITTEE AND THE SUPERVISORY BOARD

Jan David Frouman, Executive Board Member of ProSiebenSat.1 Media SE, left the Company at the end of his contract on February 28, 2019. He had been responsible since 2010 for establishing and successfully developing Red Arrow Studios. Jan David Frouman was a member of the Executive Board of ProSiebenSat.1 Media SE from March 1, 2016.

In February 2019, the Group announced further changes to the Executive Committee and established a new management structure, and, after 15 years, Sabine Eckhardt, Executive Committee Member Sales & Marketing, decided to leave ProSiebenSat.1 Group by mutual consent as of April 30, 2019.

Dr. Jan Kemper, CFO and Executive Board Member Commerce, also left the Executive Committee by mutual consent as of March 31, 2019. His successor, Rainer Beaujean, took up office as ProSiebenSat.1's Chief Financial Officer (CFO) on July 1, 2019. During the transition period, Ralf Peter Gierig, the long-standing Deputy CFO of ProSiebenSat.1 Group, had taken over as interim CFO below Executive Committee level.

There were no changes to the composition of the Company's Supervisory Board in financial year 2019. In January 2020, Angelika Gifford informed us that she was taking on an operating role as Vice President at Facebook. No longer able to continue in office due to conflicts of interest, she consequently resigned her seat on the Supervisory Board with effect from January 13, 2020. I would like to thank Ms. Gifford, whose expertise, particularly in digital transformation, and whose dedication were a huge support to the Board. Ms. Gifford had been a member of the Supervisory Board since May 2015.

THANK YOU FROM THE SUPERVISORY BOARD

On behalf of the Supervisory Board, I would like to thank the members of the Executive Committee for their hard work.

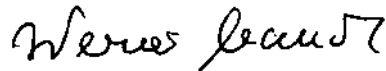
I would also like to take this opportunity to especially thank all ProSiebenSat.1 employees for their great commitment in financial year 2019. Their passion, creativity, and innovativeness form the cornerstones for the Group's success.

I would also like to thank Sabine Eckhardt, Jan David Frouman, and Dr. Jan Kemper for what they achieved as members of the Company's Executive Committee. On behalf of the Supervisory Board, I wish them all the best for the future.

In conclusion, I would like to convey my thanks to you, our esteemed shareholders, for your confidence in the Company and in the company stock of ProSiebenSat.1. 2019 was a challenging year in which the Group laid important foundations for its digital and diversified future and already made some headway in this regard. It is now up to us to systematically press ahead with this strategy in the coming year.

Unterföhring, March 2020

On behalf of the Supervisory Board



DR. WERNER BRANDT
CHAIRMAN OF THE SUPERVISORY BOARD



Supplement
to the Report of the Supervisory Board of ProSiebenSat.1 Media SE
for the Fiscal Year 2019

The Supervisory Board of ProSiebenSat.1 Media SE hereby supplements its report to the shareholders' meeting adopted in March 2020 as follows:

Against the background of the effects of the COVID-19 pandemic on the business of ProSiebenSat.1 Group, the Executive Board has, by resolution dated April 22, 2020, submitted to the Supervisory Board a revised proposal on the use of the balance sheet profits for the fiscal year 2019. Such revised proposal of the Executive Board includes the proposal to the shareholders' meeting to carry forward the full amount of the balance sheet profits as set forth in the financial statements for the fiscal year 2019 to the new accounting period without distributing a dividend.

In its meeting on April 22, 2020, the Supervisory Board reviewed, and concurred with, such revised proposal of the Executive Board on the use of the balance sheet profits.

Unterfoehring, April 2020

Dr. Werner Brandt

Chairman of the Supervisory Board