

FAQ – Frequently Asked Questions

New Agenda Item n. 12. - Cancellation of the authorized capital with the authorization to exclude preemptive rights (Authorized Capital 2021) and corresponding amendment of section 4 of the Articles of Incorporation and creation of a new authorized capital together with an authorization to exclude preemptive rights.

Q. P7S1 management believes that certain options for a capital increase with exclusion of preemptive rights that are currently included in the Authorized Capital 2021 and are generally customary in the market are to be deleted. This would deprive the Company of the ability to raise new equity quickly and flexibly and also limit the Company's ability to act in the event of potential acquisitions. The Executive Board and the Supervisory Board are firmly convinced that this is not in the interest of the Company and its shareholders. Why are you making the motion?

A. We believe it is important for the Executive Board to concentrate on focusing P7S1's business activities and, in particular, to dissolve the combination of the Entertainment segment with the other segments, i.e. Commerce & Ventures and Dating & Video. Measures that do not serve to focus and restructure the group or that might further increase the complexity of the business should be postponed for the time being. For this reason, further acquisitions of businesses or assets in return for shares should not be made without the involvement of the shareholders' meeting who can then decide

whether the opportunity should be pursued despite of the pending restructuring.

In order not to restrict the Company's financing options and ability to act any further, our proposal allows the Company to continue to raise the necessary cash on the capital market in a very timely manner if required. The resolution corresponds to the previous Authorized Capital 2021 in terms of amount and term. The Company's ability to cover its financing requirements with equity remains unchanged. However, with this solution, a possible dilutive effect on shareholders is made possible to a much lesser extent than before, as shareholders will, as a rule, granted preemptive rights and the options for the exclusion of preemptive rights are limited compared to Authorized Capital 2021. The exclusion of preemptive rights for fractional amounts, for the protection against any dilutive effect on holders or creditors of conversion or option rights attached to convertible or option bonds and for the issue of new shares as part of a participation program and/or as share-based remuneration is to still be possible to the same extent as before.

In addition, one should also bear in mind that the previous authorization was given when P7S1 shares traded EUR 16 levels, now the stock trades around 6 EUR.