

management reporting are monitored centrally and verified by external experts as required. Specific system-embedded controls support the consolidation process, including the reconciliation of intercompany transactions.

IT General Controls (ITGCs) are regularly assessed by external experts or Internal Audit. Control objectives are defined for all RTL Group central applications and interfaces (the referenced applications) and their related IT infrastructure. The description of the control environment and the effectiveness of these controls are subject to an annual ISAE 3402 (Type 2) third-party assurance report. The Group's consolidation scope is constantly updated, both at the level of financial interests captured in the consolidation system, and at the level of legal information through a dedicated legal scope system.

### **Analytics and reporting**

All internal and external local and consolidated financial reporting is systematically reviewed by local finance staff or by finance teams within the Corporate Centre. Typical analyses include comparisons with previous years, budget and forecast, financial and operational KPIs, flows of key captions on the income statement, statement of the financial position, changes in equity, and cash flow statement. The finance teams of the Corporate Centre and business units are also integrated into the internal management reporting. Internal and external reporting are reconciled during the segment reconciliation process.

Regular communication between RTL Group's operations and the Corporate Centre's finance departments ensures any issue that could affect the Group's financial reporting is immediately flagged and resolved. Both the Group as a whole and the individual business units are in continuous contact with subsidiaries to ensure IFRS-compliant accounting and compliance with reporting deadlines and obligations.

Full-year and half-year reporting to the financial market is reviewed by the Audit Committee and approved by the Board of Directors. Q1 and Q3 quarterly statements are approved by the Audit Committee upon delegation by the Board of Directors.

### **Transparency**

RTL Group's policy on the reporting of significant compliance incidents requires business units to immediately report fraud or other significant compliance incidents to the Group. Identified control weaknesses that could affect the reliability of financial reporting – by external auditors or Internal Audit – are brought to the attention of management and the Audit Committee, and are part of a follow-up process.

Each year, the business units self-assess the maturity level of their local internal controls over financial reporting. Results of this self-assessment are reviewed by the Risk Management team and reported to the Audit Committee. At each meeting, the Audit Committee is updated on the key accounting, tax and legal issues within the Group.

The Corporate Centre continually promotes the importance of sound internal controls – not only over financial reporting, but also for operational processes – through dedicated workshops with RTL Group's business units, and the work of the Internal Audit department.

Like the risk management system, each ICS cannot guarantee with absolute certainty that significant misinformation in the accounting process can be prevented or identified.

## **Risk management**

RTL Group defines its risk management as a continuous process at both business unit and Group level to prevent, protect, mitigate and leverage risks when executing RTL Group's strategy. RTL Group's risk management system aligns with international risk management standards (such as the COSO framework).

RTL Group's risk management process is designed to meet the following objectives:

- **Embedded culture:** promote and embed a common risk management culture in the daily work of all RTL Group employees.
- **Consistent policy:** develop consistent risk policies on key matters, to be tailored and implemented at business unit level with consideration for local challenges and environment.
- **Harmonised response:** ensure harmonised risk management prevention, detection and mitigation measures across RTL Group and its business units against key risks, as well as a continuous related monitoring and improvement programme.

RTL Group's robust risk management processes are designed to ensure that risks are identified, monitored and controlled, and its risk management system is based on a specific policy and a clear set of procedures. Policies and procedures are reviewed on a regular basis by the Internal Audit department and/or external consulting companies. Risk management and risk reporting are coordinated by the Head of Enterprise Risk Management (ERM).

Risk matrix	Type of risk	Description and areas of impact	Mitigation activities
	<b>External and market risks</b>		
	Change in market environment	Digitisation continues to reshape the TV and advertising markets, leading to intensified competition for audience attention and content acquisitions, increased fragmentation driven by streaming services, and a continued shift of advertising budgets from linear TV towards streaming services. These developments may adversely affect audience reach, advertising revenues and the economics of content across the Group.	RTL Group mitigates this risk by investing in local content and intellectual property, accelerating the transformation from linear broadcasting to streaming, securing advertising sales representation for streaming services through RTL AdAlliance, and maintaining strong content distribution partnerships. Premium addressable TV products and diversified distribution partners further support audience reach and competitiveness.
	Cyclical development of economy	RTL Group's performance remains closely correlated with economic cycles due to the strong link between macroeconomic conditions and advertising markets. Ongoing volatility, inflationary pressures and uneven regional economic developments reduce visibility and increase revenue uncertainty.	The Group continuously monitors market conditions, performs scenario planning and applies strict cost control measures. Further mitigation is achieved through revenue diversification, including non-advertising activities and geographic diversification supported by Fremantle.
	Legal	RTL Group is exposed to changes in local and European regulations, including advertising restrictions, data protection requirements, licensing frameworks and intellectual property rules, which may impact business models, costs or revenue streams.	The Group actively monitors regulatory developments, engages early with relevant stakeholders and authorities, and works closely with legal experts to anticipate changes. Alternative and complementary revenue streams are developed where appropriate to limit regulatory dependency.
	<b>Risks in key business</b>		
	Strategic decisions	Strategic decisions regarding investments, portfolio management and business transformation may negatively affect revenues or lead to impairments. In addition, the rapid development of artificial intelligence raises strategic and legal considerations related to copyright authorship, ownership, infringement risks and the misuse of digital replicas.	These risks are mitigated through disciplined investment policies, defined approval processes and regular strategic reviews. Legal and risk expertise is embedded in decision-making, particularly for AI-related topics, to balance innovation with the protection of intellectual property and long-term value creation.
	Audience share and advertising market share performance	Increased competition from global streaming services and digital platforms may negatively impact RTL Group's audience and advertising market shares, including pressure on subscriber growth for direct-to-consumer streaming services.	RTL Group continuously monitors audience behaviour and adjusts programme investments accordingly. Mitigation measures include the development of exclusive formats, optimisation of audience flow, targeted marketing initiatives and continued investment in own-produced content. Fremantle's international strategy and diversified development pipeline further enhance adaptability.
	Customers	The loss of key customers, increasing customer concentration, changes in purchasing behaviour or customer insolvencies could adversely affect revenues and cash flows.	The Group applies systematic credit assessments, regularly reviews credit risk policies and, where appropriate, uses insurance solutions. Customer diversification and close customer relationships supported by tailored advertising and content solutions remain key mitigating factors.
	Suppliers	Strong competition for high-quality content, production capacity and talent may result in increased costs or dependency on key suppliers, particularly in production and technology-related activities.	RTL Group mitigates supplier risk through diversification of supply sources, selective in-house production, benchmarking of purchasing conditions and the establishment of long-term strategic partnerships with key suppliers.
	Inventories	There is a risk that content inventories may become obsolete or underperform, potentially leading to impairments or write-offs.	Strict commercial policies, disciplined investment approval processes and close monitoring of inventory levels, quality and exploitation plans are applied across the Group.
	Pricing/discounting	Competitive pressure at broadcaster, digital and production levels may lead to price erosion and margin pressure across several markets.	This risk is mitigated through differentiated market positioning, tailored customer proposals via alliances and sales houses, disciplined cost management and regular margin reviews.
	IT infrastructure	Potential vulnerabilities in IT systems and infrastructure could disrupt operations or impact data integrity and content distribution.	RTL Group entities operate under Group-wide IT policies, with continuous monitoring and updating of systems, improved compliance levels and strengthened IT governance.
	<b>Financial risks</b>		
	Foreign exchange exposure	RTL Group is exposed to foreign exchange volatility, in particular for USD-denominated programme and content costs, which may affect operating margins.	Foreign exchange risk is managed centrally by Group Treasury through hedging instruments and, where applicable, the application of hedge accounting principles.
	Interest rate risk	An increase in interest rates could lead to higher funding costs and negatively impact financing expenses.	Interest rate risk is mitigated through a financing structure combining term loans with staggered maturities in 2026 to 2028 and a revolving credit facility, ensuring balanced fixed and floating rate profile interest rates.

**Watchlist**

The RTL Group risk watchlist comprises unquantifiable risks requiring heightened management attention.

Management closely monitors the deployment of artificial intelligence, given its significant opportunities and associated risks.

The planned acquisition of Sky (DACH) remains under close monitoring in relation to regulatory, operational and financial execution risks.

Changes in the tax environment and their potential impact are also carefully monitored.

Finally, the ongoing transformation of support functions through new systems and operating models continues to receive close management attention.

**Risk management organisation**

The risk management organisation is the combination of structures and relationships (see diagram on the following page), which enables a proper risk governance environment.

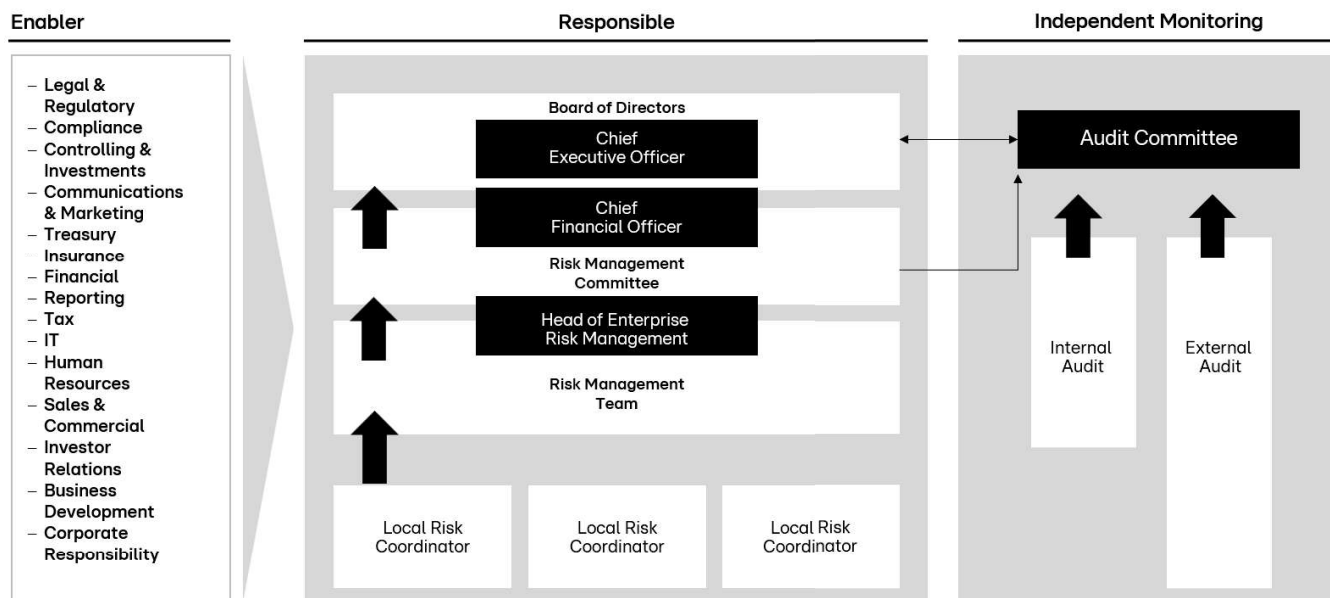
RTL Group's risk management governance model has a strong vertical component – from the Board of Directors and Executive Committee to the Audit and Risk Management Committees, to the executive responsible (CEO, CFO and Head of ERM), down to all levels of the dedicated risk management functions, including local entities.

This backbone is enabled by related control functions carried out by Group Risk Management and Internal Control, the Legal and Regulatory, Compliance, Business Development, Controlling and Investments, Communications and Investor Relations, including Corporate Responsibility, Treasury, Insurance, Group Financial Reporting, Tax, IT, Human Resources, and Sales and Commercial departments. Independent monitoring is also carried out by Internal Audit and External Audit.

The Board of Directors is responsible for ensuring RTL Group maintains a sound system of internal controls, including financial, operational and compliance risks.

The Risk Management Committee meets twice a year and is composed of the following permanent members:

- RTL Group Chief Financial Officer
- RTL Group Senior Vice President Internal Audit
- RTL Group Senior Vice President Compliance
- RTL Group Senior Vice President Treasury and Enterprise Risk Management
- RTL Group Senior Vice President Controlling and Investments
- RTL Group General Counsel
- RTL Group Senior Vice President Group IT
- RTL Group Senior Vice President Financial Reporting
- RTL Group EVP Communications & Investor Relations, Chairman Corporate Responsibility
- Media Assurances' Chief Executive Officer
- Additional guests may be invited to participate in Risk Management Committee meetings as subject matter experts, based on the topics to be addressed



Risk management organisation

**Risk reporting framework**

A risk is defined as a potential future development or event that can negatively affect the achievement of the Group’s strategic, operational, reporting-related and compliance-related objectives.

RTL Group has developed a framework for reporting risks, in line with good corporate practice, which is based on several key principles:

- **Comprehensive scope of risk assessment:** risks are assessed within a framework of defined key risk categories. Regular risk assessments include a description of the risk, an indication of the potential financial impact, and steps taken to mitigate the risk. These steps are performed throughout RTL Group, consolidated by the Head of Enterprise Risk Management and ultimately summarised in a dedicated risk management report. Results are presented to the Audit Committee. In line with CSRD requirements, ESG-related risks are disclosed in the sustainability report, with material risks from the double materiality assessment integrated into the Group’s risk universe in 2025. The assessment remains separate due to its distinct methodology.
- **Regular and consistent reporting:** RTL Group’s system of internal controls ensures that risks are addressed, reported and mitigated when they arise. All significant risks are comprehensively assessed within the risk-reporting framework and reported to RTL Group management twice a year. This ensures that necessary actions are undertaken to manage, mitigate or offset risks within the Group. The risks are reported using a common reporting tool to ensure consistency in scope and approach.
- **Bottom-up approach:** RTL Group assesses risks where they arise in its operations. All business units assess themselves according to the three parts of the risk management report:
  - Risk management system: risk assessment and quantification of residual risks if applicable
  - Internal control system: self-assessment on internal controls in place
  - Information security management system: risk assessment and quantification of IT-related risks
- **Consolidated Group matrix:** Group Risk Management and the Internal Control team aggregate a comprehensive view of significant risks for the Group by consolidating local risk assessments.

The Risk Management Committee evaluates and reviews this consolidated Group risk matrix and:

- advises on the control and reporting process for any major risks, and recommends mitigation strategies to the Group CFO
- monitors follow-up of risks and ensures mitigation measures have been taken
- increases risk awareness within the Group
- identifies potential optimisation opportunities in processes

The following risks and their classifications were reported in 2025:

## Risk classification

Priority	Type of risk	Risk classification (potential financial loss in three-year period)				
		Low (<€50million)	Moderate (<€100 million)	Significant (<€250 million)	Considerable (<€500 million)	Endangering (>€500 million)
1	Changes in market environment					
2	Audience and market share					
3	Cyclical development of economy					
4	Customer risks					
5	Legal risks					
6	Pricing/discounting					
7	Supplier risks					
8	Risks without cash impact					
9	IT and infrastructure					
10	Strategic risks					

- **Audit approach:** both the process of local risk assessments and the consolidated Group risk matrices are regularly reviewed by Internal Audit and communicated to External Audit.

### Internal control framework

Internal controls are policies and procedures implemented by an organisation to ensure their financial and sustainability reports are reliable, their operations are efficient, and their activities are compliant with applicable laws and regulations. The internal control system at RTL Group is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations, and the optimal use of the Group’s resources
- Integrity and reliability of financial and operational information
- Reliability of financial reporting
- Proper identification, assessment, mitigation and reporting of material risks
- Compliance with applicable laws, regulations, standards and contracts.

All internal controls are assessed once a year by all Group entities, locally in one reporting tool, evaluated and aggregated by Group Risk Management and the Internal Control team and presented to the Risk Management Committee together with the risks.

The backbone for internal controls is a Minimum Control Policy that is reviewed at least once a year.

In 2025, the Group continues to raise awareness of risk management and internal controls, and to harmonise processes, user management and policies as part of the SAP S/4Hana project.

### Risk management in the future

RTL Group’s risk management framework is constantly challenged – at both operational and Group level – through the Risk Management Committee, to ensure it reflects the risk profile of the Group at any time.

To ensure RTL Group's enterprise risk management and internal control processes – along with reporting standards – are consistently applied throughout the organisation, RTL Group holds regular workshops to educate staff, raise awareness about more complex fraud schemes, and introduce new tools for assessing risk.

### General management statement on risk evaluation

RTL Group is committed to high-risk management standards and applies principles endorsed by local and European regulations and expected by market authorities. Consequently, RTL Group has developed a risk management system that is integrated into an enterprise-wide process, as outlined in the previous section.

RTL Group defines its risk management process as a continuous process at business unit and Group level to prevent, protect, mitigate and leverage risks considering the execution of the Group's strategic objectives and values. RTL Group's risk management strategy is a holistic and enterprise-wide process, aligned with the definition and execution of the Group's strategy. RTL Group may have to make strategic decisions involving a new set of risks or reassessment of existing risks that need to be addressed within the risk management framework.

As of the date of this report, management considers the Group's overall risk position to be stable, notwithstanding ongoing macroeconomic volatility. However, profound structural shifts within the industry, fuelled by new technologies, increasing competition from US platforms and changes in advertising markets, are expected to continue to impact the Group.

There are currently no risks that, individually or in combination with other risks, could have a material or lasting adverse effect on the revenue, earnings, financial position or performance of RTL Group over the projection period of three years.

## Opportunity management

### Opportunity-management system

An efficient opportunity-management system enables RTL Group to secure its success in the long term, and to exploit its potential in the best possible way. Opportunities are defined as future developments or events that could result in a positive change from either the Group's outlook or from strategic objectives. RTL Group's risk management system (RMS) is an important part of the company's business processes and decisions. Significant opportunities are identified from profit-centre-level upward, during the Group's annual strategy and planning process.

This largely decentralised system is coordinated by central departments to identify opportunities for cooperation across the Group and within the business units. Experience is shared within divisions, and this collaborative approach is reinforced by regular senior management meetings.

### Opportunities

RTL Group sees strategic, financial and regulatory opportunities, driven by stronger-than-expected performance in streaming and advertising technology, rising content demand and a more favourable macro-economic environment that could support higher advertising growth. Additional upside may come from programme successes, regulatory changes affecting areas such as TV advertising and potential consolidation steps that support RTL Group's strategy to build national cross-media champions and strengthen its competitiveness against global tech platforms.

RTL Group continues to evolve its business models, redesign operational processes and deepen collaboration across content, streaming, advertising, tech and data and social media.

Rapid advancement of artificial intelligence (AI) – combined with RTL Group's accelerated adoption of new technology – creates significant efficiency opportunities, including cost savings in content production, commissioning and overheads. Further potential lies in higher user engagement and improved streaming monetisation through greater personalisation and optimised marketing and sales workflows.