

**RTL Group S.A.**  
**Société Anonyme**

**Audited annual accounts**  
**for the year ended 31 December 2019**

43, boulevard Pierre Frieden  
L-1543 Luxembourg  
**R.C.S. Luxembourg: B 10 807**

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## Directors' report

### I. OVERVIEW

RTL Group estimates that the net TV advertising market decreased in 2019 in all markets where the Group is active, with the exception of Hungary and the Netherlands.

In 2019, Group revenue increased 2.2 per cent to €6,651 million (2018: €6,505 million), mainly driven by higher revenue from Fremantle and RTL Group's digital businesses.

Adjusted for one-time effects related to the restructuring of RTL Group's Corporate Centre in Luxembourg (€17 million in 2019), EBITA was broadly stable at €1,156 million (2018: €1,171 million). The Adjusted EBITA margin was 17.4 per cent.

Profit for the year increased by 10.1 per cent to €864 million (2018: €785 million), mainly due to the capital gain from the disposal of Universum Film and lower impairments.

The main developments in 2019 were as follows:

- In 2019, the combined average audience share of Mediengruppe RTL Deutschland in the target group of viewers aged 14 to 59 increased to 28.1 per cent (2018: 27.5 per cent) – mainly due to the main channel RTL Television. The German RTL family of channels increased its lead over its main commercial competitor, ProSiebenSat1, to 3.1 percentage points (25.0 per cent, 2018: lead of 2.7 percentage points).

In the reporting period the German net TV advertising market was estimated to be down between 2.5 and 3.0 per cent, with Mediengruppe RTL Deutschland outperforming the market, driven by the strength of its cross-media sales house Ad Alliance and audience performance. Mediengruppe RTL Deutschland's revenue slightly decreased by 1.8 per cent to €2,262 million (2018: € 2,304 million), with higher streaming and platform revenue largely compensating for lower TV advertising revenue and the scope exit of Universum Film. EBITA was down from €723 million in 2018 to €663 million – a decrease of 8.3 per cent reflecting higher programming costs (mainly sports rights such as for the ten matches of the German national football team aired in the reporting period) and TVNOW. The results now include RTL Radio Deutschland and Smartclip, following their transfer from the segment Others to Mediengruppe RTL Deutschland.

- Groupe M6's combined audience share was up to 22.8 per cent in the key commercial target group of women under 50 responsible for purchases (2018: 21.4 per cent), supported by the acquisition of Gulli. Flagship channel M6 retained its status as the second most-watched channel in France in the commercial target group, with an average audience share of 14.7 per cent (2018: 15.0 per cent).

In 2019, Groupe M6's revenue was down by 1.8 per cent to €1,456 million (2018: €1,483 million). The decrease in revenue was mainly due to the sale of the soccer club Girondins de Bordeaux and MonAlbumPhoto in 2018, which was only partially compensated by higher TV ad sales following the acquisition of Lagardère's TV operations in September 2019. With this acquisition – which included the country's leading free-to-air channel for children, Gulli – Groupe M6 outperformed the French TV advertising market, which was estimated to be down 1.5 per cent year-on-year. Groupe M6's EBITA was up 4.4 per cent to €287 million (2018: €275 million).

- Revenue of Fremantle – RTL Group's content business – was up strongly, by 12.6 per cent to €1,793 million in 2019 (2018: €1,592 million). This increase was mainly driven by the delivery of new shows and series such as the second season of American Gods and America's Got Talent: The Champions and by UFA in Germany. Fremantle's drama revenue increased by 36.2 per cent to 414 million (2018: 304 million). Accordingly, EBITA increased by 11.8 per cent to €142 million (2018: €127 million).
- In 2019, RTL Nederland's channels reached a combined prime-time audience share of 29.8 per cent in the target group of viewers aged 25 to 54 (2018: 30.6 per cent). RTL Nederland's channels remained ahead of the public broadcasters (28.1 per cent) and Talpa TV (23.3 per cent). The Dutch net TV advertising market was estimated to be slightly up by 0.5 per cent year on year.

RTL Nederland's revenue was down year on year to €496 million (2018: €504 million), mainly as a result of lower TV advertising revenue, partly compensated for by higher streaming and platform revenue. With lower TV advertising revenue and higher investments in the unit's streaming service, Videoland, EBITA was down to €54 million (2018: €71 million).

- RTL Belgium's family of TV channels attracted a combined audience of 34.5 per cent among shoppers aged 18 to 54 (2018: 35.3 per cent), maintaining its position as the clear market leader in French-speaking Belgium. RTL Belgium increased its lead over the public channels to 14.9 percentage points (2018: 14.4 percentage points).

Against the background of a declining net TV advertising market in French-speaking Belgium, estimated to be down 3.2 per cent year on year, RTL Belgium's revenue was largely stable at €185 million (2018: €186 million). EBITA was down slightly, to €36 million (2018: €37 million).

Consistently with the past, RTL Group S.A. ("RTL Group" or "the Company") has continued to centralise financing and treasury functions of the Group through central foreign currency risk management and cash pooling arrangements with Group subsidiaries. Furthermore, RTL Group has one major investment in CLT-UFA S.A. (99.7 per cent of share capital). The investment in FremantleMedia Group Ltd was sold to an affiliated undertaking in September 2019.

The profit of RTL Group S.A. for the year 2019 amounted to €374 million (2018: €496 million). This drop is caused by a decrease of the financial result by €95 million and of the operating result by €27 million.

The financial result decreased mainly because of lower dividend income (€60 million after €455 million in 2018) which was partially offset by higher one-off gains from transactions on shares (+€263 million), lower value adjustments on financial assets (-€35 million).

The operating result mainly decreased as a result of losses on receivables (-€26 million) and higher staff costs (-€8 million) mostly due to the ongoing restructuring which more than offset favourable one-off effects recorded in operating income, including an insurance claim refund of €4 million.

## II. SUMMARY INCOME STATEMENT

<i>In € million</i>	<b>2019</b>	<b>2018</b>
Operating income <sup>(1)</sup>	<b>13</b>	3
Operating expenses <sup>(2)</sup>	<b>(92)</b>	(55)
<b>Operating result</b>	<b>(79)</b>	(52)
Financial income <sup>(3)</sup>	<b>456</b>	571
Financial expenses <sup>(4)</sup>	<b>(3)</b>	(23)
<b>Financial result</b>	<b>453</b>	548
<b>Profit for the financial year</b>	<b>374</b>	496

<sup>(1)</sup> Operating income mainly relates to an insurance claim refund and the reversal of operating provisions

<sup>(2)</sup> Operating expenses mainly include staff costs of €36 million (2018: €28 million), losses on a receivable of €26 million (2018: € nil), general expenses of €15 million (2018: €13 million) and consulting fees of €9 million (2018: €9 million)

<sup>(3)</sup> Financial income includes gains from the sale of two investments of €359 million (2018: gain from the contribution of SpotX Inc. to FremantleMedia Group Ltd of €96 million), dividends of €60 million (2018: €455 million), a net reversal of value adjustments for financial assets of €15 million (2018: € nil), interest and net foreign exchange gains of €22 million (2018: €20 million)

<sup>(4)</sup> Financial expenses include interest charges of €3 million (2018: €3 million). In 2018, they also included value adjustments in respect of financial assets of €20 million

### III. RESEARCH AND DEVELOPMENT

The Company did not carry out any research and development.

### IV. OWN SHARES

RTL Group has an issued share capital of €191,845,074 (2018: €191,845,074) divided into 154,742,806 (2018: 154,742,806) fully paid-up shares with no nominal value.

On 3 April 2006, RTL Group acquired 173,300 own shares for a total acquisition cost of €12,198,587. These shares were acquired with the view to fulfil the Company's obligation in the event of the exercise of share options by the beneficiaries in the context of the Stock Option Plan issued in 2000.

The Company's Annual General Meeting ("AGM") held on 16 April 2014 authorised the Board of Directors to acquire a total number of shares of the Company not exceeding 150,000 in addition to the own shares already held (i.e. 1,168,701 own shares) as of the date of the AGM. This authorisation was valid for five years and the purchase price per share was fixed at a minimum of 90 per cent and a maximum of 110 per cent of the average closing price of the RTL Group share over the last five trading days preceding the acquisition. The General Meeting held on 26 April 2019 renewed the authorisation granted to the Board of Directors to acquire a total number of shares of the company not exceeding 150,000 in addition to the shares already held (i.e. 1,168,701 own shares) as of the date of the General Meeting. This renewal of authorisation is valid for five years.

Following the shareholders' meeting resolution, and in order to foster the liquidity and regular trading of its shares that are listed on the stock market in Brussels and Luxembourg and the stability of the price of its shares, the Company entered on, 28 April 2014, into a liquidity agreement (the "Liquidity Agreement"). During the year ended 31 December 2019, under the Liquidity Agreement, the Liquidity Provider has:

- purchased 29,734 shares at an average price of €48.41; and
- sold 80,229 shares at an average price of €47.70, in the name and on behalf of the Company.

On 13 May 2019 RTL Group decided to delist its shares from the Euronext Brussels Stock Exchange with the consequence that the liquidity programme was stopped. RTL Group keeps its two remaining listings on the Luxembourg and Frankfurt Stock Exchange.

At 31 December 2019, the Company directly held 173,300 own shares (2018: 223,795) and indirectly through a Company's subsidiary 995,401 own shares (2018: 995,401). In accordance with regulatory requirements applicable in Luxembourg, a non-distributable reserve ("Reserve for own shares or own corporate units") has been constituted from the "Profit brought forward" account for an amount of €7,621,734 (2018: €10,451,227).

At 31 December 2019, RTL Group's share price, as listed on the Frankfurt Stock Exchange, was €43.98 per share (2018: €46.70).

### V. SIGNIFICANT LITIGATIONS

Provisions for litigations correspond to the Group's best estimate of the expected future cash outflow related to disputes arising from the Group's activities (see notes 8.5.1 and 8.14.1 of the RTL Group Annual Report 2019).

RTL Group is party to legal proceedings in the normal course of its business, both as defendant and claimant. The main legal proceedings to which RTL Group is a party are disclosed below.

Several subsidiaries of RTL Group are being sued by the broadcaster RTL 2 Fernsehen GmbH & Co. KG and its sales house El Cartel Media GmbH & Co. KG before the regional court in Düsseldorf, Germany, seeking disclosure of information to substantiate a possible claim for damages. The proceedings follow the imposition of a fine in 2007 by the German Federal Cartel Office for abuse of market dominance with regard to discount scheme agreements (share deals) granted by IP Deutschland GmbH and SevenOne Media GmbH to media agencies. The German Federal Cartel Office argued that these discounts would foreclose small broadcasters from the advertising market. In 2014, the district court of Düsseldorf decided to order an expert report. The expert concluded in February 2018 that the likelihood of damages cannot be proven with certainty. In July 2018, RTL 2 Fernsehen GmbH filed a motion claiming that the expert was not impartial, with the aim of getting the court to obtain a new expert opinion. IP Deutschland has rejected the motion of lack of impartiality as unfounded. In May 2019, the court announced it would draw up a list of questions by the end of July and give the expert the opportunity to comment on the motion of lack of impartiality. However, until today, the court did not address the expert.

The court case will continue. Similar proceedings from other small broadcasters, initiated in different courts, were unsuccessful or have been withdrawn.

In June 2016, the main competitors of Fun Radio alleged that a host of the morning show had influenced Fun Radio's results by encouraging his listeners to give favorable treatment to Fun Radio in the Médiamétrie surveys. In response to these allegations, Médiamétrie decided to remove Fun Radio from its surveys. Following a legal procedure initiated by Fun Radio, Médiamétrie was required to reinstate Fun Radio in the audience results surveys as of September 2016. Nevertheless, Médiamétrie decided to lower Fun Radio's audience results in its published surveys, alleging the existence of a "halo effect". Following a procedure initiated by Fun Radio, a judicial expert was appointed in December 2017 to examine Médiamétrie's assessment of the alleged halo effect. The judicial expert issued in September 2019 his final report which confirmed the 'halo effect' but assessed that Fun Radio's results were over-corrected. As of September 2017, Médiamétrie has again published the full audience results for Fun Radio. In parallel to the above procedure, the main competitors of Fun Radio also filed, in December 2016, a claim for damages, claiming unfair competition, but this procedure was suspended until the end of the judicial expertise and will restart in the course of first quarter of 2020. In the meantime, four of the six claimants withdrew their claim from the proceedings.

On 22 February 2018, the Spanish Competition Authority (CNMC) communicated to Atresmedia the opening of a proceeding for sanctions in relation to possible practices restricting competition prohibited by article 1 of the Spanish Competition Act. On 6 February 2019, the CNMC notified the Statement of Objections in which it assumes proven that specific commercial practices by Atresmedia are restrictive of competition. On 28 May 2019, the department of the competition authority responsible for the investigation submitted a proposal for a decision which included a proposed fine of €49.2 million. Atresmedia submitted its observations on the proposed decision on 28 June 2019. On 12 November 2019, the CNMC Board took its decision and imposed a fine of €38.2 million. On 10 January 2020, Atresmedia filed an application for judicial review against the decision with the competent court. Atresmedia remains convinced that the decision made by the CNMC is not sufficiently justified and expects a positive outcome. The prospects of success are based, inter alia, on the outdated definition of the advertising market used by CNMC.

No further information is disclosed as it may harm the Group's position.

## **VI. CORPORATE GOVERNANCE**

The RTL Group Board of Directors is committed to high standards of corporate governance. RTL Group has applied the principles of good governance for years, even before the Ten Principles of Corporate Governance were implemented by the Luxembourg Stock Exchange – principles that RTL Group is in line with and submitted to.

More information on this topic can be found in the "Investors" section of the Company's website (RTLGroup.com). It contains RTL Group's corporate governance charter, and regularly updated information, such as the latest version of the Company's governance documents (articles of incorporation, statutory accounts, minutes of shareholders' meetings), and information on the composition and mission of the RTL Group Board and its Committees. The "Investors" section also contains the financial calendar and other information that may be of interest to shareholders.

## **VII. SUBSEQUENT EVENTS**

On 19 December 2019, Divimove GmbH signed a purchase agreement to acquire 100 per cent of the share capital of Tube One Networks GmbH ("Tube One"). The company, based in Cologne, is an agency specialising in social media and influencer marketing. On 21 January 2020, the transaction has been approved by the Austrian and German antitrust authorities, and subsequently consummated. The purchase consideration is subject to adjustments based on the net cash and normalised working capital. The transaction qualifies as a business combination since RTL Group gained control of Tube One.

At 31 December 2019, the management of Fremantle were in the process of negotiating the disposal of one of its North American production companies in which Fremantle has a 75 per cent controlling stake, 495 Productions Holdings LLC and affiliates ("495"). On 13 February 2020, Fremantle sold back all its shares to the minority shareholder of 495.

On 17 January 2020, RTL Nederland BV has exercised its option for acquiring the remaining 25 per cent of the share capital of Themakanalen BV.

The exercise of the call option related to Naked Television Ltd has been accelerated and Fremantle bought the remaining 75 per cent on 19 February 2020.

Mediengruppe RTL Deutschland's TV broadcasters and TVNOW plan to acquire the media rights on an exclusive basis for the UEFA Europe League and UEFA European Conference League for the period 2021 – 2024 for the German territory.

## **VIII. PROFIT APPROPRIATION**

The annual accounts of RTL Group show a profit for the financial year 2019 of €374,073,350 (2018: €496,254,473). Taking into account the share premium account of €4,691,802,190 (2018: €4,691,802,190) and the profit brought forward of €326,956,364 (2018: €446,023,311), the amount available for distribution is €5,392,831,904 (2018: €5,479,524,455).

## **IX. PRINCIPAL RISKS, UNCERTAINTIES AND OUTLOOK**

Principal risks and uncertainties and outlook are disclosed in the consolidated financial statements and the related Directors' report.

## **X. LUXEMBOURG LAW ON TAKEOVER BIDS**

The following disclosures are made in accordance with article 11 of the Luxembourg Law on Takeover Bids of 19 May 2006.

### **a) Share capital structure**

RTL Group S.A. has issued one class of shares which is admitted to trading on the Frankfurt Stock Exchange, and the Luxembourg Stock Exchange and on Euronext Brussels until 13 May 2019. No other securities have been issued. The issued share capital as at 31 December 2019 amounts to €191,845,074 represented by 154,742,806 shares with no par value, each fully paid-up.

### **b) Transfer restrictions**

At the date of this report, all RTL Group S.A. shares are freely transferable but shall be subject to the provisions of the applicable German, Belgian and Luxembourg insider dealing and market manipulation laws, which prevent anyone who has material non-public information about a company from dealing in its shares and from committing market manipulations. A detailed Dealing Code contains restrictions on dealings by directors and certain employees of RTL Group S.A. and its subsidiaries.

### **c) Major shareholding**

The shareholding structure of RTL Group S.A. as at 31 December 2019 is as follows: Bertelsmann Capital Holding GmbH held 75.4 per cent, 23.8 per cent were publicly traded and the remaining 0.8 per cent were held collectively as treasury stock by RTL Group S.A. and one of its subsidiaries.

### **d) Special control rights**

All the issued and outstanding shares of RTL Group S.A. have equal voting rights and with no special control rights attached.

### **e) Control system in employee share scheme**

RTL Group S.A.'s Board of Directors is not aware of any issue regarding section e) of article 11 of the Luxembourg Law on Takeover Bids of 19 May 2006.

**f) Voting rights**

Each share issued and outstanding in RTL Group S.A. represents one vote. The Articles of Association do not provide for any voting restrictions. In accordance with the Articles of Association, a record date for the admission to a general meeting is set and certificates for the shareholdings and proxies shall be received by RTL Group S.A. the 14th day before the relevant date at 24 hours (Luxembourg time). Additional provisions may apply under Luxembourg law.

**g) Shareholders' agreement with transfer restrictions**

RTL Group S.A.'s Board of Directors has no information about any agreements between shareholders which may result in restrictions on the transfer of securities or voting rights.

**h) Appointment of Board members, amendments of the Articles of Association**

The appointment and replacement of Board members and the amendments of the Articles of Association are governed by Luxembourg Law and the Articles of Association. The Articles of Association are published under the 'Investors' Corporate Governance Section on [RTLGroup.com](http://RTLGroup.com).

**i) Powers of the Board of Directors**

The Board of Directors is vested with the broadest powers to manage the business of RTL Group S.A. It may take all acts of administration and of disposal in the interest of RTL Group S.A. The Board of Directors has set up several committees whose members are Directors. The responsibilities and functionalities of the Board of Directors and its committees are described in the Articles of Association and the Corporate Governance Charter, published under the 'Investors' Corporate Governance Section on [RTLGroup.com](http://RTLGroup.com). The Company's General Meeting held on 26 April 2019 renewed the authorisation granted at the Company's General Meeting of 16 April 2014 to the Board of Directors to acquire a total number of shares of the Company not exceeding 150,000 in addition to the own shares already held (i.e. 1,168,701 own shares) as of the date of the General Meeting. This renewal of authorisation is valid for five years and the purchase price is fixed at a minimum of 90 per cent and a maximum of 110 per cent of the average closing price of the RTL Group S.A. share over the last five trading days preceding the acquisition.

**j) Significant agreements or essential business contracts**

The Board of Directors is not aware of any significant agreements to which RTL Group S.A. is party and which take effect, alter or terminate upon a change of control of RTL Group S.A. following a takeover bid.

**k) Agreements with Directors and employees**

The Executive Committee members are entitled to contractual severance payments in case of dismissal, to the exception of dismissal for serious reasons.

12 March 2020

The Board of Directors



## **Board of Directors**

### **Non-Executive Directors**

Martin Taylor<sup>1</sup>, Vice-Chairman (until 1 April 2019), Chairman of the Board (as from 1 April 2019) and Chairman of Nomination and Compensation Committee

Guillaume de Posch

Thomas Götz

Immanuel Hermreck

Bernd Hirsch

Bernd Kundrun

Thomas Rabe, Chairman (until 1 April 2019)

Jean-Louis Schiltz<sup>1</sup>

Rolf Schmidt-Holtz

James Singh<sup>1</sup>, Vice-Chairman of the Board of Directors (as from 1 April 2019) and Chairman of Audit Committee

Lauren Zalaznick<sup>1</sup>

### **Executive Directors**

Thomas Rabe (Chief Executive Officer as from 1 April 2019)

Bert Habets (Chief Executive Officer until 1 April 2019)

Elmar Heggen (Deputy Chief Executive Officer & Chief Financial Officer until 1 September 2019, Deputy Chief Executive Officer & Chief Operating Officer as from 1 September 2019)

<sup>1</sup> Independent director



## **Audit report**

To the Shareholders of  
**RTL Group S.A.**

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## **Report on the audit of the annual accounts**

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### **Our opinion**

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of RTL Group S.A. (the "Company") as at 31 December 2019, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### *What we have audited*

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2019;
  - the profit and loss account for the year then ended; and
  - the notes to the annual accounts, which include a summary of significant accounting policies.
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### **Basis for opinion**

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 4.2. to the annual accounts.

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*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg  
T : +352 494848 1, F : +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*




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## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period.

These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p><i>Valuation of the shares in affiliated undertakings and recoverability of loans to affiliated undertakings</i></p> <p>Investments in shares and loans to affiliated undertakings (financial assets) amount to 7,651 million EUR or approximately 87% of the total assets of the Company at year-end.</p> <p>When trigger for impairment identified, management performed an annual impairment test to assess whether the recoverable amount of each of those financial assets is at least equal to their respective carrying value. The recoverable amount can be determined through different valuation techniques; the most regularly used by Management being the discounted cash flow (DCF) model.</p> <p>This matter was of particular significance to our audit as Management's assessment of the recoverable amount required estimation and judgment, such as future expected cash flows generated by the financial assets, the discounting factor and other key assumptions of the DCF model.</p> <p>Management's assessment for determining the recoverable amount is further described in Note 2.6. of the accompanying annual accounts.</p>	<p>We obtained an understanding of Management's process and controls related to the identification of the impairment indicators and the impairment test of the investments and loans to affiliated undertakings (financial assets).</p> <p>We assessed the Company's ability to reliably determine the recoverable amount of its financial assets. To do so, we assessed the robustness of its impairment test, and in particular the method for determining the future discounted cash flows. We focussed our procedures primarily on the most significant investment being CLT-UFA S.A and the most significant loan being with RTL Group GmbH.</p> <p>We satisfied ourselves of the reasonability of the future cash flows by comparing them with the current budgets and forecasts in the three year plan prepared by Management and approved by the Board of Directors, and when possible benchmarking them against general and sector specific market expectations.</p> <p>Where necessary, we involved valuation specialists to test the main parameters used in the DCF models (including the weighted average cost of capital).</p> <p>We considered the appropriateness of the disclosures in Notes 3.3.1. and 3.3.2. of the annual accounts.</p>



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**Other Matter**

The Corporate Governance Statement includes, when applicable, the information required by Article 68ter Paragraph (1) Letters a), b), e), f) and g) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

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**Other information**

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the directors' report and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Responsibilities of the Board of Directors and those charged with governance for the annual accounts**

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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**Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts**

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.



As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.



## **Report on other legal and regulatory requirements**

The directors' report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement, as published on the Company's website [www.rtlgroup.com](http://www.rtlgroup.com), is the responsibility of the Board of Directors. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent, at the date of this report, with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" of the Company by the General Meeting of the Shareholders on 26 April 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 26 years.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 12 March 2020



Gilles Vanderwey

## Balance sheet at 31 December 2019

ASSETS	Notes	2019 €	2018 €
<b>C. Fixed assets</b>		<b>7 651 922 309</b>	7 346 055 106
<b>I. Intangible assets</b>	<b>3.1.</b>	-	178 002
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were			
a) acquired for valuable consideration and need not be shown under C.I.3		-	178 002
<b>II. Tangible assets</b>	<b>3.2.</b>	-	3 257
2. Plant and machinery		-	164
3. Other fixtures and fittings, tools and equipment		-	3 093
<b>III. Financial assets</b>	<b>3.3.</b>	<b>7 651 922 309</b>	7 345 873 847
1. Shares in affiliated undertakings	3.3.1.	5 504 646 504	6 848 484 522
2. Loans to affiliated undertakings	3.3.2.	2 145 892 174	496 005 694
3. Participating interests	3.3.3.	-	-
5. Investments held as fixed assets	3.3.4.	1 383 631	1 383 631
<b>D. Current assets</b>		<b>1 014 985 246</b>	543 342 750
<b>II. Debtors</b>	<b>3.4.</b>	<b>937 118 906</b>	504 418 627
2. Amounts owed by affiliated undertakings			
a) becoming due and payable within one year	3.4.1./3.4.2.	936 299 377	504 207 864
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests			
a) becoming due and payable within one year		-	15 864
4. Other debtors			
a) becoming due and payable within one year	3.4.3.	819 529	194 899
<b>III. Investments</b>		<b>7 621 734</b>	10 451 227
2. Own shares	3.5.	7 621 734	10 451 227
<b>IV. Cash at bank and in hand</b>		<b>70 244 606</b>	28 472 896
<b>E. Prepayments</b>	<b>3.6.</b>	<b>80 176 406</b>	62 924 562
<b>TOTAL (ASSETS)</b>		<b>8 747 083 961</b>	7 952 322 418

The notes in the annex form an integral part of the annual accounts.

## Balance sheet at 31 December 2019

	Notes	2019 €	2018 €
<b>CAPITAL, RESERVES AND LIABILITIES</b>			
<b>A. Capital and reserves</b>	<b>3.7.</b>	<b>5 618 555 019</b>	5 708 077 063
I. Subscribed capital	3.7.1.	191 845 074	191 845 074
II. Share premium account		4 691 802 190	4 691 802 190
IV. Reserves			
1. Legal reserve	3.7.2.	19 184 507	19 184 507
2. Reserve for own shares		7 621 734	10 451 227
4. Other reserves, including the fair value reserve			
b) other non available reserves		7 071 800	7 071 800
V. Profit or loss brought forward		326 956 364	446 023 311
VI. Profit or loss for the financial year		374 073 350	496 254 473
VII. Interim dividends		-	(154 555 519)
<b>B. Provisions</b>	<b>3.8.</b>	<b>30 513 271</b>	12 829 760
1. Provision for pensions and similar obligations	3.8.1.	14 318 250	12 829 760
3. Other provisions	3.8.2.	16 195 021	-
<b>C. Creditors</b>	<b>3.9.</b>	<b>3 007 603 128</b>	2 164 965 937
2. Amounts owed to credit institutions			
a) becoming due and payable within one year		1 168	392
4. Trade creditors			
a) becoming due and payable within one year		2 053 618	2 677 150
6. Amounts owed to affiliated undertakings			
a) becoming due and payable within one year	3.9.1.	2 984 271 432	2 135 365 711
8. Other creditors			
a) Tax authorities	3.9.2.	291 762	436 401
b) Social security authorities		351 172	269 242
c) Other creditors	3.9.3.		
i) becoming due and payable within one year		20 633 976	16 746 714
ii) becoming due and payable after more than one year		-	9 470 327
<b>D. Deferred income</b>	<b>3.6.</b>	<b>90 412 543</b>	66 449 658
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		<b>8 747 083 961</b>	<b>7 952 322 418</b>

The notes in the annex form an integral part of the annual accounts.



## Profit and loss account for the year ended 31 December 2019

	Notes	2019 €	2018 €	
4.	<b>Other operating income</b>	<b>4.1.</b>	<b>12 620 746</b>	2 777 160
5.	<b>Raw materials and consumables and other external expenses</b>		<b>(24 248 062)</b>	(22 635 559)
a)	Raw materials and consumables		(160 894)	(202 540)
b)	Other external expenses	4.2.	(24 087 168)	(22 433 019)
6.	<b>Staff costs</b>	<b>4.3.</b>	<b>(36 206 351)</b>	(27 925 864)
a)	Wages and salaries		(32 837 031)	(25 009 614)
b)	Social security costs		(1 695 245)	(1 250 518)
i)	relating to pensions		(785 233)	(779 655)
ii)	other social security costs		(910 012)	(470 863)
c)	Other staff costs		(1 674 075)	(1 665 732)
7.	<b>Value adjustments</b>		<b>(386 541)</b>	(760 935)
a)	in respect of formation expenses and of tangible and intangible fixed assets	3.1./ 3.2.	(253 279)	(203 063)
b)	in respect of current assets		(133 262)	(557 872)
8.	<b>Other operating expenses</b>	<b>4.4.</b>	<b>(30 309 538)</b>	(3 540 949)
9.	<b>Income from participating interests</b>	<b>4.5.</b>	<b>418 166 672</b>	549 404 756
a)	derived from affiliated undertakings		410 847 627	549 404 756
b)	other income from participating interests	3.3.3.	7 319 045	-
10.	<b>Income from other investments and loans forming part of the fixed assets</b>		<b>9 407 889</b>	6 526 364
a)	derived from affiliated undertakings	3.3.2.	8 192 850	4 705 586
b)	other income not included under a)	3.3.4.	1 215 039	1 820 778
11.	<b>Other interest receivable and similar income</b>		<b>12 804 732</b>	15 325 811
a)	derived from affiliated undertakings	4.6.	10 148 539	11 328 746
b)	other interest and similar income		2 656 193	3 997 065
13.	<b>Value adjustments in respect of financial assets and of investments held as current assets</b>	<b>4.7.</b>	<b>15 063 589</b>	(20 130 247)
14.	<b>Interest payable and similar expenses</b>	<b>4.8.</b>	<b>(2 750 504)</b>	(2 721 436)
a)	concerning affiliated undertakings		(600 930)	(518 176)
b)	other interest and similar expenses		(2 149 574)	(2 203 260)
15.	<b>Tax on profit or loss</b>		-	3 150
16.	<b>Profit or loss after taxation</b>		<b>374 162 632</b>	496 322 251
17.	<b>Other taxes not shown under Items 1 to 16</b>	<b>4.9.</b>	<b>(89 282)</b>	(67 778)
18.	<b>Profit or loss for the financial year</b>		<b>374 073 350</b>	496 254 473

The notes in the annex form an integral part of the annual accounts.

## 1. GENERAL

RTL Group S.A. (the “Company” or “RTL Group”) was incorporated as a “Société Anonyme” on 30 December 1972 under the name of Compagnie Luxembourgeoise pour l’Audiovisuel et la Finance, abbreviated to “Audiofina”. The Articles of Association were published in the “Mémorial C des Sociétés et Associations” on 27 March 1973, under the number 52. They were modified on several occasions, the last time on 19 April 2017. The Company is formed for an unlimited period.

On 25 July 2000, the name of the Company was changed to RTL Group.

The registered office of the Company is established at 43, boulevard Pierre Frieden, L-1543 Luxembourg.

The Company’s financial year starts on 1 January and ends on 31 December of each year.

The purpose of the Company is the national and international development in the audiovisual, communication and information sectors and all related technologies. The Company can also take holdings through granting of loans, merging, subscription or other form of investment in any company, undertaking, association or other legal entity, existing or to be constituted, whatever its form or nationality, having a purpose which is similar or complementary to that of the Company. The Company can undertake any commercial, industrial or financial operation linked directly or indirectly to its purpose or of such a nature that it facilitates or favours its realisation. The Company may also undertake any action useful or necessary for the accomplishment of its purpose.

The Company is listed on the Frankfurt and Luxembourg Stock Exchanges.

The Company also prepares consolidated financial statements which are published according to the provisions of the law and may be obtained at its registered office and on its official website.

The consolidated financial statements of RTL Group are included in the consolidated accounts of Bertelsmann SE & Co. KGaA, the ultimate parent company of RTL Group. Bertelsmann SE & Co. KGaA is a company incorporated under German law whose registered office is established at Carl-Bertelsmann-Strasse 270, D-33311 Gütersloh, Germany. Consolidated financial statements of Bertelsmann SE & Co. KGaA may be obtained at its registered office and on its official website.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1. Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements. Accounting policies and valuation rules are, besides the ones laid down by the Amended Law dated 19 December 2002, determined and applied by the Board of Directors.

The annual accounts have been prepared under the historical cost convention except for items relating to foreign exchange hedging activities.

All monetary amounts in the notes are in Euro unless otherwise indicated.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore fairly present the financial position and results.

The Company makes estimates and assumptions that may affect the reported amounts of assets and liabilities in the next financial year(s). Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## 2.2. Foreign currency translation

The Company maintains its accounts in Euro and both the balance sheet and profit and loss account are expressed in this currency.

Transactions in foreign currencies are recorded at the rate of exchange ruling on the transaction date. With the exception of non-monetary fixed assets, all assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Related realised and unrealised gains and losses are recognised in the profit and loss account.

## 2.3. Foreign exchange risk and derivatives

RTL Group companies (the "Group") operate internationally and are exposed to foreign exchange risk arising from various currency exposures, including most notably exposures to USD and GBP. For the Group as a whole, cash flow, net income and net worth are optimised by reference to Euro. Foreign exchange risks faced by individual Group companies, however, are managed or hedged against the functional currency of the relevant entity.

Group Treasury periodically collects from the Group companies forecasts of foreign currency exposures arising mainly from signed output deals and programme rights in order to monitor the Group's overall foreign currency exposure. Entities exposed to foreign currencies risk are responsible for hedging their exposures in accordance with the Treasury policies approved by the Board of Directors. Companies in the Group use forward contracts, transacted with Group Treasury, to hedge their exposure to foreign currency risk. Group Treasury is responsible for hedging positions in each currency by using external foreign currency derivative contracts.

The foreign currency management policy of the Group is to hedge 100 per cent of the recognised monetary foreign currency exposures arising from cash, receivables, payables, loans and borrowings denominated in currencies other than Euro. The off-balance exposures and firm commitments are partially hedged according to the provision of the foreign exchange policy.

Within this framework, RTL Group enters into foreign currency derivative contracts with banking institutions (external) and with Group subsidiaries (internal).

Unrealised losses and gains resulting from the revaluation of the foreign currency derivative contracts (internal and external) are recognised in the profit and loss account with a counterpart in the balance sheet in "Deferred income" or "Prepayments", respectively.

## 2.4. Intangible assets

Intangible assets are stated at cost, including expenses incidental thereto, less accumulated amortisation. They include software amortised on a straight-line basis over their estimated useful life of three years. Where the Company considers that an intangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

## 2.5. Tangible assets

Tangible assets are stated at cost, including expenses incidental thereto, less accumulated depreciation. Depreciation is recognised on a straight-line basis over the estimated useful lives of the tangible assets:

- Plant and machinery: four to ten years;
- Other fixtures and fittings, tools and equipment: three to ten years.

Where the Company considers that a tangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

## 2.6. Financial assets

Shares in affiliated undertakings, participating interests as well as investments held as fixed assets are recorded on the balance sheet at acquisition cost, including expenses incidental thereto. A value adjustment is made when there is a durable diminution in their value. These value adjustments are not continued if the reasons for which these value adjustments were made have ceased to apply.

Investments are classified as affiliated undertakings if the Group is able to exercise control over the company concerned.

Dividends from shares in affiliated undertakings and participating interests are recognised in the profit and loss account when declared by decision of the General Meeting.

Loans to affiliated undertakings are recorded on the balance sheet at acquisition cost including expenses incidental thereto or nominal value. When the market value or the recoverable value is lower than the acquisition cost or nominal value, a value adjustment is recorded. These value adjustments are not continued if the reasons for which these value adjustments were made have ceased to apply.

## 2.7. Debtors

Debtors are recorded at their nominal value. They are subject to value adjustments when their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

## 2.8. Own shares

Own shares are recorded at acquisition cost and are classified as current assets. A value adjustment through profit and loss is recorded when the market value is lower than the acquisition cost. In accordance with article 430.18 of the Law on Commercial Companies, a non-distributable reserve ("Reserve for own shares") is constituted for an equivalent amount from "Profit or loss brought forward".

## 2.9. Cash at bank and in hand

The Company reports in the balance sheet the net amount of the debit and credit positions of the bank accounts when these positions relate to the same nature of bank account with the same currency in the same bank and a netting agreement exists with the bank. If these conditions are not met, credit positions are recorded as bank overdrafts in "Amounts owed to credit institutions".

## 2.10. Cash pooling arrangements

In order to optimise cash management, RTL Group has implemented a cash pooling policy to centralise the Group's liquid funds:

- The local cash pooling includes the majority of the Luxembourg subsidiaries: B. & C.E. S.A., Broadcasting Center Europe S.A., Broadcasting Center Europe International S.A., CLT-UFA S.A., Data Center Europe S.à r.l., Duchy Digital S.A., IP Luxembourg S.à r.l., Luxradio S.à r.l., Media Assurances S.A., Media Properties S.à r.l., Media Real Estate S.A., RTL AdConnect International S.A., RTL Belux S.A., RTL Belux S.A. & Cie S.E.C.S. and RTL Group Germany S.A. This automated cash pooling is made with a local banking institution. The conditions of the cash pooling are determined on an arm's length basis and based on specific risks linked to each Group company. The basis rate is EONIA adjusted for a margin (from -0.25% to -0.40% on credit margin with a minimum of 0% in case of very low interest rates and +0.50% on debit margin);

- The European cash pooling comprises the following Group companies: BLU A/S (Denmark), CLT-UFA S.A. (Luxembourg), Divimove GmbH (Germany), FremantleMedia España S.A. (Spain), FremantleMedia Finland OY (Finland), FremantleMedia Group Ltd (United Kingdom), FremantleMedia Italia S.p.A. (Italy), FremantleMedia Netherlands B.V. (the Netherlands), FremantleMedia Norge AS (Norway), FremantleMedia Polska SP. Z.O.O. (Poland), FremantleMedia Portugal S.A. (Portugal), FremantleMedia Sverige AB (Sweden), Immobilière Bayard d'Antin S.A. (France), Miso Film ApS (Denmark), Miso Film Norge ApS (Norway), Miso Film Sverige AB (Sweden), M-RTL ZRT (Hungary), RTL AdConnect SRL (Italy), RTL Belgium S.A.(Belgium), RTL Disney Fernsehen GmbH & Co. KG (Germany), RTL Group Beheer B.V. (the Netherlands), RTL Group GmbH (Germany) (former RTL Group Deutschland GmbH (Germany)), RTL Group Services Belgium S.A.(Belgium), RTL Hrvatska d.o.o. (Croatia), RTL Nederland Holding B.V. (the Netherlands), RTL Services Kft (Hungary), RTL Television GmbH (Germany), SpotX France S.A.S.(France), SpotX Ltd (United Kingdom), StyleHaul UK Ltd (United Kingdom), UScreens AB (Sweden), United Screens Filial Danmark (Denmark), The Apartment SRL (Italy), UScreens Finland Oy (Finland), United Screens Norge (Norway), Wildside SRL (Italy). The interest rate of the cash pooling is based on EONIA for Euro or equivalent base rate for non-Euro cash pooling, adjusted for a margin reflecting the specific risks attached to the Group companies;
- The non-European cash pooling comprises the following Group companies: Abot Hameiri Communications Ltd (Israel), FremantleMedia Asia Pte Ltd (Singapore), FremantleMedia Australia PTY Ltd (Australia), FremantleMedia Canada Inc. (Canada), FremantleMedia Canada NO.2 Inc. (Canada), Fremantle Productions North America Inc. (United States of America), Ludia Inc. (Canada), RTL Canada Ltd (Canada), RTL Group Asia Pte Ltd (Singapore), RTL US Holdings Inc. (United States of America), SpotX Japan G.K. (Japan), SpotX, Inc. (United States of America). The interest rate of the cash pooling is based on LIBOR or equivalent base rate for non-GBP cash pooling, adjusted for a margin reflecting the specific risks attached to the Group companies.

Cash pooling arrangements are recorded on the balance sheet as "Amounts owed by affiliated undertakings becoming due and payable within one year" or "Amounts owed to affiliated undertakings becoming due and payable within one year" respectively.

## 2.11. Prepayments

The Company reports under this caption expenditure incurred during the financial year but relating to a subsequent financial year. This caption is also used to record assets in relation to the Group's foreign exchange derivatives (Note 2.3.).

## 2.12. Provisions

Provisions are intended to cover losses or liabilities, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or date on which they will arise.

The Company participates in a defined benefit plan. This plan is financed internally via accruals which are determined by independent qualified actuaries using the aggregate cost method (percentage of payroll). The level of accruals exceeds the minimum financing requirement. In case of bankruptcy, the benefits are preserved through the PSVaG insolvency reinsurance.

## 2.13. Creditors

Creditors are recorded at their reimbursement value or, if applicable, their residual amount.

## 2.14. Deferred income

This liability item includes income received during the financial year but related to a subsequent financial year. This caption is also used to record liabilities in relation to the Group's foreign exchange derivatives (Note 2.3.).

### 3. BALANCE SHEET

#### 3.1. Intangible assets

At 31 December 2019, "Intangible assets" mainly consisted of licences which are recorded and amortised according to the policies described in Note 2.4.

In 2019, "Intangible assets" evolved as follows:

Acquisition cost at 31.12.2018	9 741 974
Acquisitions/Increases	72 020
<b>Acquisition cost at 31.12.2019</b>	<b>9 813 994</b>
Accumulated value adjustments at 31.12.2018	(9 563 972)
Amortisation charges for the year	(250 022)
<b>Accumulated value adjustments at 31.12.2019</b>	<b>(9 813 994)</b>
Net book value at 31.12.2018	178 002
<b>Net book value at 31.12.2019</b>	<b>-</b>

#### 3.2. Tangible assets

In 2019, "Tangible assets" evolved as follows:

	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Acquisition cost at 31.12.2018	4 685	268 414	273 099
<b>Acquisition cost at 31.12.2019</b>	<b>4 685</b>	<b>268 414</b>	<b>273 099</b>
Accumulated value adjustments at 31.12.2018	(4 521)	(265 321)	(269 842)
Depreciation charges for the year	(164)	(3 093)	(3 257)
<b>Accumulated value adjustments at 31.12.2019</b>	<b>(4 685)</b>	<b>(268 414)</b>	<b>(273 099)</b>
Net book value at 31.12.2018	164	3 093	3 257
<b>Net book value at 31.12.2019</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 3.3. Financial assets

#### Shares

In 2019, "Shares" evolved as follows:

	Shares in affiliated undertakings	Participating interests	Investments held as fixed assets
Acquisition cost at 31.12.2018	6 853 609 460	10 171 137	1 383 631
Increase	21 250 000	3 418 305	-
Conversion of fully impaired loan	-	6 614 187	-
Decrease	(1 343 238 018)	(20 203 629)	-
<b>Acquisition cost at 31.12.2019</b>	<b>5 531 621 442</b>	<b>-</b>	<b>1 383 631</b>
Accumulated value adjustments at 31.12.2018	(5 124 938)	(10 171 137)	-
Value adjustments for the year	(21 850 000)	-	-
Conversion of fully impaired loan	-	(6 614 187)	-
Reversal of value adjustments for the year	-	16 785 324	-
<b>Accumulated value adjustments at 31.12.2019</b>	<b>(26 974 938)</b>	<b>-</b>	<b>-</b>
Net book value at 31.12.2018	6 848 484 522	-	1 383 631
<b>Net book value at 31.12.2019</b>	<b>5 504 646 504</b>	<b>-</b>	<b>1 383 631</b>

#### 3.3.1. Shares in affiliated undertakings

##### Increase

On 1 October 2019, the Company subscribed a capital increase of €21,250,000 in RTL Group Asia Pte Ltd (Singapore), an affiliated undertaking. Out of this amount, €21,175,880 related to a fully impaired cash pooling account receivable.

##### Value adjustments for the year

On 1 October 2019, the Company fully impaired the amount contributed as equity to RTL Group Asia Pte Ltd of €21,250,000.

On 31 December 2019, the Company recorded a value adjustment of €600,000 on its investment in Fremantle Productions Asia Ltd (Hong Kong).

##### Decrease

On 25 September 2019, the Company sold its investment in FremantleMedia Group Ltd of €1,343,238,018 to RTL Group GmbH (former RTL Group Deutschland GmbH) for €1,100,000,000, adjusted to €1,695,000,000 at 31 December 2019, resulting in a gain of €351,761,982 (Note 4.5.).



**Details of shares**

Name of the company	Legal form	Country	Activity	Direct % held	Acquisition cost	Accumulated value adjustments	Net	Equity before result for the year 2018	Result of the last period closed 2018 <sup>(2)</sup>
<b>Shares in affiliated undertakings</b>									
CLT-UFA	S.A.	Luxembourg	Holding/TV/Radio	99.7	5 504 066 504	-	5 504 066 504	3 242 557 959 <sup>(1)</sup>	774 232 348 <sup>(1)</sup>
RTL Group Asia Pte	Ltd	Singapore	Holding	100	21 258 938	(21 258 938)	-	336 007 <sup>(3)</sup>	(298 005) <sup>(3)</sup>
Grundy International Operations	Ltd	Antigua and Barbuda	Holding	100	5 116 000	(5 116 000)	-	71 741 <sup>(3)</sup>	- <sup>(3)</sup>
Fremantle Productions Asia	Ltd	Hong Kong	Production	100	1 180 000	(600 000)	580 000	748 973 <sup>(3)</sup>	734 <sup>(3)</sup>
				<b>5 531 621 442</b>	<b>(26 974 938)</b>	<b>5 504 646 504</b>			
<b>Investments held as fixed assets</b>									
Bertelsman Business Support	S.à r.l.	Luxembourg	Financing, provision of services	10	1 383 631	-	1 383 631	1 682 419 490	6 573 812
				<b>1 383 631</b>		<b>-</b>	<b>1 383 631</b>		

(1) Amounts according to annual accounts for 2019

(2) Except unless otherwise stated, amounts on a 100% basis before dividend distribution, if any, and converted at 2019 closing rate, if required

(3) Amounts according to unaudited IFRS accounts for 2019 converted at 2019 closing rate

**3.3.2. Loans to affiliated undertakings**

In 2019, "Loans to affiliated undertakings" evolved as follows:

Gross amount at 31.12.2018	496 005 694
Increases	1 701 012 174
Reimbursements	(51 125 694)
<b>Gross amount at 31.12.2019</b>	<b>2 145 892 174</b>
Accumulated value adjustments at 31.12.2018	-
<b>Accumulated value adjustments at 31.12.2019</b>	<b>-</b>
Net book value at 31.12.2018	496 005 694
<b>Net book value at 31.12.2019</b>	<b>2 145 892 174</b>

At 31 December 2019, "Loans to affiliated undertakings" consisted of the following:

- Loan of €1,695,000,000 granted to RTL Group GmbH (former RTL Group Deutschland GmbH) in two tranches of €1,100,000,000 on 25 September 2019 and €595,000,000 on 31 December 2019, bearing interest at rates of 0.85% and with maturity date of 25 September 2024. The interest accrued on the loan at 31 December 2019 amounted to €1,142,778;
- Loans of €208,000,000 and €136,880,000 granted to UFA Film- und Fernseh GmbH on 1 August 2016 and 22 December 2016, with a maturity date of 3 August 2026, bearing interest as follows: EURIBOR swap rate 10 years plus 0.85%. The interest accrued on the loans at 31 December 2019 amounted to €1,072,569;
- Loan of €150,000,000 granted to Société Immobilière Bayard d'Antin S.A. on 17 December 2018, less partial reimbursement of €50,000,000 received on 15 September 2019, bearing interest at 0.85% and with maturity date of 15 June 2021. The interest accrued on the loan at 31 December 2019 amounted to €35,417;



- Loan of HRK 27,875,000 (€3,747,445) granted to RTL Hrvatska d.o.o. on 15 April 2019, bearing interest at 1.72% and with maturity date of 15 October 2021 (HRK 7,433,333) and 17 October 2022 (HRK 20,441,667) respectively. The interest accrued on the loan at 31 December 2019 amounted to HRK 103,881 (€13,965).

In 2019, total interest income amounted to €8,192,850 (2018: €4,705,586).

### 3.3.3. Participating interests

#### Increase and conversion of fully impaired loan

On 6 May 2019, the Company acquired new shares in Clypd Inc. (United States of America) for an amount of USD 4,000,000 (€3,418,305). On the same day, a convertible loan receivable from Clypd Inc. including accrued interest of €6,614,187 which had already been fully impaired since 2018 was converted into shares, resulting in an overall increase of €10,032,492.

#### Reversal of value adjustments for the year

On 15 October 2019, the Company reversed the value adjustments on its investment in and loan receivable from Clypd Inc. of €16,785,324 in anticipation of the sale of this participating interest.

#### Decrease

On 15 October 2019, the Company sold its participating interest in Clypd Inc. for an amount of €27,522,674, resulting in a gain of €7,319,045 (Note 4.5.).

### 3.3.4. Investments held as fixed assets

At 31 December 2019, "Investments held as fixed assets" related to a 10 per cent stake held in Bertelsmann Business Support S.à r.l. A twenty-five year shareholders agreement has been concluded between Bertelsmann SE & Co KGaA and RTL Group. The shareholders agreement stipulates that 50 per cent of the aggregate amount of corporate and trade tax that, in the absence of existing tax losses carried forward of Bertelsmann Business Support S.à r.l., if any, would have otherwise been incurred by the Company, will be paid to RTL Group as a preferred dividend with a minimum amount of €1 million per year. The minimum dividend of €1 million became payable as from 2016 onwards. In 2019, total dividends of €1,215,039, including the third minimum dividend of €1 million were recognised following the approval of the annual accounts 2018 of Bertelsmann Business Support S.à r.l..

## 3.4. Debtors

### 3.4.1. Amounts owed by affiliated undertakings - RTL Group companies

At 31 December 2019, amounts owed by RTL Group companies consisted of:

- Cash pooling with a number of Group companies in multiple currencies for €763,211,864 (2018: €379,060,354) net of a value adjustment of €16,188,440 (2018: €29,155,736) bearing interest at an adjusted EONIA / LIBOR rate as described in Note 2.10. and without maturity date. Total interest income during the year 2019 amounted to €2,514,645 (2018: €2,711,983) (Note 4.6.);

The fully impaired cash pooling account receivable from RTL Group Asia Pte Ltd of €21,175,880 was converted into shares of the entity on 1 October 2019. The corresponding value adjustment was reversed (Note 4.7.);

On 18 November 2019, the Company granted a partial waiver of GBP 22,500,000 (€26,327,491) of the cash pooling account receivable from SpotX Ltd (Note 4.4.);

- A renewed advance of GBP 97,067,757 (€116,332,403) (2018: €108,051,157) granted to FremantleMedia Group Ltd on 21 November 2019, bearing interest at a rate of 1.79% and with maturity date of 23 November 2020. The interest accrued on the advance at 31 December 2019 amounted to GBP 195,091 (€233,810) (2018: €229,242);

- A renewed loan of USD 50,000,000 (€44,959,986) (2018: €44,224,306) granted to Fremantle Productions North America Inc. on 2 December 2019, bearing interest at a rate of 2.9% and with maturity date of 2 December 2020. The interest accrued on the loan at 31 December 2019 amounted to USD 121,120 (€108,911) (2018: €133,171);
- A loan of €25,000,000 granted to Société Immobilière Bayard d'Antin S.A. on 2 December 2019, bearing interest at 0.32% and with maturity date of 2 January 2020. The interest accrued on the loan at 31 December 2019 amounted to €6,667;
- A renewed loan of €8,300,000 (2018: €7,800,000 fully impaired) granted to FremantleMedia España S.A. on 29 March 2019, bearing interest at a rate of 2.7% and with maturity date of 1 July 2020. The interest accrued on the loan at 31 December 2019 amounted to €222,839 (2018: €210,220). The loan and interest are fully impaired;
- Loan of HRK 5,575,000 (€749,490) granted to RTL Hrvatska d.o.o. on 15 April 2019, bearing interest at 1.72% and with maturity date of 15 October 2020. The interest accrued on the loan at 31 December 2019 amounted to HRK 20,776 (€2,793);
- A renewed loan of IDR 6,150,000,000 (€393,275) (2018: €373,433) granted to PT Dunia Visitama Produksi on 28 November 2019, bearing interest at a rate of 7.2% and with maturity date of 31 March 2020. The interest accrued amounted to IDR 44,409,320 (€2,840) (2018: €14,643);
- Trade accounts receivable with a number of group companies for €1,465,132 (2018: €1,277,294) without interest and maturity date.

The fully impaired loan of BRL 2,000,000 granted to FremantleMedia Brazil Produção de Televisão Ltda on 5 December 2018, bearing interest at a rate of 9.8% with a maturity date of 5 December 2019 and accrued interest thereon was collected at maturity.

Total interest accrued on the amounts owed by affiliated undertakings at 31 December 2019 amounted to €355,021 (2018: €377,056), net of a value adjustment of €222,839 (2018: €213,551).

Refer to Note 4.6. for details on "Other interest receivable and similar income derived from affiliated undertakings".

### 3.4.2. Amounts owed by affiliated undertakings – shareholder

With the view to investing its cash surplus, in 2006, RTL Group S.A. entered into a Deposit Agreement with Bertelsmann SE & Co. KGaA (previously Bertelsmann AG), the main terms of which are:

- Interest rates are based on EONIA (both parties agreed to floor to zero) plus 10 basis points;
- Bertelsmann SE & Co. KGaA grants to RTL Group as security for all payments due by Bertelsmann SE & Co. KGaA a pledge on:
  - All shares of its wholly owned French subsidiary Média Communication SAS;
  - All shares of its wholly owned Spanish subsidiary Media Finance Holding SL (Arvato excluded);
  - All shares of its wholly owned German subsidiary Gruner + Jahr GmbH (former Gruner + Jahr GmbH & Co. KG);
  - All shares of its wholly owned English subsidiary Bertelsmann UK Ltd (Arvato excluded).

The shares of Gruner + Jahr GmbH and shares of Bertelsmann UK Ltd have also been granted as pledge by Bertelsmann SE & Co. KGaA to CLT-UFA S.A., a subsidiary of RTL Group, in connection with the accounts receivable related to PLP and Compensation Agreements.

On 22 December 2011, RTL Group GmbH (former RTL Group Deutschland GmbH), a Group company, and Bertelsmann SE & Co. KGaA entered into an agreement related to the deposit of surplus cash by RTL Group GmbH with the shareholder. To secure the deposit, Bertelsmann pledged to RTL Group GmbH its shares of Gruner + Jahr GmbH.

At 31 December 2019, the deposit of RTL Group GmbH with Bertelsmann SE & Co. KGaA amounted to €27 million (2018: € nil million). The interest income for the period is € nil million (2018: € nil million).

RTL Group (through Fremantle Production North America) has additionally entered into a Treasury Agreement in North America with Bertelsmann Inc. Interest rates are based on US Libor plus 80 basis points / US Libor flat. At 31 December 2019, the balance of the cash pooling accounts receivable and payable amounts to € nil million (2018: €2 million). The interest income/expense for the year is € nil million (2018: € nil million).

### 3.4.3. Other debtors

At 31 December 2019, "Other debtors" consisted of VAT receivable for an amount of €819,529 (2018: €178,807).

On 31 December 2018, "Other debtors" also included a fully impaired loan to Alpha Doriforiki Tileorasi S.A. of €21,397,288 and accrued interest of €1,657,661. As part of the settlement agreement signed with the debtor on 13 March 2019, the Company collected an amount of €7,870,503 of the outstanding loan and wrote off the remaining balance (Note 4.7.).

### 3.5. Own shares

On 3 April 2006, RTL Group acquired 173,300 own shares for an amount of €12,198,587 from Group companies RTL Group Services Belgium S.A. and B. & C.E. S.A. The acquisition cost per share (€70.39) was determined according to the average stock price over the last 6 months preceding the acquisition by RTL Group.

The Company's Annual General Meeting ("AGM") held on 16 April 2014 authorised the Board of Directors to acquire a total number of shares of the Company not exceeding 150,000 in addition to the own shares already held (i.e. 1,168,701 own shares) as of the date of the AGM. This authorisation was valid for five years and the purchase price per share was fixed at a minimum of 90 per cent and a maximum of 110 per cent of the average closing price of the RTL Group share over the last five trading days preceding the acquisition. The General Meeting held on 26 April 2019 renewed the authorisation granted to the Board of Directors to acquire a total number of shares of the company not exceeding 150,000 in addition to the shares already held (i.e. 1,168,701 own shares) as of the date of the General Meeting. This renewal of authorisation is valid for five years.

Following the shareholders' meeting resolution, and in order to foster the liquidity and regular trading of its shares that are listed on the stock market in Brussels and Luxembourg and the stability of the price of its shares, the Company entered on, 28 April 2014, into a liquidity agreement (the "Liquidity Agreement"). During the year ended 31 December 2019, under the Liquidity Agreement, the Liquidity Provider has:

- purchased 29,734 shares at an average price of €48.41; and
- sold 80,229 shares at an average price of €47.70, in the name and on behalf of the Company.

On 13 May 2019 RTL Group decided to delist its shares from the Euronext Brussels Stock Exchange with the consequence that the liquidity programme was stopped. RTL Group keeps its two remaining listings on the Luxembourg and Frankfurt Stock Exchange.

At 31 December 2019, the Company directly held 173,300 (2018: 223,795) own shares and indirectly through a Company's subsidiary 995,401 own shares (2018: 995,401). At 31 December 2019, RTL Group's share price, as listed on the Frankfurt Stock Exchange, was €43.98 per share (31 December 2018: €46.70).

In 2019, the Company recorded a value adjustment on own shares of €441,875 (2018: €3,869,193) (Note 4.7.).

No dividend income is recognised on own shares held by the Company, including shares held under the liquidity agreement. The relevant number of the shares held under the liquidity agreement is determined as of the official date of the dividend payment.

At 31 December, after the end of the liquidity programme, the Company no longer had a deposit with the Liquidity provider (2018: €0.2 million).

### 3.6. Prepayments / Deferred income

At 31 December 2019, the amounts mainly related to the Group's foreign exchange derivatives, assets and liabilities amounting to €75,197,694 (2018: €62,120,414) and €90,412,543 (2018: €66,449,658) respectively (Note 2.3.).

### 3.7. Capital and reserves

The changes in capital and reserves during the year are summarised in the table below:

	Subscribed capital	Share premium account	Legal reserve	Reserve for own shares (Note 3.5.)	Other non available reserves	Profit or loss brought forward	Interim dividends	Profit or loss for the financial year	Total
At 31.12.2018	191 845 074	4 691 802 190	19 184 507	10 451 227	7 071 800	446 023 311	#####	496 254 473	#####
Allocation of 2018 result	-	-	-	-	-	341 698 954	154 555 519	(496 254 473)	-
Dividend distribution	-	-	-	-	-	#####	-	-	(463 595 394)
Profit or loss for the financial year	-	-	-	-	-	-	-	374 073 350	374 073 350
Other movements	-	-	-	(2 829 493)	-	2 829 493	-	-	-
At 31.12.2019	<u>191 845 074</u>	<u>4 691 802 190</u>	<u>19 184 507</u>	<u>7 621 734</u>	<u>7 071 800</u>	<u>326 956 364</u>	-	<u>374 073 350</u>	<u>#####</u>

Changes in capital and reserves can be explained by:

- The profit for the financial year 2019;
- The allocation of the profit for the year ended 31 December 2018 by the Annual General Meeting of shareholders held on 26 April 2019, which decided the allocation of the profit for the financial year 2018 for €341,698,954 to "Profit or loss brought forward" and a dividend of €3 per share, i.e. a total amount of €463,595,394, from "Profit or loss brought forward";
- The allocation from the "Reserve for own shares" to "Profit or loss brought forward" pursuant to article 430.18 of the Law on Commercial Companies of €2,829,493.

#### 3.7.1. Subscribed capital

At 31 December 2019, the subscribed capital amounted to €191,845,074 (2018: €191,845,074) and was represented by 154,742,806 shares (2018: 154,742,806), all fully paid-up and without designation of nominal value. All shares had equal rights and obligations.

The Company has appointed ING Luxembourg as depository for its bearer shares to comply with the law of 28 July 2014 regarding the immobilisation of bearer shares in Luxembourg.

#### 3.7.2. Legal reserve

In accordance with Luxembourg company law, the Company is required to allocate a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the subscribed share capital. The legal reserve is not available for distribution to the shareholders.

### 3.8. Provisions

#### 3.8.1. Provision for pensions and similar obligations

The provisions for pensions at 31 December 2019 represented commitments from the Company towards its own employees and amounted to €14,318,250 (2018: €12,829,760).

### 3.8.2. Other provisions

At 31 December 2019, "Other provisions" mainly related to provisions linked to the restructuring of the Company's activities.

The reorganisation of the Corporate Center, consisting in a resizing and in the transfer of certain corporate functions from Luxembourg to Cologne, resulted in the loss of jobs at RTL Group SA. An agreement was reached with the national unions and the Staff Delegation in November 2019, which specifies the number of staff affected by the reorganisation, and the financial terms of the package granted to employees made redundant as a result of the reorganisation. The total estimated staff restructuring costs to be incurred amount to €10,988,771. Other direct costs attributable to the restructuring, amount to €206,250.

### 3.9. Creditors

#### 3.9.1. Amounts owed to affiliated undertakings

At 31 December 2019, "Amounts owed to affiliated undertakings" consisted of:

- Cash pooling account payable with a number of Group companies in various currencies. At 31 December 2019, the corresponding liability amounted to €2,981,959,781 (2018: €2,132,358,459), of which €2,695,525,914 towards CLT-UFA S.A. (2018: €1,930,513,245), €76,846,531 towards RTL Belgium S.A. (2018: €63,097,355), €53,567,723 towards Fremantle Productions North America Inc. (2018: €3,887,551), €48,206,094 towards RTL Group Beheer B.V. (2018: €34,569,547). Total interest expense during the year 2019 amounted to €600,930 (2018: €518,176) (Note 4.8.);
- Trade creditors with a number of Group companies for €2,311,651 (2018: €3,007,252) without interest and maturity date.

Total interest accrued on the amounts owed to affiliated undertakings at 31 December 2019 amounted to € nil (2018: € nil).

#### 3.9.2. Tax authorities

The Company is subject in Luxembourg to the general tax regulations applicable to all companies. The Company has received final assessments for income tax and net wealth tax up to 2014.

From 1 January 2001, the Company is part of a tax unity including other Luxembourg Group companies. Unused tax losses existing at 31 December 2019, for the tax unity in Luxembourg, amounted to €4,109 million (2018: €4,364 million) out of which €4,102 million (2018: €4,356 million) can be carried forward indefinitely. The remaining €7 million (2018: €8 million) will expire in 2035. In the case of one or several Group companies would have taxable income, these companies will not record income tax charges (towards RTL Group), respectively RTL Group will not record income tax profits (towards the Group companies) as long as the tax unity will benefit from unused tax losses.

#### 3.9.3. Other creditors

At 31 December 2019, "Other creditors" included accounts payable to employees, thereof € nil due after more than one year (2018: €9,470,327).



#### 4. PROFIT AND LOSS ACCOUNT

##### 4.1. Other operating income

In 2019, "Other operating income" included recharges of services and other one-off effects and can be broken down as follows:

	2019	2018
<b>Recharges to Group companies</b>		
Administrative and management services	1 964 358	2 074 137
Other	263 961	472 829
	<b>2 228 319</b>	<b>2 546 966</b>
<b>Other</b>		
Release of accruals	6 391 364	-
Insurance claim refund	4 000 000	-
Miscellaneous	1 063	230 194
	<b>10 392 427</b>	<b>230 194</b>
<b>Total</b>	<b>12 620 746</b>	<b>2 777 160</b>

##### 4.2. Other external expenses

In 2019, "Other external expenses" evolved as follows:

	2019	2018
General expenses	14 887 553	13 457 834
Consulting fees	9 199 615	8 975 185
<b>Total</b>	<b>24 087 168</b>	<b>22 433 019</b>

"General expenses" included fees related to PricewaterhouseCoopers, the Company's auditor regarding continuing operations as follows:

	2019	2018
Audit services pursuant to legislation	498 558	498 558
Non-audit services	248 016	190 471
<b>Total</b>	<b>746 574</b>	<b>689 029</b>

##### 4.3. Staff costs

In 2019, the Company had an average of 112 employees (2018: 113) who were dedicated to corporate functions.

##### 4.4. Other operating expenses

In 2019, "Other operating expenses" mainly related to a waiver of the cash pooling with SpotX Ltd an affiliated undertaking for an amount of €26,327,491 (Note 3.4.1.), attendance fees for Board members (Note 5.3.) and IT licence charges.

#### 4.5. Income from participating interests

During 2019, "Income from participating interests" evolved as follows:

	2019	2018
Gain from sale of FremantleMedia Group Ltd (Note 3.3.1.)	351 761 982	-
CLT-UFA S.A. dividend:		
- Ordinary dividend	59 085 645	59 085 645
- Interim dividend	-	393 904 300
Gain from sale of Clypd Inc. (Note 3.3.3.)	7 319 045	-
Gain on contribution of SpotX Inc. to FremantleMedia Group Ltd	-	96 414 811
<b>Total</b>	<b>418 166 672</b>	<b>549 404 756</b>

#### 4.6. Other interest receivable and similar income derived from affiliated undertakings

In 2019, "Other interest receivable and similar income derived from affiliated undertakings" evolved as follows:

	2019	2018
Interest on loans and advances	3 910 500	3 871 136
Foreign exchange gains, net	3 723 394	4 745 627
Interest on cash pooling arrangements	2 514 645	2 711 983
<b>Total</b>	<b>10 148 539</b>	<b>11 328 746</b>

"Foreign exchange gains, net" consisted of the following:

	2019	2018
Realised foreign exchange gains	276 967 403	305 533 507
Unrealised foreign exchange gains on assets and liabilities and on foreign currency derivatives	41 048 645	13 137 607
	<b>318 016 048</b>	<b>318 671 114</b>
Realised foreign exchange losses	(271 372 068)	(297 883 845)
Unrealised foreign exchange losses on assets and liabilities and on foreign currency derivatives	(42 920 586)	(16 041 642)
	<b>(314 292 654)</b>	<b>(313 925 487)</b>
<b>Total</b>	<b>3 723 394</b>	<b>4 745 627</b>

#### 4.7. Value adjustments in respect of financial assets and of investments held as current assets

In 2019, "Value adjustments in respect of financial assets and of investments held as current assets" evolved as follows:

	2019	2018
Shares in affiliated undertakings (Note 3.3.1.)	21 850 000	-
Own shares (Note 3.5.)	441 875	3 869 193
Amounts owed by affiliated undertakings - loans and advances (Note 3.4.1.)	267 659	(43 241)
Other debtors (Note 3.4.3.)	(7 870 503)	(1 002 712)
Cash pooling accounts receivable (Note 3.4.1.)	(12 967 296)	521 683
Participating interests (Note 3.3.3.)	(16 785 324)	16 785 324
<b>Total</b>	<b>(15 063 589)</b>	<b>20 130 247</b>

#### 4.8. Interest payable and similar expenses

In 2019, "Interest payable and similar expenses" evolved as follows:

	2019	2018
Financial expenses for guarantees	2 149 574	2 203 260
Interest on cash pooling arrangements (Note 3.9.1.)	600 930	518 176
<b>Total</b>	<b>2 750 504</b>	<b>2 721 436</b>

#### 4.9. Other taxes not shown under items 1 to 16

In 2019, "Other taxes not shown under items 1 to 16" related to withholding tax of €84,467 (2018: €63,468) and net wealth tax of €4,815 (2018: €4,310).

### 5. RELATED PARTIES TRANSACTIONS

At 31 December 2019, the principal shareholder of the Company was Bertelsmann Capital Holding GmbH, a company incorporated under German law. Since the public offering made in 2013, Bertelsmann Capital Holding GmbH held 75.4% (2018: 75.1%) of the shares of the Company.

During the year 2019, all significant transactions entered into with related parties have been done at arm's length.

#### 5.1. Transactions with shareholders

In 2019, "Transactions with shareholders" amounted to €1,995,583 (2018: €1,699,133).



## 5.2. Transactions with key management personnel

Transactions with key management personnel can be summarised as follows:

<i>In € million</i>	<b>2019</b>	2018
Short-term benefits	<b>4,1</b>	4.8
Post-employment benefits	<b>2,9</b>	0.3
Long-term benefits	<b>0,5</b>	2.9
<b>Total</b>	<b>7,5</b>	8.0

## 5.3. Directors' fees

In 2019, a total of €1,353,288 (2018: €1,188,370) was allocated in the form of attendance fees to the members of the Board of Directors of RTL Group.

## 6. OFF-BALANCE SHEET COMMITMENTS

### 6.1. Outstanding forward currency contracts

At 31 December 2019, in accordance with the foreign currency management policy described in Note 2.3. RTL Group has entered into foreign currency derivative contracts with banking institutions (external) and with Group companies (internal).

The net foreign currency exposure resulting from the open contracts at year-end can be detailed as follows:

<b>Currency</b>	<b>With banking institutions</b>	<b>With Group companies</b>
AUD	57 627 096	(57 621 424)
CAD	(6 773 251)	6 765 063
CHF	(36 694 447)	36 691 608
CZK	9 175 870	(9 175 870)
DKK	(271 438)	259 791
GBP	22 883 251	(22 955 694)
HKD	259 114	(259 114)
HUF	(9 969 732 720)	9 969 928 166
PLN	(1 360 979)	1 352 981
RON	(1 159 481)	1 164 148
SEK	(2 334 568)	2 293 494
SGD	298 981	(294 137)
USD	525 776 316	(525 664 382)
ZAR	(287 305)	265 014

In the table, the positive amounts correspond to a sale of the related currency (short position) and the negative amounts correspond to a purchase of the related currency (long position).

## 6.2. Guarantees and other similar commitments

The Company has given guarantees and other similar commitments to third parties and to Group companies as detailed below:

	<b>2019</b>	2018
Guarantees and other similar commitments to third parties	<b>275 203 867</b>	269 458 080
Licence agreements to third parties	<b>123 164 444</b>	186 260 959
Long-term commitments to third parties	<b>40 000 000</b>	40 000 000
Other commitments to Group companies	<b>3 681 243</b>	4 329 344

Certain UK companies in the FremantleMedia Group have elected to make use of the audit exemption for non-dormant subsidiaries under section 479A and 479C of the Companies Act 2006. In order to fulfil the conditions set out in the regulations, the Company has given a statutory guarantee of all outstanding liabilities to which the subsidiaries are subject at 31 December 2019 year end.

The Company has issued a letter of support to RTL Hrvatska d.o.o., an affiliated undertaking, confirming that the Company is able and willing to continue to provide financial support to enable the affiliate to continue in operation for at least twelve months.

The Company also declared itself joint and several liable for debts arising from the legal transactions entered into by 9 Dutch entities in which it indirectly holds the majority of shares in the issued share capital.

## 7. SUBSEQUENT EVENTS

On 19 December 2019, Divimove GmbH signed a purchase agreement to acquire 100 per cent of the share capital of Tube One Networks GmbH ("Tube One"). The company, based in Cologne, is an agency specialising in social media and influencer marketing. On 21 January 2020, the transaction has been approved by the Austrian and German antitrust authorities, and subsequently consummated. The purchase consideration is subject to adjustments based on the net cash and normalised working capital. The transaction qualifies as a business combination since RTL Group gained control of Tube One.

At 31 December 2019, the management of Fremantle were in the process of negotiating the disposal of one of its North American production companies in which Fremantle has a 75 per cent controlling stake, 495 Productions Holdings LLC and affiliates ("495"). On 13 February 2020, Fremantle sold back all its shares to the minority shareholder of 495.

On 17 January 2020, RTL Nederland BV has exercised its option for acquiring the remaining 25 per cent of the share capital of Themakanalen BV.

The exercise of the call option related to Naked Television Ltd has been accelerated and Fremantle bought the remaining 75 per cent on 19 February 2020.

Mediengruppe RTL Deutschland's TV broadcasters and TVNOW plan to acquire the media rights on an exclusive basis for the UEFA Europe League and UEFA European Conference League for the period 2021 – 2024 for the German territory.

## MANAGEMENT RESPONSIBILITY STATEMENT

We, Thomas Rabe, Chief Executive Officer, Elmar Heggen, Chief Operating Officer and Deputy Chief Executive Officer and Björn Bauer, Chief Financial Officer, confirm, to the best of our knowledge, that these 2019 annual accounts which have been prepared in accordance with the Luxembourg amended law dated 19 December 2002, give a true and fair view of the assets, liabilities, financial position and profit or loss of RTL Group and that the Directors' report includes a fair review of the development and performance of the business and the position of RTL Group, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 12 March 2020

Thomas Rabe  
Chief Executive Officer

Elmar Heggen  
Chief Operating Officer  
Deputy Chief Executive Officer

Björn Bauer  
Chief Financial Officer

