

RTL Group SA
Société Anonyme

Annual accounts
for the year ended 31 December 2022

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Directors' report

I. OVERVIEW

RTL Group SA (the "Company") is the direct and indirect parent company of several hundreds of consolidated affiliated undertakings (together referred to as "RTL Group" or "the Group"). It also indirectly holds investments in joint ventures and undertakings with which the Company is linked by virtue of participating interests.

The Group mainly operates television channels, streaming services and radio stations in Europe and, via Fremantle, produces television content, from talent and game shows to drama, daily soaps, telenovelas, films and documentaries.

The Company exercises key corporate functions for the Group, including the definition of the Group's strategy, capital allocation, financing and management. In addition, the Company houses within the Corporate Center certain service functions for individual business units.

The development of RTL Group SA as a standalone company therefore is essentially determined by the business success of the Group taken as a whole because the Group's development eventually drives the amounts received from affiliated undertakings as dividends. Therefore, the description of key developments of the Group is important for the understanding of development of RTL Group SA's business on a standalone basis.

Key developments of the Group and in the business units

Group revenue increased 8.8 per cent to €7,224 million (2021: €6,637 million), mainly thanks to strong growth of Fremantle, RTL Deutschland (from the acquisitions of Gruner + Jahr in 2022 and Super RTL in 2021) and RTL Nederland. Group revenue was up 1.6 per cent organically¹ compared to 2021, driven by Fremantle and RTL Nederland.

Adjusted EBITA¹ was down by 6.0 per cent to €1,083 million (2021: €1,152 million), due to RTL Deutschland (with higher streaming start-up losses and lower TV advertising revenue), the scope exit of RTL Belgium, and Groupe M6. These effects were partly offset by record adjusted EBITA contributions from RTL Nederland and Fremantle. The adjusted EBITA margin¹ decreased to 15.0 per cent (2021: 17.4 per cent) as streaming start-up losses¹ increased to €233 million (2021: €166 million).

Group profit was €766 million (2021: €1,454 million). 2021 was positively impacted by capital gains of €717 million from the sale of SpotX.

The main developments in 2022 for key business units were as follows:

- In the reporting period, the German net TV advertising market was estimated to be down between 8.0 and 9.0 per cent with RTL Deutschland performing in line with the market. Total revenue of RTL Deutschland was up 14.1 per cent to €2,766 million (2021: €2,425 million), driven by the acquisitions of Gruner + Jahr in 2022 and Super RTL in 2021, as well as the German streaming service RTL+, partly offset by lower TV advertising revenue. Adjusted EBITA was down 15.2 per cent to €459 million (2021: €541 million), mainly due to higher streaming start-up losses and lower TV advertising revenue.

In 2022, the combined average audience share of RTL Deutschland in the target group of viewers aged 14 to 59 was 26.8 per cent (2021: 26.3 per cent), including the pay-TV channels RTL Crime, RTL Living, RTL Passion and Geo Television. The German RTL family of channels increased its lead over its main commercial competitor, ProSiebenSat1, to 4.5 percentage points (audience share 2022: 22.3 per cent, lead up 1.0 percentage point compared to the previous year).

With its portfolio of eight free-TV channels, four pay-TV channels and the streaming service RTL+, RTL Deutschland reached 27.9 million viewers every day in 2022 (2021: 29.2 million viewers).

With an audience share of 9.1 per cent (up 0.1 percentage points) in the target group of viewers aged 14 to 59 in 2022 (2021: 9.0 per cent), the German main channel RTL was the leading commercial channel, ahead of Sat1 (6.5 per cent), Vox (6.2 per cent) and ProSieben (5.8 per cent), but behind the public channels ZDF (9.3 per cent) and Das Erste (9.1 per cent).

¹ As defined in the Directors' report of the Group

- In 2022, the French net TV advertising market was estimated to be down 2 per cent compared to 2021, with Groupe M6 underperforming in the market. Groupe M6's total revenue was slightly down by 2.4 per cent to €1,357 million (2021: €1,390 million). The decrease in revenue was mainly due to the decrease in advertising revenue, partly offset by the growth of non-advertising revenue. Accordingly, Groupe M6's Adjusted EBITA was down 7.6 per cent to €304 million (2021: €329 million).

The audience share of the Groupe M6 family of free-to-air channels in the commercial target group (women under 50 responsible for purchases) reached 22.3 per cent (2021: 22.8 per cent). The total audience share was 13.5 per cent (2021: 14.3 per cent). On average, 23.0 million viewers watched Groupe M6's free-to-air channels every day in 2022 (2021: 25.1 million).

- Revenue at RTL Group's content business, Fremantle, was up by 21.9 per cent to €2,347 million in 2022 (2021: €1,926 million), thanks to scope effects from acquisitions in 2021 and 2022, organic growth¹ (up 7.8 per cent) and positive foreign exchange rate effects. Accordingly, adjusted EBITA was up 14.9 per cent to €162 million (2021: €141 million).
- In 2022, the Dutch net TV advertising market was estimated to be up by 8.7 per cent. RTL Nederland's total revenue increased by 10.6 per cent to €636 million (2021: €575 million), mainly due to significantly higher TV advertising revenue. This resulted in an adjusted EBITA of €161 million, up 50.5 per cent year on year (2021: €107 million).

In 2022, RTL Nederland's family of channels grew its combined primetime audience share in the target group of viewers aged 25 to 54 to 34.7 per cent (2021: 34.2 per cent), thanks to a strong audience performance of the main channel RTL 4. As a result, RTL Nederland increased its lead over the public broadcaster – which broadcast the Winter Olympics and the Fifa Football World Cup – to 5.5 percentage points (audience share 2022: 29.2 per cent) and remained ahead of its main commercial competitor, Talpa TV (audience share 2022: 19.8 per cent).

Key developments of the Company

The profit of the Company for the year 2022 amounted to €105 million (2021: €71 million).

The main reason for this increase is an improvement in the financial result of €45 million which more than offset the increase in operation losses of €12 million. Tax expenses decreased by €1 million.

The financial result mainly increased thanks to higher dividends (up €41 million). Net interest income and positive net foreign exchange rate effects contributed a further €4 million.

The operating result was adversely impacted by higher value adjustments (up €16 million), primarily on cash pool accounts receivable from affiliated undertakings, which were only partly compensated by lower other operating expenses and staff costs as well as higher other operating income, all of which had a combined positive effect of €4 million.

As in prior years, the Company did not have any branches during 2022.

Consistently with the past, the Company has centralised financing and treasury functions of the Group through central foreign currency risk management and cash pooling arrangements with Group subsidiaries.

¹ As defined in the Directors' report of the Group

II. SUMMARY INCOME STATEMENT

<i>In € million</i>	2022	2021
Operating income ⁽¹⁾	9	7
Operating expenses ⁽²⁾	(29)	(15)
Operating result	(20)	(8)
Financial income ⁽³⁾	226	136
Financial expenses ⁽⁴⁾	(101)	(56)
Financial result	125	80
Taxes	-	(1)
Profit for the financial year	105	71

⁽¹⁾ Operating income mainly relates to the recharge of costs and services as well as reversals of operating provisions

⁽²⁾ Operating expenses mainly include net value adjustments of €11 million (2021: favourable impact of value adjustments of €5 million), staff costs of €6 million (2021: €7 million), general expenses of €5 million (2021: €5 million) and consulting fees of €5 million (2021: €5 million). In 2021, they also included non-deductible VAT of €2 million

⁽³⁾ Financial income includes dividends of €101 million (2021: €60 million), foreign exchange gains of €91 million (2021: €54 million) and interest income of €34 million (2021: €22 million)

⁽⁴⁾ Financial expenses include foreign exchange losses of €88 million (2021: €54 million) and interest charges of €13 million (2021: €2 million)

III. RESEARCH AND DEVELOPMENT

The Company did not carry out any conventional research and development.

The media sector has a similar imperative to create innovative media content and media-related products and services in a rapidly changing environment. This means that instead of conventional research and development activities, management views the Company's own creative power and technical expertise as particularly important for business development. The long-term success of the Group depends heavily on product innovations, investing in growth businesses and making use of integrating new technologies.

Innovation at RTL Group focuses on three core topics: continuously developing new, high-quality TV formats; using all digital distribution channels; and better monetisation of the Group's audience reach using personalisation, recommendations and the addressing of target groups.

In 2022, RTL Group started the expansion of RTL+ into a cross-media entertainment service, comprising video, music, podcasts and audio, which is a unique selling proposition in the German-speaking market. The service's innovative recommendation algorithm, based on intelligent text, audio and video analysis, ensures that users are offered personalised content suggestions across all media types.

RTL Group's special creative unit, Format Creation Group (FC Group), continuously develops new non-scripted formats exclusively for RTL broadcasters and their streaming services. The unit aims to fulfil the growing demand for exclusive content by developing innovative formats and intellectual property, fully owned and controlled by RTL Group. In June 2022, M6 in France launched the successful FC Group format *Who can beat us?* – a general knowledge game pitting 100 candidates against six of the channel's experts on their favourite topic.

Another innovative focus point is addressable TV advertising, which combines the broad reach of linear TV with targeted digital advertising. RTL Group continuously develops its advertising technologies or acquires the necessary technology in this area. In May 2022, RTL Group's European ad-tech business Smartclip fully acquired the French ad-tech company Realytics, which systematically analyses the impact of TV advertising on advertiser websites and ensures data availability for digital ad decisioning. In December 2022, Smartclip and Ad Alliance launched addressable targeting complements for linear TV advertising with the new TV Add Ons. With this technology, dynamically tailored advertising banners can be integrated into existing TV spots and spot motifs can be completely exchanged – contact class-optimised, socio-demographically targeted or location-based.

The Group's advertising sales houses continue to introduce innovative and award-winning advertising formats. In Germany, Ad Alliance started a pilot project to introduce programmatic print advertising, allowing advertisers and agencies to book print advertising according to digital principles. In France, the advertising sales house M6 Publicité introduced 6Scan, a new augmented reality (AR) advertising format. The technology enables viewers of Groupe M6 TV channels to project the featured product in AR by scanning a QR code displayed on the screen. Potential buyers can see the product take shape in their current location – for example, a sofa would be projected directly into their living room.

IV. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND INTERNAL CONTROLS

The Group's activities expose it to a variety of financial risks: market risks including foreign exchange risks and interest rate risk, credit risk and liquidity risk. The Group is exposed in particular to risks from the movement in foreign exchange rates as it engages in long-term purchase contracts for programme rights (output deals) denominated in foreign currency.

The Company uses financial instruments to optimise cash flow, net income and net worth for and on behalf of its affiliated undertakings as described in Note 2.3 to the annual accounts and in the corresponding sections of the consolidated financial statements of the Group.

The consolidated financial statements of the Group also provide details of the Group's financial risk management objectives and policies, including its policy for hedging major types of forecasted transactions for which hedge accounting is used as well as its exposure to price risk, credit risk, liquidity risk and cash flow risk. These objectives and policies also apply to the Company.

Details of Group's internal control and risk management systems in relation to the financial reporting process, which also apply to the Company, can be found in the Director's report of the Group.

V. SHARES

The Company has an issued share capital of €191,845,074 (2021: €191,845,074) divided into 154,742,806 (2021: 154,742,806) fully paid-up shares with no nominal value. All shares have equal rights and obligations.

The Company is listed on the Frankfurt and Luxembourg Stock Exchanges. At 31 December 2022, the Company's share price, as listed on the Frankfurt Stock Exchange, was €39.44 per share (2021: €46.62).

The Company did not hold own shares neither directly nor indirectly.

VI. SIGNIFICANT LITIGATIONS

The Company is party to legal proceedings in the normal course of its business, both as defendant and claimant. Most of these claims involve complex issues and the probability of loss and an estimation of damages are difficult to ascertain. A provision is recognised when the risk of a loss becomes likely and when it is possible to make a reasonable estimate of the expected financial effect of a proceeding. The publication of this information on a case-by-case basis, however, would seriously prejudice the Company's position in the ongoing legal proceedings or in any related settlement discussions. No significant litigations are currently ongoing.

In addition, the Group is also party to legal proceedings in the normal course of business, both as defendant and claimant. Details of the main legal proceedings to which the Group is a party are disclosed in the consolidated financial statements.

VII. 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.

The comprehensive explanations on Corporate Governance can be also found in the Directors' Report of the Group and on the Company's website. 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.

VIII. SUBSEQUENT EVENTS

There have been no subsequent events for the Company.

Subsequent events relating to the Group are disclosed in the consolidated financial statements.

IX. PROFIT APPROPRIATION

The annual accounts of RTL Group show a profit for the financial year 2022 of €104,596,391 (2021: €70,963,534). Taking into account the share premium account of €4,167,138,981 (2021: €4,691,802,190) and the profit brought forward of €70,963,534 (2021: €249,050,821), the amount available for distribution is €4,342,698,906 (2021: €5,011,816,545).

X. PRINCIPAL RISKS, UNCERTAINTIES AND OUTLOOK

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



XI. 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 SA has issued one class of shares which is admitted to trading on the Frankfurt Stock Exchange, and the Luxembourg Stock Exchange. No other securities have been issued. The issued share capital as at 31 December 2022 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 SA shares are freely transferable but shall be subject to the provisions of the applicable German 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 SA and its subsidiaries.

c) Major shareholding

The shareholding structure of RTL Group SA as at 31 December 2022 is as follows: Bertelsmann Capital Holding GmbH held 76.28 per cent, 23.72 per cent were publicly traded.

d) Special control rights

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

e) Control system in employee share scheme

RTL Group SA'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 SA 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 SA 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 SA'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 'Investor Relations' Corporate Governance Section on <https://company.rtl.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 SA. It may take all acts of administration and of disposal in the interest of RTL Group SA. 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 'Investor Relations' Corporate Governance Section on <https://company.rtl.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. 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 SA 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 SA is party and which take effect, alter or terminate upon a change of control of RTL Group SA 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.

15 March 2023

The Board of Directors



Board of Directors

Non-Executive Directors

Martin Taylor¹⁾, Chairman of the Board and Chairman of Nomination and Compensation Committee

Guillaume de Posch

Pernille Erenbjerg ¹⁾, Chair of the Audit Committee since 28 April 2022

Thomas Götz

Rolf Hellermann

Immanuel Hermreck

Jean-Louis Schiltz¹⁾, Vice-Chairman of the Board of Directors since 28 April 2022

James Singh¹⁾, Vice-Chairman of the Board of Directors and Chairman of Audit Committee until 27 April 2022

Lauren Zalaznick¹⁾

Bettina Wulf

Executive Directors

Thomas Rabe (Chief Executive Officer)

Elmar Heggen (Deputy Chief Executive Officer & Chief Operating Officer)

¹⁾ Independent director

Balance sheet at 31 December 2022

ASSETS	Notes	2022 €	2021 €
C. Fixed assets		7,430,094,920	7,326,945,456
I. Intangible assets	3.1.	-	-
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		-	-
II. Tangible assets	3.2.	2,178	3,133
2. Plant and machinery		2,178	3,133
III. Financial assets	3.3.	7,430,092,742	7,326,942,323
1. Shares in affiliated undertakings	3.3.1.	5,504,066,504	5,504,646,504
2. Loans to affiliated undertakings	3.3.2.	1,924,642,607	1,820,912,188
5. Investments held as fixed assets	3.3.3.	1,383,631	1,383,631
D. Current assets		474,519,948	502,174,737
II. Debtors	3.4.	463,902,092	488,127,512
1. Trade debtors			
a) becoming due and payable within one year		265,074	27,519
2. Amounts owed by affiliated undertakings			
a) becoming due and payable within one year	3.4.1.	359,773,163	426,591,550
4. Other debtors	3.4.2.		
a) becoming due and payable within one year		75,841,900	47,989,889
b) becoming due and payable after more than one year		28,021,955	13,518,554
IV. Cash at bank and in hand		10,617,856	14,047,225
E. Prepayments		29,210	34,180
TOTAL (ASSETS)		<u>7,904,644,078</u>	<u>7,829,154,373</u>

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

Balance sheet at 31 December 2022

	Notes	2022 €	2021 €
CAPITAL, RESERVES AND LIABILITIES			
A. Capital and reserves	3.5.	4,560,800,287	5,229,917,926
I. Subscribed capital	3.5.1.	191,845,074	191,845,074
II. Share premium account		4,167,138,981	4,691,802,190
IV. Reserves			
1. Legal reserve	3.5.2.	19,184,507	19,184,507
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		70,963,534	249,050,821
VI. Profit or loss for the financial year		104,596,391	70,963,534
B. Provisions	3.6.	18,866,893	18,343,348
1. Provision for pensions and similar obligations	3.6.1	16,842,140	16,119,543
3. Other provisions	3.6.2	2,024,753	2,223,805
C. Creditors	3.7.	3,324,976,898	2,580,893,099
2. Amounts owed to credit institutions			
a) becoming due and payable within one year		3,152	-
4. Trade creditors			
a) becoming due and payable within one year		799,959	1,489,283
6. Amounts owed to affiliated undertakings			
a) becoming due and payable within one year	3.7.1	3,195,060,302	2,520,516,262
8. Other creditors			
a) Tax authorities	3.7.2	1,132,789	1,293,249
b) Social security authorities		133,433	156,623
c) Other creditors	3.7.3		
i) becoming due and payable within one year		99,050,191	43,880,829
ii) becoming due and payable after more than one year		28,797,072	13,556,853
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		7,904,644,078	7,829,154,373

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

Profit and loss account for the year ended 31 December 2022

	Notes	2022 €	2021 €	
4.	Other operating income	4.1.	8,683,170	7,186,632
5.	Raw materials and consumables and other external expenses		(10,039,179)	(9,634,302)
a)	Raw materials and consumables		(30,915)	(28,663)
b)	Other external expenses	4.2.	(10,008,264)	(9,605,639)
6.	Staff costs	4.3.	(6,322,651)	(7,065,854)
a)	Wages and salaries		(5,209,209)	(6,103,627)
b)	Social security costs		(271,469)	(331,002)
i)	relating to pensions		(151,894)	(198,958)
ii)	other social security costs		(119,575)	(132,044)
c)	Other staff costs		(841,973)	(631,225)
7.	Value adjustments		(11,225,945)	5,109,631
a)	in respect of formation expenses and of tangible and intangible fixed assets	3.1./ 3.2.	(955)	(688)
b)	in respect of current assets	4.4.	(11,224,990)	5,110,319
8.	Other operating expenses	4.5.	(1,416,720)	(3,540,999)
9.	Income from participating interests	4.6.	98,476,075	59,085,645
a)	derived from affiliated undertakings		98,476,075	59,085,645
10.	Income from other investments and loans forming part of the fixed assets		23,603,616	16,149,704
a)	derived from affiliated undertakings	3.3.2.	21,136,767	15,149,704
b)	other income not included under a)	3.3.3.	2,466,849	1,000,000
11.	Other interest receivable and similar income		103,448,125	60,714,506
a)	derived from affiliated undertakings	4.7.	39,224,728	46,643,367
b)	other interest and similar income	4.8.	64,223,397	14,071,139
13	Value adjustments in respect of financial assets and of investments held as current assets	3.3.1.	226,476	-
14.	Interest payable and similar expenses		(100,507,484)	(56,399,014)
a)	concerning affiliated undertakings	4.9.	(81,787,753)	(29,012,024)
b)	other interest and similar expenses	4.10.	(18,719,731)	(27,386,990)
15.	Tax on profit or loss		(324,277)	(56,630)
16.	Profit or loss after taxation		104,601,206	71,549,319
17.	Other taxes not shown under items 1 to 16	4.11.	(4,815)	(585,785)
18.	Profit or loss for the financial year		104,596,391	70,963,534

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

1. GENERAL

RTL Group SA (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. At 31 December 2022, the Company's share price, as listed on the Frankfurt Stock Exchange, was €39.44 per share (2021: €46.62).

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 which represents the smallest and largest entity of which the Company is a subsidiary. 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 and following the going concern principle. 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 as described in Note 2.3.

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 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 assets 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 "Other creditors" or "Other debtors", 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 and 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 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. 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 and included in "Amounts owed to credit institutions".

2.9. 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: Broadcasting Center Europe SA, Broadcasting Center Europe International SA, CLT-UFA SA, Data Center Europe Sarl, IP Luxembourg Sarl, Luxradio Sarl, Media Assurances SA, Media Properties Sarl, Media Real Estate SA, RTL AdConnect International SA, RTL Group Holding Sarl and RTL Media Support SA. 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 ESTR (Euro short-term rate) 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 from +0.50% to +1.00% on debit margin);
- The European cash pooling comprises the following Group companies: Bedrock SAS, BLU A/S (Denmark), Deutsche Medien-Manufaktur GmbH & Co. KG (Germany), Freecaster BVBA (Belgium), FremantleMedia Belgium NV (Belgium), FremantleMedia España SA (Spain), FremantleMedia Finland OY (Finland), FremantleMedia Italia SpA (Italy), FremantleMedia Italy Group SRL (Italy), FremantleMedia Norge AS (Norway), FremantleMedia Polska SP Z.O.O. (Poland), FremantleMedia Portugal SA (Portugal), FremantleMedia Sverige AB (Sweden), Miso Film ApS (Denmark), Miso Film Norge AS (Norway), Miso Film Sverige AB (Sweden), Magyar RTL Televisio Zrt (Hungary), Nice Entertainment Group OY (Finland), RTL Group Beheer BV (the Netherlands), RTL France Holding SAS (France), RTL Austria GmbH (Austria), RTL Group GmbH (Germany), RTL Nederland Holding BV (the Netherlands), RTL Services Kft (Hungary), Smartclip Nordics AB (Sweden), Strong Productions A/S (Denmark), This Is Nice Studios Holding AB (Sweden), This Is Nice Studios Norway AS (Norway), we are era AB (Sweden), we are era Filial Danmark (Denmark) and we are era GmbH (Germany). The interest rate of the cash pooling is based on ESTR for Euro or equivalent base rate for non-Euro cash pooling, adjusted for a margin reflecting the specific risks attached to the Group's companies;

- The non-European cash pooling comprises the following Group companies: Abot Hameiri Communications Ltd (Israel), Dancing Ledge Productions Limited (United Kingdom), Eureka Productions Pty Ltd (Australia), FremantleMedia Asia Pte Ltd (Singapore), FremantleMedia Australia PTY Ltd (Australia), FremantleMedia Canada NO.2 Inc (Canada), FremantleMedia Group Ltd (United Kingdom), Fremantle Periodic (Holdings) Ltd (United Kingdom), Fremantle Productions North America Inc (United States of America), RTL AdConnect UK LTD (United Kingdom), RTL AdConnect Inc (United States of America), RTL US Holdings Inc (United States of America), Silvio Productions Ltd (Israel) and Yospace Technologies Ltd (United Kingdom). 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.

2.10. Prepayments

The Company reports under this caption expenditure incurred during the financial year but relating to a subsequent financial year.

2.11. 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 Pensions-Sicherungs-Verien Versicherungsverein auf Gegenseitigkeit (PSVaG) insolvency reinsurance.

2.12. Creditors

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

3. BALANCE SHEET

3.1. Intangible assets

At 31 December 2022, "Intangible assets" mainly consisted of licences which are recorded and amortised according to the policies described in Note 2.4.

In 2022, "Intangible assets" consisted of:

Acquisition cost at 31.12.2021	9,472,248
Acquisition cost at 31.12.2022	9,472,248
Accumulated value adjustments at 31.12.2021	(9,472,248)
Accumulated value adjustments at 31.12.2022	(9,472,248)
Net book value at 31.12.2021	-
Net book value at 31.12.2022	-

3.2. Tangible assets

In 2022, "Tangible assets" consisted of:

	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Acquisition cost at 31.12.2021	8,506	268,414	276,920
Disposal	-	(252,667)	(252,667)
Acquisition cost at 31.12.2022	8,506	15,747	24,253
Accumulated value adjustments at 31.12.2021	(5,373)	(268,414)	(273,787)
Depreciation charges for the year	(955)	-	(955)
Disposal	-	252,667	252,667
Accumulated value adjustments at 31.12.2022	(6,328)	(15,747)	(22,075)
Net book value at 31.12.2021	3,133	-	3,133
Net book value at 31.12.2022	2,178	-	2,178

3.3. Financial assets

Shares

In 2022, "Shares" evolved as follows:

	Shares in affiliated undertakings	Investments held as fixed assets
Acquisition cost at 31.12.2021	5,510,362,504	1,383,631
Capital variation	(806,476)	-
Acquisition cost at 31.12.2022	5,509,556,028	1,383,631
Accumulated value adjustments at 31.12.2021	(5,716,000)	-
Reversal of value adjustments for the year	226,476	-
Accumulated value adjustments at 31.12.2022	(5,489,524)	-
Net book value at 31.12.2021	5,504,646,504	1,383,631
Net book value at 31.12.2022	5,504,066,504	1,383,631

On 5 October 2022, Fremantle Productions Asia Ltd, a dormant undertaking, returned €806,476 of its capital to the Company in preparation for its liquidation. As a result, the Company reversed €226,476 of the value adjustment it had previously recorded on its investment in Fremantle Productions Asia Ltd.

3.3.1. Shares in affiliated undertakings

Details of shares

Name of the company	Legal form	Country	Activity	Direct % held	Acquisition cost	Accumulated value adjustments	Net	Equity at 2021 year-end (last period closed)	⁽¹⁾ Result for 2021 (last period closed)
Shares in affiliated undertakings									
CLT-UFA	SA	Luxembourg	Holding/TV/Radio	99.7	5,504,066,504	-	5,504,066,504	4,894,902,382	686,887,214
Grundy International Operations	Ltd	Antigua and Barbuda	Holding	100	5,116,000	(5,116,000)	-	75,478 ⁽²⁾	- ⁽²⁾
Fremantle Productions Asia	Ltd	Hong Kong	Production	100	373,524	(373,524)	-	- ⁽²⁾	588 ⁽²⁾
					5,509,556,028	(5,489,524)	5,504,066,504		

⁽¹⁾ Except unless otherwise stated, amounts on a 100% basis before dividend distribution, if any, and converted at 2022 closing rate, if required

⁽²⁾ Amounts according to unaudited IFRS accounts for 2022 converted at 2022 closing rate

The Board of Directors considered the valuation of the shares and concluded that no further valuation adjustment was required.

3.3.2. Loans to affiliated undertakings

In 2022, "Loans to affiliated undertakings" evolved as follows:

Gross amount at 31.12.2021	1,820,912,188
Additions	102,575,553
Interest income	21,136,767
Reimbursements	(17,805,124)
Foreign exchange effects	(2,176,777)
Gross amount at 31.12.2022	1,924,642,607
Accumulated value adjustments at 31.12.2021	-
Accumulated value adjustments at 31.12.2022	-
Net book value at 31.12.2021	1,820,912,188
Net book value at 31.12.2022	1,924,642,607

At 31 December 2022, "Loans to affiliated undertakings" consisted of the following:

- Loan of €1,695,000,000 originally granted to RTL Group GmbH in two tranches of €1,100,000,000 on 25 September 2019 and €595,000,000 on 31 December 2019, bearing interest at a rate of 2.01% and with maturity date of 25 September 2024. The interest accrued on the loan at 31 December 2022 amounted to €4,258,687 (2021: €1,800,938);
- Loan of €124,105,391 granted to CLT-UFA Germany GmbH on 30 June 2021, bearing interest at a rate of 3.05% and with maturity date of 30 June 2026. The interest accrued on the loan at 31 December 2022 amounted to €21,043 (2021: €5,861);
- Loan to FremantleMedia Limited of €90,198,776 (GBP 80,000,000) granted on 26 October 2022, bearing interest at a rate of 4.25% and with a maturity date of 26 October 2027. The interest accrued on the loan at 31 December 2022 amounted to €704,237 (2021: € nil);
- Loan to RTL France Holding SAS of €10,200,000 granted on 29 April 2022, bearing interest at a rate of 2.57% and with a maturity date of 29 April 2027. The interest accrued on the loan at 31 December 2022 amounted to €154,473 (2021: € nil).

In 2022, total interest income amounted to €21,136,767 (2021: €15,149,704).

The Board of Directors considered the valuation of the loans and concluded that no valuation adjustment was required.

3.3.3. Investments held as fixed assets

At 31 December 2022, "Investments held as fixed assets" related to a 10 per cent stake held in Bertelsmann Business Support Sarl. A 25-year shareholders agreement has been concluded between Bertelsmann SE & Co KGaA and RTL Group SA. 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 Sarl, if any, would have otherwise been incurred by the Company, will be paid to RTL Group SA 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 2022, total dividends of €2,466,849 (2021: €1,000,000), including the fourth minimum dividend of €1 million were recognised following the approval of the annual accounts 2021 of Bertelsmann Business Support Sarl.

Name of the company	Legal form	Country	Activity	Direct % held	Acquisition cost	Accumulated value adjustments	Net	Equity at 2021 year-end (last period closed)	⁽¹⁾ Result for 2021 (last period closed)	
Investments held as fixed assets										
Bertelsman Business Support	Sarl	Luxembourg	Financing, provision of services	10	1,383,631	-	1,383,631	2,398,061,648	26,914,267	
						1,383,631	-	1,383,631		

⁽¹⁾ Except unless otherwise stated, amounts on a 100% basis before dividend distribution, if any

3.4. Debtors

3.4.1. Amounts owed by affiliated undertakings - RTL Group companies

At 31 December 2022, amounts owed by RTL Group companies consisted of:

- Cash pooling with a number of Group companies in multiple currencies for €382,360,768 (2021: €427,873,173) less a value adjustment of €25,875,663 (2021: €5,940,451), bearing interest at an adjusted ESTR / SONIA / SOFR rate as described in Note 2.9. and without maturity date. Total interest income during the year 2022 amounted to €8,944,680 (2021: €2,236,987) (Note 4.7.);
- Loan of IDR 6,000,000,000 (€363,201) (2021: €371,849) granted to PT Dunia Visitama Produksi on 23 August 2022 in two tranches of IDR 3,000,000,000 each, bearing interest at 7.70% and 7.90% respectively and both with maturity date 23 February 2023. The interest accrued on the loan at 31 December 2022 amounted to IDR 45,320,548 (€2,743) (2021: €4,058);
- Trade accounts receivable with a number of group companies for €2,922,114 (2021: €1,553,240) without interest and maturity date.

In 2022, the Company recorded net value adjustments on "Amounts owed by affiliated undertakings" of €11,224,990 (2021: net release of €5,110,319).

Refer to Note 4.7. for details on "Other interest receivable and similar income derived from affiliated undertakings".

3.4.2. Other debtors

At 31 December 2022, "Other debtors" mainly related to the Group's foreign exchange derivative assets of €98,328,346 (2021: €59,601,775), thereof €46,561,869 contracted with affiliated undertakings (2021: €30,577,939). Out of the total amount, €28,021,955 (2021: 13,518,554) were due after more than one year, thereof €14,640,788 contracted with affiliated undertakings (2021: €5,128,558).

They also included VAT receivable of €5,535,094 (2021: €1,906,272).

3.5. 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	Other non available reserves	Profit or loss brought forward	Profit or loss for the financial year	Total
At 31.12.2021	191,845,074	4,691,802,190	19,184,507	7,071,800	249,050,821	70,963,534	5,229,917,926
Allocation of 2021 result	-	-	-	-	70,963,534	(70,963,534)	-
Profit or loss for the financial year	-	-	-	-	-	104,596,391	104,596,391
Dividend distribution	-	(524,663,209)	-	-	(249,050,821)	-	(773,714,030)
At 31.12.2022	<u>191,845,074</u>	<u>4,167,138,981</u>	<u>19,184,507</u>	<u>7,071,800</u>	<u>70,963,534</u>	<u>104,596,391</u>	<u>4,560,800,287</u>

Changes in capital and reserves can be explained by:

- The profit for the financial year 2022;
- The allocation of the profit for the year ended 31 December 2021 by the Annual General Meeting of shareholders held on 27 April 2022, which decided the allocation of the profit for the financial year 2021 of €70,963,534 to "Profit or loss brought forward" and the payment of a dividend of €5 per share (total amount of €773,714,030).

3.5.1. Subscribed capital

At 31 December 2022, the subscribed capital amounted to €191,845,074 (2021: €191,845,074) and was represented by 154,742,806 shares (2021: 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.

3.5.2. 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.

3.6. Provisions

3.6.1. Provision for pensions and similar obligations

The provisions for pensions at 31 December 2022 represented commitments from the Company towards current and former employees and amounted to €16,842,140 (2021: €16,119,543).

3.6.2. Other provisions

At 31 December 2022 and 2021, "Other provisions" mainly related to provisions linked to the restructuring of the Company's activities.

The provision for reconstructing had been set up in 2019 for the reorganisation of the Corporate Center in Luxembourg.

3.7. Creditors

3.7.1. Amounts owed to affiliated undertakings

At 31 December 2022, "Amounts owed to affiliated undertakings" consisted of:

- Cash pooling account payable with a number of Group companies in various currencies. At 31 December 2022, the corresponding liability amounted to €3,193,001,700 (2021: €2,518,093,841), of which €1,630,600,100 towards CLT-UFA SA (2021: €852,836,035), €894,059,889 towards RTL Group GmbH (2021: €1,166,035,003), €274,138,813 towards RTL Group Beheer BV (2021: €108,362,711) and €131,760,976 towards RTL NL Holding BV (2021: €166,133,946). Total interest expense during the year 2022 amounted to €10,254,759 (2021: €298,184) (Note 4.9.);
- Trade creditors with a number of Group companies for €2,058,602 (2021: €2,159,993) without interest and maturity date.

No interest was accrued on the amounts owed to affiliated undertakings at 31 December 2022 (2021: nil).

3.7.2. Tax authorities

The Company is subject in Luxembourg to the general tax regulations applicable to all companies. The Company has received final assessments up to 2018 for corporate income tax and up to 2019 for net wealth tax.

From 1 January 2001, the Company is part of a tax unity including other Luxembourg Group companies. Unused tax losses existing at 31 December 2022, for the tax unity in Luxembourg, amounted to €4,043 million (2021: €4,050 million) out of which €4,036 million (2021: €4,083 million) can be carried forward indefinitely. The remaining €7 million (2021: €7 million) will expire in 2035. In the case where one or several Group companies would have taxable income, these companies would not record income tax charges (towards RTL Group), respectively RTL Group would not record income tax profits (towards the Group companies) as long as the tax unity would benefit from unused tax losses.

3.7.3. Other creditors

At 31 December 2022, "Other creditors" mainly related to the Group's foreign exchange derivative liabilities of €124,317,698 (2021: €54,315,955), thereof €67,864,707 contracted with affiliated undertakings (2021: €37,376,296). Out of the total amount, €28,797,072 (2021: €12,623,710) were due after more than one year, thereof €15,315,248 contracted with affiliated undertakings (2021: €8,117,855).

They also included accounts payable to employees of €3,276,836 (2021: €2,538,047), thereof €3,276,836 (2021: €1,604,904) due within one year

4. PROFIT AND LOSS ACCOUNT

4.1. Other operating income

In 2022, "Other operating income" included recharges of services and other one-off effects and can be broken down as follows:

	2022	2021
Recharges to Group companies		
Administrative and management services	5,793,059	4,879,569
Other	-	-
	5,793,059	4,879,569
Other		
Miscellaneous	2,890,111	2,307,063
	2,890,111	2,307,063
Total	8,683,170	7,186,632

4.2. Other external expenses

In 2022, "Other external expenses" consisted of:

	2022	2021
Consulting fees	5,277,074	4,703,145
General expenses	4,731,190	4,902,494
Total	10,008,264	9,605,639

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

	2022	2021
Audit services pursuant to legislation	312,290	360,290
Other services	242,500	407,963
Total	554,790	768,253

4.3. Staff costs

In 2022, the Company had an average of 13 employees (2021: 13) who were dedicated to corporate functions.

4.4. Value adjustments in respect of current assets

In 2022, "Value adjustments in respect of current assets" related to net value adjustments on cash pooling accounts receivable and short-term loans to affiliated undertakings (2021: net reversal of value adjustments).

4.5. Other operating expenses

In 2022, "Other operating expenses" mainly related to attendance fees for Board members of €1,306,411 (2021: €1,349,342) and IT licence charges of €42,544 (2021: €483,767).

In 2021, they also included non-deductible VAT of €1,606,142.

4.6. Income from participating interests

During 2022, "Income from participating interests" evolved as follows:

	2022	2021
CLT-UFA SA dividend	98,476,075	59,085,645
Total	98,476,075	59,085,645

4.7. Other interest receivable and similar income derived from affiliated undertakings

In 2022, "Other interest receivable and similar income derived from affiliated undertakings" consisted of:

	2022	2021
Foreign exchange gains, net	26,736,485	40,187,940
Interest on loans and advances	3,543,563	4,218,440
Interest on cash pooling arrangements	8,944,680	2,236,987
Total	39,224,728	46,643,367

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

	2022	2021
Realised net foreign exchange gains	5,021,024	16,177,732
Unrealised net foreign exchange gains	66,981	1,901,793
Realised net foreign exchange gains on foreign currency derivatives	20,884,810	8,372,464
Unrealised net foreign exchange gains on foreign currency derivatives	763,670	13,735,951
Total	26,736,485	40,187,940

4.8. Other interest and similar income

In 2022, "Other interest and similar" income mainly related to net foreign exchange gains which consisted of the following:

	2022	2021
Foreign exchange gains, net	64,223,397	14,071,139
Total	64,223,397	14,071,139

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

	2022	2021
Realised net foreign exchange gains	13,819,114	2,250,065
Unrealised net foreign exchange gains	12,652	-
Realised net foreign exchange gains on foreign currency derivatives	50,391,631	11,821,074
Total	64,223,397	14,071,139

4.9. Interest payable and similar expenses concerning affiliated undertakings

In 2022, "Interest payable and similar expenses concerning affiliated undertakings" consisted of:

	2022	2021
Foreign exchange losses, net	71,532,994	28,713,840
Interest on cash pooling arrangements	10,254,759	298,184
Total	81,787,753	29,012,024

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

	2022	2021
Realised net foreign exchange losses	21,632,603	1,712,902
Unrealised net foreign exchange losses	2,323,462	343
Realised net foreign exchange losses on foreign currency derivatives	32,330,365	5,502,101
Unrealised net foreign exchange losses on foreign currency derivatives	15,246,564	21,498,494
Total	71,532,994	28,713,840

4.10. Other interest and similar expenses

In 2022, "Other interest payable and similar expenses" consisted of:

	2022	2021
Foreign exchange losses, net	16,792,278	25,353,956
Financial expenses for guarantees	1,927,453	2,033,034
Total	18,719,731	27,386,990

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

	2022	2021
Unrealised net foreign exchange losses on foreign currency derivatives	16,792,278	-
Realised net foreign exchange losses on foreign currency derivatives	-	23,461,198
Unrealised net foreign exchange losses	-	1,892,758
Total	16,792,278	25,353,956

4.11. Other taxes not shown under items 1 to 16

In 2022, "Other taxes not shown under items 1 to 16" related to net wealth tax of €4,815 (2021: €585,785).

5. RELATED PARTIES TRANSACTIONS

At 31 December 2022, the principal shareholder of the Company was Bertelsmann Capital Holding GmbH, a company incorporated under German law. Bertelsmann Capital Holding GmbH held 76.28 per cent (2021: 76.28 per cent of the shares of the Company).

RTL Group and its subsidiaries are also subject to other related parties transactions with its main shareholder notably in the context of the deposits with Bertelsmann SE & Co. KGaA and the loans from Bertelsmann SE & Co. KGaA and Bertelsmann Business Support Sarl to RTL Group subsidiaries. These transactions are described in the Group's Financial Statements.

During the year 2022, all transactions entered into with related parties have been done at arm's length.

5.1. Transactions with shareholders

In 2022, "Transactions with shareholders" amounted to €611,470 (2021: €583,260).

Both in 2022 and 2021, they primarily related to recharges from the shareholder to the Company for corporate functions and IT licences sourced centrally.

5.2. Transactions with key management personnel

Transactions with key management personnel can be summarised as follows:

<i>In € million</i>	2022	2021
Short-term benefits	1.5	2.0
Long-term benefits	0.4	0.4
Total	1.9	2.4

5.3. Directors' fees

In 2022, a total of €1,306,410 (2021: €1,349,342) 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 2022, 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:

Currency	With banking institutions	With Group companies
AUD	4,103,523	(4,129,746)
CAD	(31,963,984)	31,962,179
CHF	(41,670,529)	41,665,629
DKK	19,909	(46,391)
GBP	(2,328,886)	1,295,017
HUF	(5,525,962,485)	5,104,702,395
IDR	(6,000,000,000)	-
JPY	(46,400,000)	46,400,000
NOK	216,132	(226,123)
PLN	27,967	(65,945)
MXN	(66,000)	-
SEK	2,374,250	(2,426,224)
SGD	3,773,350	(3,770,250)
USD	341,558,445	(342,855,284)
ZAR	(7,874,633)	7,840,674

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:

	2022	2021
Guarantees and other similar commitments to third parties	359,888,822	373,523,352
Other commitments to Group companies	1,263,943	1,388,079

The Company has issued letters of support to 10 affiliated undertakings domiciled in Australia, Luxembourg, the Netherlands, Norway, Singapore and the United Kingdom, confirming that the Company is able and willing to continue to provide financial support.

7. SUBSEQUENT EVENTS

There have been no subsequent events for the Company.

Subsequent events relating to the Group are disclosed in the consolidated financial statements.

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 2022 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, 15 March 2023

Thomas Rabe
Chief Executive Officer

Elmar Heggen
Chief Operating Officer
Deputy Chief Executive Officer

Björn Bauer
Chief Financial Officer



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To the Shareholders of
RTL Group S.A.
43, boulevard Pierre Frieden
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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of RTL Group S.A. (the "Company"), which comprise the balance sheet as at 31 December 2022, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2022 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.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 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 N° 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 are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for 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, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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.



Valuation of shares in affiliated undertakings and recoverability of loans to affiliated undertakings.

a) *Why the matter was considered to be one of most significant in our audit of the annual accounts of the current period*

Refer to Note 2.6, Note 3.3.1. and Note 3.3.2. to the annual accounts.

Investments in shares and loans to affiliated undertakings (financial fixed assets) amount to EUR 7,429 million or approximately 94% of the total assets of the Company at year-end.

The most significant investment is the holding of 99.7% in CLT-UFA S.A. (carrying amount of EUR 5,504 million) and the most significant loan being with RTL Group GmbH (carrying amount of EUR 1,699 million, including accrued interests), representing separately 70% and 21% and in total 91% of the total assets of the Company at year-end.

Management performs 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.

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.

b) *How the matter was addressed during the audit*

Our procedures over the impairment of financial fixed assets include, but are not limited to:

- Gaining an understanding of the 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 fixed assets).
- Assessing the Company's ability to reliably determine the recoverable amount of its financial fixed assets, notably the method for determining the future discounted cash flows.
- Assessing key assumptions used by the Management in the impairment tests by reference to the budgets approved by the Board of Directors, data external to RTL Group, our understanding as well as to the historical data and performance.
- Involving valuation specialists to test discount rates retained by Management.

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 management report and the Corporate Governance Statement but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" 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 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 this fact. We have nothing to report in this regard.

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.

The Board of Directors is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

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.

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 a report of the "réviseur d'entreprises agréé" 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 N° 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.

Our responsibility is to assess whether the annual accounts have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 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 skepticism 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 report of the "réviseur d'entreprises agréé" 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 report of the "réviseur d'entreprises agréé". 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the Shareholders on 27 April 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is three years.

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 <https://company.rtl.com/en/investor-relations/corporate-governance>, 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 with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

We have checked the compliance of the annual accounts of the Group as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to:

- Annual accounts prepared in a valid xHTML format.

In our opinion, the annual accounts of RTL Group S.A. as at 31 December 2022, identified as RTLGroupSA_AFR_2022_EN.xhtml, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the annual accounts of RTL Group S.A. as at 31 December 2022, identified as RTLGroupSA_AFR_2022_EN.xhtml, prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.

Luxembourg, 15 March 2023

KPMG Audit S.à r.l.
Cabinet de révision agréé

Jean-Manuel Sérís